

Comment on Paper « How to Scale up Inclusive Innovation? Policy Lessons from a Cross-Country Perspective »

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On Definition: proposal for a wider definition

- ❖ Inclusive Innovation is not only (product and service) innovations for the poor and by the poor, but also innovative business models that include the poor / business process innovation. These are NOT „other forms of serving the poor that do not involve innovation activities“ (paper)
- ❖ Moreover, without these types of innovation, product/service innovations would barely be able to reach markets/commercialisation → often necessary ingredient for „inclusive innovations“ (rather than „incl inventions“)
- ❖ As business model innovations usually are based on private sector activities, this gives options for linking the discussion on inclusive innovation with the wider discussion on innovation systems and innovation policy

On Trends

- ❖ Further trends: dwindling budgets also in OECD countries, lack of success of DC, growing middle classes (as consumers – as IB actors)

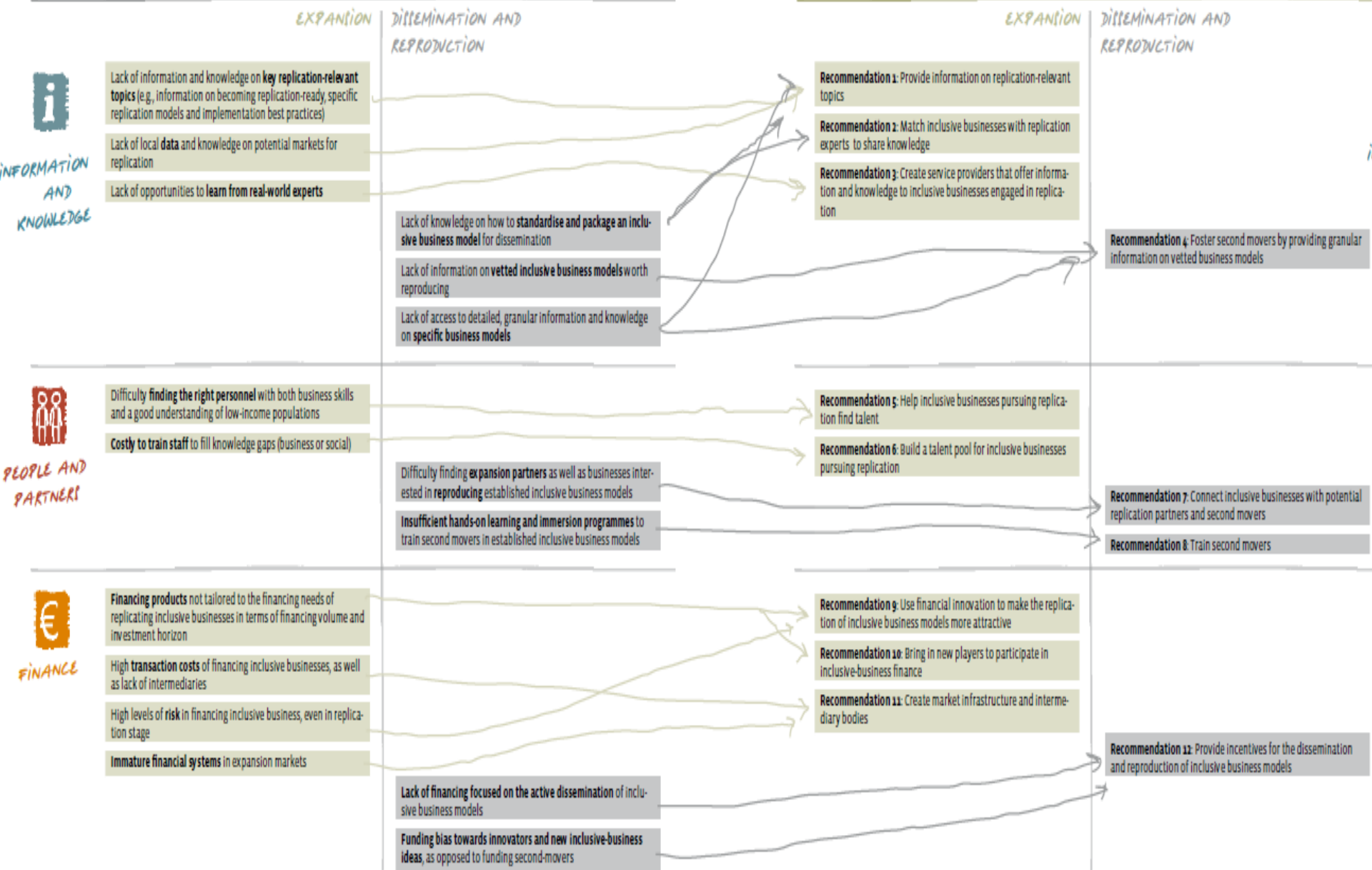
On Scale

- ❖ Need for defining scale? Microfinance has reached scale successfully, but also with much donor support, and not everything is great about that: often lack of responsible finance/consumer protection
- ❖ Cases that have reached scale: « ...developing profitable business models, the process has often involved multiple iterations » → need for specialized service providers, incubators! Check our study on « replication »

