Introduction

Innovation and information and communication technologies (ICTs) are central to economic growth as well as to help address social challenges. The Digital Revolution, including the emergence of Internet and the fundamental transformations brought about by digital social networks, has accelerated innovation, raised productivity, and irreversibly transformed the nature of jobs, the role cities play as nodes in the global economy and economies more generally.

Those changes and the innovation policies adopted in response have been most frequently assessed in terms of their impact on aggregate income growth. However, their impacts are unlikely to be “neutral” as they might affect individuals and groups in society to different extents (“social inclusiveness”). All individuals and businesses are not on an equal footing regarding innovation capacities and access to the corresponding benefits (“industrial inclusiveness”). Moreover, policies aimed at promoting innovation affect the geographic dimensions of industrial and social inequalities and underpin inequalities between urban and rural areas (“territorial inclusiveness”). Therefore, it is important to consider the social, industrial and territorial implications of innovation policies as well.

ICTs promise to democratize innovation, i.e. expand the circle of individuals and firms who successfully engage in innovation. Innovation policies that can effectively support this process include policies that strengthen the skills base needed for innovation, and encourage inclusive innovations i.e. innovative goods and services that improve welfare of lower-income groups. A variety of ICT-based applications have, for instance, brought fundamental changes to disadvantaged groups including also certain rural communities in emerging and developing countries.

In response to the policy challenges many governments face regarding inclusive growth, the OECD Initiative on Inclusive Growth, which builds on the OECD’s work on growth, inequality and well-being, aims to inform policy making by identifying policy trade-offs and synergies for inclusive growth. With regards to innovation, the Innovation for Inclusive Growth project seeks to provide evidence on the impacts of innovation and related policies on inclusive growth and develop concrete policy solutions to support countries in reconciling innovation and inclusive development agendas. Outcomes from the Symposium will feed into the final project publication which will be launched in January 2015.

Summary

The objective of the Symposium was to identify key policy principles to discuss the critical challenges that need to be addressed for innovation to support inclusive growth. It gathered over 60 experts and policy makers from more than 18 advanced, emerging and developing economies. Key issues addressed included the following:

1. What are the impacts of innovation and innovation policy on industrial, social and territorial inclusiveness?

2. How can inclusive innovation initiatives be expanded to improve welfare and facilitate the democratisation of innovation?

3. What are key implications for policy? What can be done to support the successful implementation of novel approaches to policy to effectively support inclusive growth?

This document summarises some of the responses provided by different speakers and participants.
SETTING THE AGENDA

*Dominique Guellec (link to the presentation)*

**Innovation is critical when it comes to inclusive growth:** “Pro-poor” innovation can strengthen inclusiveness by increasing access to products and services and also, importantly, by improving the participation of the poor in the innovation process. Information and communication technologies have improved opportunities for delivering innovative services to excluded populations supporting “pro-poor” innovation.

**Innovation and its policies also have impacts on the distribution of income.** Trade-offs between traditional innovation policies and industrial inclusiveness arise where innovation strategies are based on developing “excellence”. By contrast, efforts aimed at “democratising innovation” complement efforts aimed at greater industrial inclusiveness. This will also have impacts on social inclusiveness. It is important to understand better the variety of channels how innovation affects inclusive growth and identify policy priorities.

SESSION ONE: INNOVATION AND INCLUSIVE GROWTH

*Manuel Trajtenberg – General Purpose Technologies and Inclusive Growth: The Case of ICTs*

Growth does not consist in more of the same thing, but rather is a process that involves “creative destruction”. This is particularly the case for general purpose technologies (GPTs). GPTs, and ICTs are the latest among them, are critical drivers of growth. It is also important to understand how they affect inclusiveness.

Two factors are critical for innovation to serve more equitable societies: i) democratising innovation i.e. the “who is engaged in innovation” and ii) spreading the benefits of innovation more widely.

ICTs have supported favourable developments along both dimensions: Laptops, for example, reduced the costs of entry by eliminating capital and skill requirements for innovative entrepreneurs in various sectors such as software. ICTs have also led to relatively widespread benefits to innovation (partly due to a new business model where the end-user is not charged as revenue is generated from advertisements on web links users select). Another example is mobile telephony, which has been a means to overcoming the lack of infrastructure in developing countries and rural areas in particular.

