Innovation, Inequality and Inclusive Development: Research Priorities to Inform Policy

Govindan Parayil
Vice Rector, UNU & Director, UNU-IAS

OECD-DST Conference
Innovation for Inclusive Development
Cape Town, South Africa, 21 November 2012
Global Shift in Scientific & Economic Dynamism

- UNESCO Science Report 2010: The Current Status of Science Around the World shows a global shift in scientific dynamism towards the South
- Spurred by substantial investments in STI over the past two decades, several developing countries have gained unprecedented economic growth
- Graduated to middle-income status (trap)
- Despite stellar economic growth and lifting hundreds of millions into the middle class, three-fourth of world’s poor live in middle income countries
- Shining islands of prosperity surrounded by a sea of poverty (multi-dimensional).
STI and Inequality

• STI policies in general obsessed with growth and wealth creation, catching up to join the rich club…
• Inequality is taken as an unfortunate but required cost to be paid for economic take off and growth….  
• Innovation studies program failed to anticipate and propose corrective policies to prevent the growing income and wealth gap  
• Is it fair to blame innovation theories for this outcome?  
• Is it purely a matter of distributional justice & policies?  
• Innovation studies need fresh ideas and perspectives beyond what economics can offer to settle this issue.
Innovation for Inclusive Development

• Is STI-led inequality a necessary step of economic transformation? Lewis (dual-sector) and Kuznets (inverted U-curve) will always be with us?

• Is it the case that the very nature of informal sector actors, their interactions with dominant actors, if any, and their learning processes are dramatically different from those in the formal sector?

• Systematically studying innovative activities in the informal and BOP settings is extremely important to learn how to transform these so-called marginal innovations into sustainable innovations.

• However, is transforming informal sector into formal sector the right thing to do for sustainability transition?
Innovation for Inclusive Development

- Trans-disciplinary research needed to bring innovation studies and development studies together to make innovation to be inclusive and sustainable.
- Development studies, especially, Sen’s capability approach, is a crucial analytical tool for IID.
- Innovation framework must focus on the capability enhancement and empowerment of agents: how assets (personal, material and social resources) and innovation can enable them to lead lives in dignity.
- Innovation for inclusive development policies should depend on the principle that development is freedom.
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• Re-conceptualizing innovation as more than an instrumental (income generating) activity – innovation must be for empowering marginalized populations.
• There is knowledge gap on explaining and measuring what comprises (in)formal sector innovations (new theories, methodologies and metrics);
• We need to improve our understanding of the dynamics of knowledge flows and systemic learning;
• Converting knowledge to value is more than just its commercial value, it is at the very heart of development, which is improving the quality of life (innovation must tackle multi-dimensional poverty).
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• Two different ways an innovation was seen (theory, method and metrics): The case of mobile phone adoption by fishermen in Kerala

• Jensen’s 2007 article in the *Quarterly Journal of Economics* (fishermen’s income increased by avoiding auctions on shore) – Jensen saw this innovation as a zero-sum game of individualistic gain and orientation

• Sreekumar’s 2011 article in *The Information Society* saw this innovation not only income enhancing, but empowering and building cooperation and solidarity.
Innovation for Inclusive Development

• Is the ultimate objective of STI policy for IID to catch up and join the ranks of the so-called formal economy?
• Is it the normative position of innovation studies to see systemic learning and capability building of the informal sector enhanced for catch up?
• Why not convergence whereby the formal and informal sectors transform innovation and learn to transition to sustainable innovations?
• Are we not missing a great opportunity for guiding innovation in emerging and developing nations into a truly sustainable path?
STI and Late Modernity
What is the right metaphor?
Open-Source STI (Science, Technology and Innovation) for South-South Cooperation
Thank you!