Table 1: Overview of challenges and recommendations

CHALLENGES

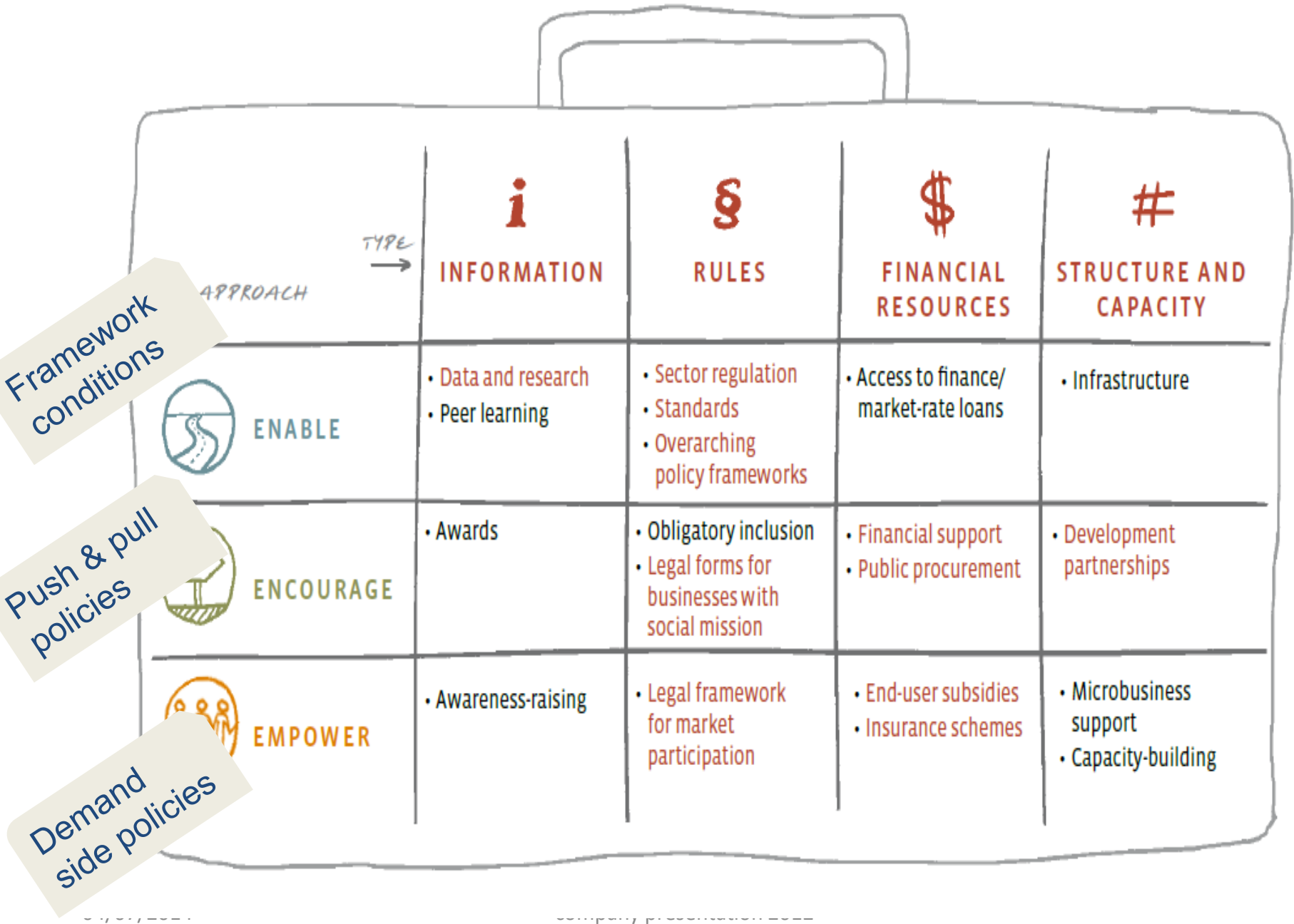
RECOMMENDATIONS



Policies

- ❖ Recommendation: start with a definition of the possible policy instruments in each category, then give examples from countries (→ see next slide)
 - ❖ Is govt really only facilitator? As in 'conventional' innovation policy, role can be much broader (without this being an interventionist approach)
 - ❖ Further instruments:
 - ❖ Access to finance: consumer subsidies?, producer subsidies?
 - ❖ Standards such as fair trade standards?
- but: Risk of broadening scope too much !

Figure 1: The inclusive business policy toolbox



Further research

- ❖ Assess effectiveness of certain Inclusive Innovation Policies, depending on different contexts / forms of implementation / govt capacities etc. (which factors are important?)
- ❖ Co-operation challenges/governmental co-operation: yes, big challenge → good examples? Learning forum?? (some hints in our study)
- ❖ Policies on regulation: balance between innovation – need for regulation for purposes of consumer protection. But there is also another case: governments regulating in favour of inclusive business, e.g. priority sector lending / insurance act in India. Question of sustainability? → need for further research