There are, however, also reverse impacts of ICTs. For instance, ICTs have fostered market concentration: companies such as Apple and Facebook illustrate this point. In fact, it might be argued that such concentration is the natural outcome of the way GPTs operate: they initially lead to widespread experimentation offering opportunities for many. Subsequently, market concentration results around those business models which were most successful. The network dimensions of ICTs further foster concentration with potentially negative effects on inclusive growth.

Growth and inclusiveness cannot be dealt with separately as the direct benefits different groups in society reap from growth will determine “inclusion”. Ex post redistribution will have limited impacts.
Luiz de Mello – Overview of the OECD Inclusive Growth Initiative

In OECD countries, income inequalities have increased over the past decade. For instance, between 1976 and 2007, 47% of all income generated in the United States benefitted the top 10%. Similar though somewhat less pronounced trends can be observed in most OECD countries. Other dimensions than income are, however, also critical to assess inclusive growth. The OECD’s work on wellbeing focuses on dimensions of health, jobs, work-life balance, education which are topical for inclusiveness.

The OECD also focuses on the role of inclusiveness as part of the pro-growth agenda. The analysis of the link between GDP per capita and household income has been deepened to obtain a more accurate image of the effects on different groups. Various OECD publications tackle these questions.

Poh Kam Wong - Innovation and Inclusive Growth in Emerging Economies (Link to the presentation)

To create a more inclusive innovation system, developing countries must strengthen the capabilities of local firms. Removing barriers to innovation and creating platforms can, by involving smaller firms, lead to an effective “democratisation of innovation”. It is also important to develop suitable innovation trajectories which need to be different in developing country contexts. Developing countries may benefit in spite of being behind the technology frontier if they manage to adopt a path-breaking strategy that would look for disruptive innovations “within” the frontier. Incentivising local firms to find creative approaches to using technology to solve problems (e.g. as done with M-Pesa) is more promising than concentrating on replicating what has already been done.

Another source of untapped opportunities for local companies consists in developing products for untapped “bottom-of-the-pyramid” (BOP) markets. Local companies have better knowledge about local needs than foreign competitors. Therefore, supporting new forms of financing entrepreneurship aimed at serving these markets can serve both the “democratisation of innovation” (by supporting local firm development) and inclusive development (by providing innovative products to excluded groups).

Comments from the Audience

Innovation is much wider than the scope of traditional R&D and lower-income groups have untapped capacities to innovate. Fostering these capacities would contribute to a more equally distributed growth.

It is important to create incentives for educated people to become innovators and entrepreneurs. This is not the case in all developing countries with the most skilled seeking to employment abroad or in public institutions instead also to avoid risks involved in starting their own companies.

In order to achieve inclusive growth innovation policy needs to be embedded in a much wider set of complementary policies. It can, however, play a critical role.
SESSION TWO: INNOVATION AND INEQUALITY

Andrés Rodríguez-Pose – Innovation and (Sub-National) Inequalities (Link to the presentation)

A critical question is whether innovation leads to inequalities across cities and regions in Europe and North America.

Results from an econometric study suggest innovation is not necessarily exclusive: While there is no apparent link between innovation and inequality in the case of the United States, innovation increases inequalities between regions in Europe and in cities in Canada. Two effects are probably at play: a growth effect which reduces inequalities and an innovation effect which increases them. Local circumstances may explain different outcomes and need to be investigated further. Such analysis is all the more crucial with regards to inclusive innovation in emerging economies as territorial inequalities are more substantial than in developed countries.

Caroline Paunov – Innovation Policies and Inequalities (Link to the presentation)

Innovation dynamics involve “creative destruction” and, therefore, will necessarily create winners and losers. The impact of innovation policies on inclusiveness depends on two factors: the objectives of the policies and their outcomes.

The objective of innovation policies may “by design” create imbalances. Country may choose to develop “islands of excellence” – i.e. focus on developing leading firms, regions, sectors or research institutions. Alternatively, their policies may focus on creating a broad base of innovators. The choice will depend on the contribution of both approaches to growth; there are arguments pointing to the relative returns of each strategy: Korea’s successful development approach was based on a very “selective” growth process. By contrast, ICT-enabled platforms such as InnoCentives illustrate potential growth opportunities from a wider democratisation of innovation.

Independently of policies’ objectives outcomes may not be “democratic”: possible unintended biases of policies need to be assessed. Evidence from an economic study on the impacts of corruption on IP ownership shows small enterprises suffered a larger negative impact than bigger ones. Complementary policies can help improve opportunities for small firms and help them benefit from intellectual property systems. Policies providing adequate business framework conditions as well as access to finance and knowledge/skills networks are also important when it comes to supporting the “democratisation of innovation”. Evidence from an econometric study of Indian firms’ response to liberalisation confirms the important role of those types of policies.

Finally, although there is a trade-off between the search for global competitiveness and the “democratisation of innovation”, there are options to bridge the gap between the two objectives (e.g. diffusion processes to laggards, policies aimed at developing linkages and managing resource reallocations, etc.). Also, inclusive innovations illustrate direct opportunities for positive impacts not necessarily at substantial cost.

Venni Krishna – Innovation and Inequality: The Indian Experience (Link to the presentation)

In India the question of innovation policy for inclusive growth has been debated for long. Two development models have been experimented with: i) the “Nehruvian model”, which emphasises development of big S&T infrastructures and the role of leading public and private research institutions to lead development, and the “Ghandian model”, which calls for a decentralized development process centred around villages with support by corresponding institutions.
In its 11th and 12th Five Year Plans (respectively 2007-2012 and 2012-2017), India has developed one of the largest social innovation programmes in the world. A particular emphasis is set on rural development. Key elements of India’s inclusive innovation policy include among others:

- The National Innovation Foundation (NIF), an institution that documents and supports grassroots innovations across India and their possible scaling up.
- The India Inclusive Innovation Fund (IIF), inspired by venture capital and funded at 50% by the government and 50% by the private sector, was recently launched to support inclusive innovations.

Several successful inclusive innovation initiatives were developed in India. Arvind Eyecare System, for instance, performs high-quality cataract surgery at a much lower cost than traditional health services. Examples of inclusive innovation initiatives in India include not-for-profit initiatives such as the Barefoot College in Rajasthan (which target uneducated people and builds upon logic, knowledge and technology to innovate for the people’s welfare) and the Jaipur foot (a low-cost prosthetic foot developed in the 1960s).

Intermediary institutions such as the National Innovation Foundation (NIF) are critical for the future to connect the formal innovation system to inclusive development, as well as to foster public-private partnerships in support of inclusive development.

Pierre Mohnen – Innovation, Its Measurement Challenges and Its Impacts on the Distribution of Income

When thinking about inclusive development a tension arises as increasing the “size of the pie” will have distributional impacts. Successful innovations enrich their creators and effectively raise inequalities until competition dynamics set in and balance out impacts. Also, patents, by nature, by granting temporary monopoly power foster similar distributional outcomes.

More efforts are needed to improve measurement of inclusive innovations. Traditional innovation surveys are not appropriate to capture innovation activities in developing countries particularly as they fail to capture innovations that are not recognised as such by firms. Patents are a very imperfect indicator of innovation and largely irrelevant when it comes to inclusive innovation.

Diffusion is important when it comes to expanding the returns from innovation. The central point is to ensure more people benefit from innovation rather than to democratize innovation activities per se. This is notably the case with regards to solving acute problems such as battling infectious diseases (malaria, etc.).

Comments from the Audience

Innovation inevitably creates inequalities some of which are “good” and should not be a point for debate. These are inequalities that rise as successful innovators with bright ideas are rewarded. In that sense inequalities will necessarily result. Inequalities turn out to be “bad” when they are the result of reduced opportunities for social mobility. Education but also redistribution can be critical to address the latter.

The Gini coefficient might not be the best measure of inequalities. Focusing on the revenue of lower income deciles and also the median income group is also important.

Democratising innovation activities is critical and possibly more important than diffusion. Including excluded groups as part of the innovation system will be critical to ensure they benefit from growth.
KEYNOTE SPEECH

Pr Mashelkar – Accelerated Inclusive Growth (Link to the presentation)

There are five “mantras” for developing scalable inclusive innovations:

- **Opting for affordable excellence.** Price reduction cannot be achieved by reducing quality. Successful inclusive innovations have to be of quality, otherwise they will not be taken up by the poor.
- **Building entire ecosystems rather than stand-alone ventures.** The case of the Arvind Eye Care System, illustrates the need for a full reorganisation of the production ecosystem for success.
- **Focus on end-to-end innovation.** Policy innovation in India supported the development of mobile telephony with the private sector adapting its produces to match (affordable handsets and airtime) ensuring access equity despite income inequalities.
- **Remove internal barriers to inclusive innovation.** Successful inclusive innovation requires a paradigm shift in the way business and problem-solving is envisioned. That is why instead of removing features to reduce costs, successful products often needed to be reinvented from the ground up.
- **Removing external barriers to inclusive business.** Improving access to finance and removing infrastructural and regulatory barriers are important priorities. Collective action involving governments, local NGOs and non-traditional financing entities and higher education institutions are part of the solution.

The Global Research Alliance (GRA) supports various inclusive innovation initiatives and acts as a Knowledge Partner of Viet Nam’s Inclusive Innovation Project.

SESSION THREE: SCALING UP INCLUSIVE INNOVATION ACTIVITIES

Adrian Smith – Scaling-up Inclusive Innovation: Are We Asking the Right Questions? (Link to the background document)

Grassroot innovation is not a new phenomenon, but it has been recently publicized by the emergence of an inclusive innovation agenda across development agencies. In this perspective, grassroots innovations appear as a rich reservoir for scaling-up. However, this approach of scaling-up inclusive innovation might be misguided and not fully grasp the characteristics of grassroots innovation. A more reasonable approach would be to think in terms of democratizing, scaling-down the innovation system rather than scaling-up inclusive innovations.

Indeed, inclusive innovators want to be involved in every step of the process. Often grassroots innovations are about much more than a product, they relate to various aspects such as community, inclusion, local jobs, reclaiming ownership, etc. Scaling-up initiatives carried out by third parties may lose much of the substance of the initial project by overlooking this aspect. The Brazilian Cisterna initiative illustrates this issue. It started as a grassroots initiative with local activists assisting families in setting-up rainwater-harvesting tanks to keep water for the dry season. When the programme was scaled up by the government, by purchasing ready-made plastic systems, the local development aspect of the project was lost.
Democratising the innovation system rather than scaling-up grassroot innovation is about **changing the power dynamics of innovation**. A crucial point for this would be to **open access to the innovation agenda**, and let the people at the grassroot set the priorities, as well as decentralize innovation facilities (e.g. community workshops).

*Natalia Agapitova – the India Development Marketplace Program, Supporting Innovative Solutions that Scale* (link to the presentation)

This World Bank programme started as a grant-based competition aimed at **scaling-up proven innovations with social impacts**, collecting evidence on performance, developing a portfolio of innovative businesses and strengthening the ecosystem.

The programme mapped organisation involved in **inclusive innovation initiatives in India**. A few observations can be made regarding those initiatives:

- While there are plenty of initiatives, few exist in the poorest parts of India where they would be most needed.

- **Regarding the programme types**, interestingly process innovations represent the largest share. Product innovations are less common.

- Despite best efforts, scaling up remains an issue and preventing early failure is a major challenge. **Most inclusive innovations that successfully reach scale were meant to scale from the beginning.** Three important support factors for scaling up are **impact investment, uptake by the public sector and an effective ecosystem**. These aspects should be explored jointly rather than as separate topics.

*Imraan Patel – South Africa’s Policy Approach to Inclusive Innovation*

Rather than looking to scale-up inclusive innovations, it is important to focus on scaling up inclusive innovation **activities**.

Scaling-up inclusive innovation activities calls for a change in how policy is conducted: One important factor is that policies in support of inclusive innovation do not solely relate to S&T policy, but also to policies other ministries are in charge of. Thus, co-ordination is critical.

As for specific aspects of scaling up inclusive innovation activities, **technologies that create a platform (such as mobile phones, Facebook, etc.) are central, and should be instrumented** to create new opportunities where they are needed. Indeed, it is critical to **focus on creating the tools for innovation to occur so as to empower communities to solve their own problems**. This requires thinking about new business models rather than inclusive innovations per se.

Many of the technologies that are potentially useful to developing inclusive innovation involve high-tech **products**, and public policy should create incentives for high-tech activities that offer opportunities for inclusiveness, instead of investing only with a view of their use for global competitiveness (ex: 3D printing for space application).
Jaideep Prabhu – Scaling up Inclusive Innovation Activities (Link to presentation)

Inclusive innovations are produced both by social entrepreneurs and by large organisations. Examples of successfully scaled inclusive innovations include several microfinance programmes and Kenya’s mobile banking system M-Pesa. The combination of business approaches with social objectives was central to successful scaling.

Both small and large inclusive innovators face challenges in scaling-up: lack of capabilities hinders social entrepreneurs and large companies lack knowledge of the demand of poor customers. Partnerships provide a solution. Governments can play a role in fostering these partnerships also by providing the relevant infrastructure.

Comments from the Audience

Basic research and high tech innovation can be critical support for inclusive innovations. It is not just about incremental innovations and, therefore, all parts of the innovation system are critical.

Public-private partnerships can play a key role in successful scaling up experience.

SESSION FOUR: EDUCATION, SKILLS AND EARNINGS

Ishrat Husain – Entrepreneurship and Innovation in Pakistan – Case Study of the Centre for Entrepreneurship Development (CED) at IBA (Link to presentation)

The formal job market cannot absorb the large population of youth in Pakistan. In response a shift towards a model that incentivises skilled graduate to create their own businesses is needed.

The CED has developed tools to support entrepreneurship among which two non-formal training and community outreach programmes:

- The “Women Entrepreneurs Programme” provides training to women operating existing small companies. The courses focus on key priorities for businesses (finance, marketing, sales, etc.). Teaching is done using a non-academic language. Finding appropriate teachers is among the largest challenges for this programme.
- The Agriculture Entrepreneurship Development Programme provides training to unemployed graduates from rural areas. The programme aims to change the mind-sets and aspirations of participating graduates. It has been successful to date: 60 to 70% of the programme’s graduates have started their own businesses.

Manuel Trajtenberg –The Role of Education in Building Innovative Capacities

The central issue at stake for Israel is to provide the young with the necessary range of skill to become a productive member of society. A central question is how academia can serve this purpose better. The following shortcomings in particular need addressing:

- Important disciplinary boundaries in academia negatively affect the development of innovation capacities as innovations more and more require interdisciplinary approaches.
• Another shortcoming of the university system is its failure to expose students and researchers to the challenges of the world and incentivize them to develop solutions. Many of the skills needed for innovation are not taught in colleges; they are acquired through “learning by doing”.

• The educational system also needs to be more flexible and give educators freedom to adapt to different students’ needs. ICTs provide opportunities.

Alfonso Echazarra—Inclusive Innovation in Education (Link to presentation)

Several specific questions arise when it comes to discussing inclusive innovation in education. This includes i) scaling up, a particularly complex topic in this context: Models in education that work well at the micro or meso level do not always translate well at the macro level: desirability of scaling up varies.

Also, ii) there is a problem of evaluation. Measuring the success of innovations in education is complex because the goals of education are multiple and subject to discussion: aside from knowledge accumulation, education also has other objective including social ones (e.g. creating social capital and capacity building). The role of these complementary goals in the actual returns to education can be substantial and needs to be taken into account.

Moreover, iii) the traditional methodologies for frugal innovation are not easily applied to innovation in education. For example, deskilling is much more complex / undesirable than in other domains. Innovation in education can be on the form of delivery rather than on education methods themselves: intensive use of the building to cut costs, or use of incentives to increase attendance (e.g. serving a free lunch).

Shahid Yusuf – Can Schooling Drive Inclusive Growth? (Link to the presentation)

The quality of education is a good predictive of growth. Much remains to be done to boost quality, particularly in developing and emerging countries.

“Soft skills” have notably become ubiquitous in the current job market. Schools are currently failing at providing a comprehensive skills set. This is due to a combination of using outdated pedagogical tools, teacher’s lack of capabilities in providing such skills and unsupportive socio-economic environments. Finding good teachers and providing them with adequate incentives to provide quality teaching is critical. IT can be a potential useful tool if used appropriately to support teaching.

More is, however, needed to foster inclusive growth: In the absence of job opportunities, students have no incentive to invest in education. It is critical to foster labour markets that provide opportunities and clear returns to education. Moreover, markets that reward entrepreneurship and innovation have to be created. This also requires reducing nepotism and corruption.

Comments from the Audience
ICTs are changing education systems. They can foster inclusiveness as is exemplified by the emergence of Massive Online Open Coursework (MOOCs). ICT can also be used to support teaching and bridge the gaps between high- and low-quality schools. They can also help adapt teaching to students of different abilities.

The exclusion of women from the educational system is an important challenge in many developing countries that needs to be addressed.

The question how academia can serve industry better is another critical challenge.

SESSION FIVE: THE GEOGRAPHY OF INNOVATION AND ITS RAMIFICATIONS

Howells – The Global Geography of Innovation (Link to Presentation)

Four paradigm shifts that influence the global geography of innovation:

1. **The East is becoming a key driver of innovation** with China as the motor. This marks a fundamental shift compared to the past as the West is no longer dominating. For instance, with regards to growth in R&D expenditure, the East is outperforming the West.

2. **There is a shift from manufacturing R&D to service R&D.** The role of service in development and innovation has been wrongly neglected. Service R&D has been growing much faster than manufacturing R&D. Some developing countries often perform just as well if not better than developed economies on that dimension.

3. **Innovation is becoming more specialised.** Leadership in the global economy is no longer gained at the level of an entire industry (e.g. in the aerospace industry) but at much lower levels of economic activity (e.g. engines for airplanes, etc.). One reason is because complexity has also grown over time.

4. **Openness, connectedness and inclusiveness have become central.** Specialisation implies a greater need for connectedness at the firm level and beyond.

Xiaolan Fu - What Explains Regional Innovation Disparities at Firm Level: Geographical Location or Firm Behaviour? (Link to Presentation)

In China regional disparities in innovation performance are substantial: Dynamic coastal regions perform very differently from the laggard inland areas. This is the case for patent applications and investments in R&D among other performance indicators. The nature of innovations with regards to their degree of novelty differs, as well. The way innovation is conducted is also different (e.g. the nature of collaborations).

Innovation being a driver of economic growth, these imbalances in innovation capacities create a vicious circle: more innovative firms grow more and invest more in innovation leading to a widening of the performance gap. This leads to persistent regional inequalities in income and innovation performances. **Evidence at the firm level identifies, however, firm characteristics rather than location factors as determinants of innovation.** The ultimate reason for such differences needs to be explored further. Differences in the sources of R&D also need to be explored.

Eduardo Bitran - Overcoming the Digital Divide in Broadband Access: Regulatory Innovation (Link to the Video and presentation)
Current technologies allow developing countries to leapfrog technological stages. For example, the costly expansion of landline network can be avoided by expanding mobile phone networks. However, despite the potentially important benefits of wider broadband coverage, its progression in developing countries is very low, and no leapfrogging has taken place.

High costs of broadband connections cause a digital divide in Latin America. This is due to the structure of the market: vertical integration in the telecommunication markets creates barriers to entry. By separating infrastructure operations (a natural monopoly) from the downstream market, competition can be restored for the last mile, and high coverage can be achieved at low cost thanks to new technology (the “fibre to the corner” solution). The government of Chile follows this approach to reduce the digital divide.

Comments from the Audience

The benefits of R&D investments on growth are not always immediate, and this should be kept in mind when evaluating the impacts of R&D investments on GDP and productivity.

SESSION SIX: POLICY PANEL

Rajneesh Narula – Overview of Potential Policy Challenges (Link to presentation)

Three questions arise: what policies can best be used to pursue innovation in support of inclusive growth? What are the practical impediments to their implementation? How can these be overcome?

The policy challenges for fostering innovation for inclusive growth differ across developed and developing economies. Economies are concerned with the question of resources (financial, technological, human capital, etc.), and are faced with a choice between various growth trajectories (including choices at the sectorial level).

The co-existence of islands of excellence with a large informal sector in developing countries requires two different institutional frameworks and support systems and, therefore, two distinct but connected sets of policies. Institutional imperfection can be critical and need to be addressed.

Tatyana Orozco de la Cruz – Colombia’s Inclusive Innovation Policy (Link to presentation)

Colombia’s National Development Plan, 2010-2014, states that “Colombia faces the great challenge of aligning its economic development to its social development as the basis to achieve an equitable, inclusive, prosperous and peaceful society”.

Strengthening the performance of its STI system to tackle economic and social challenges is a priority for the government. An explicit priority for Colombia is to develop those capacities across different regions including those least advanced when it comes to STI.

Colombia is also carrying out an extensive social innovation policy programme. The initiative emphasises collaboration across different institutions and consultations with stakeholders (including academia, the private sector, NGOs, etc.).
Carlos Guaipatin – A Call for Social Innovation (Link to presentation)

The most efficient innovation policies are those who involve the final beneficiaries in the policy design. However, information on the needs and problem of excluded communities is often scarce, Therefore, identifying the nature of problems the poor face is a first priority for policies in that domain.

In 2008, the IDB launched a programme on disabilities. To this aim, an online platform was set up with the question: what are the problems for economic inclusion of people with disabilities. This problem competition received 1.6 million hits in 3 months from 58 countries, with the five most voted problems totalling over 500,000 votes. A call for solution was then issued, with 150 proposals received for the top 5 problems. This initiative bridged the gap between the excluded community and the innovation community (academia, private sector). It helped reveal problems that were previously ignored by experts, and would, therefore, not have been addressed. Expanding such efforts is, therefore, critical.

Mu Rongping – Innovation Policy for Inclusive Growth in China (Link to presentation)

Inclusive growth has been a central component of China’s policies ever since the 1980s. It has gained stronger importance in 2003 when with the concept of the “Harmonious Society” (2005) inclusiveness became a more explicit part of the policy agenda. The role of innovation in achieving development goals has also been highlighted.

The 12th Five Year Plan for Innovation and Capacity Building focuses on S&T but also on the social services sector, notably on questions of education and health. It supports the development of a low cost primary health sector and innovation for low cost medical devices. It also fosters a new type of urbanisation that would provide better public services to inhabitants.

Dominique Guellec – Policy Implication for OECD Economies

In developed countries, growth is no longer inclusive as inequalities are on the rise. Innovation for inclusive development in OECD countries implies that it is critical to:

- Mobilize innovative capacities to face challenges (e.g. affordable healthcare, smart cities, the energy transition)
- Support grassroot innovation. Large parts of the population are not part of the innovation system and constitute, for that reason, a “repository of untapped ingenuity”. ICT-based platforms provide opportunities for a “democratisation of innovation”.
- Balance centres of excellences with the rest of the economy. The concentration of resources in such centres affects the diversity of knowledge. The challenge is to ensure that other sectors have the opportunity to develop towards excellence.

Many of the issues are similar to these faced in developing countries even though the contexts differ. Therefore, a bidirectional sharing between OECD and non-OECD countries is critical.
SESSION SEVEN: WRAP-UP SESSION

Danny Leipziger – Concluding Remarks

A few take-away messages for the future:

- We have to go beyond measures of GDP if we are ultimately interested in wellbeing. Moreover, to move forward and provide answers regarding the innovation-inequality agenda developing measures of inclusive innovation will be critical.
- Achieving inclusiveness in terms of gender is central and this aspect should not be disregarded. Women play a critical role in fostering development.
- Inclusive innovations are not simply cheap products for the poor. Quality is a critical characteristic of these innovations. Without quality, they are unlikely to be successful.
- Education is critical. It is an area where innovation, including also ICTs, can play a critical role particularly when it comes to improving the skills of excluded populations.
- R&D investments have potentially high returns but they can be risky for developing countries especially if efforts are directed at developing certain sectors that might look promising today but could not be as critical in the future.
- Policies on innovation and inclusive growth have to be designed jointly if they are to be efficient.
- Innovation policies rely critically on good governance. There is progress on this front: A lot of the policies examples shared during this symposium provide evidence of progress in this domain.

Dirk Pilat – Concluding Remarks

Achieving inclusive growth is an important priority for many OECD countries as well. We know innovation is critical for growth, it is also important to understand the role innovation plays in shaping not inclusiveness.

This Symposium was organised as part of the OECD Innovation for Inclusive Growth Project (project webpage). Following this event, the project will produce several background documents for its final publication to be released in January 2015. Feedback and contributions on these are most welcome.

Upcoming project events include the following:

- A session of the 2014 OECD Global Forum on Development will focus specifically on the Innovation for Inclusive Growth project. The Forum will be held on 2nd July 2014 at the OECD Headquarters in Paris. It will gather representatives of governments from OECD and non-OECD member countries, private sector, academia, foundations and OECD experts.

- A high-level conference where the final project publication is to be presented is planned for January 2015 in India.

Additional information and documents on the symposium, including an overview of background studies conducted in preparation can be found on the event’s webpage.
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