

# PROMOTING SOCIAL INNOVATION: THE EXPERIENCE OF THE IDB I-LAB

The Innovation Lab (I-Lab) at the Competitiveness, Technology and Innovation Division of the Inter-American Development Bank (IDB) promotes innovative solutions developed directly with and for excluded communities by providing platforms that connect the final beneficiaries with the world of firms, universities, and NGOs to develop sustainable and effective social innovations.

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## A WORLD OF INVISIBLE PROBLEMS: THE STARTING-POINT OF SOCIAL INNOVATION

Imagine a world where no one can hear your voice – where no one knows the challenges you face or the reality you inhabit. Although there are people who could develop solutions to your problems, they do not know where you are and do not have an understanding of what you need. This world of disconnection describes impoverished small towns and excluded communities, comprised of people unable to communicate their needs because they do not have access to the marketplace and cannot take part in the decision-making that would influence the design of public services in their favor. When we talk about the world of the very poor and the excluded, we often assume that we know what the most relevant problems are; this is a serious mistake. We are talking about groups that cannot reveal their preferences: their problems are invisible to the market, inapprehensible for the government.

## THE I-LAB PURPOSE: CONNECTING THE WORLD OF PROBLEMS WITH THE KNOWLEDGE ECONOMY

At the Innovation Lab (I-Lab), born out of the Division of Competitiveness and Innovation (CTI) at the Inter-American Development Bank (IDB), we define social innovation as *“new solutions to the challenges faced by people whose needs are not satisfied by the market, and that have a positive impact on society. They have to be implemented through an inclusive process, involving the beneficiaries (people) in order to define the problem adequately and using public-private-people partnerships to develop the solutions”* [1]. The alignment of these partnerships is crucial, given that governments are unable to tackle all social challenges by themselves and must draw on the capacities of the private sector to scale up and create high social impact. Conversely, the private sector

is in no condition to address social challenges independently, due to the inherent risk or lack of information of the beneficiaries’ needs. Consequently, social innovation becomes effective through a concerted collaboration between the public and private sectors, and the final beneficiaries, e.g. excluded communities, both in the identification of the problems, and throughout the innovation process [2].

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## THE I-LAB IS A CONVENER AND TECHNOLOGY IS ITS CONNECTION INSTRUMENT

The I-Lab uses technology to forge connections between the excluded communities and the innovation process, linking the abilities of governments, universities, NGOs, and the private sector to the challenges identified with the final beneficiaries. Since its inception, the I-Lab has transformed into a virtual platform that uses crowdsourcing to foster the exchange of original ideas. In turn, it can identify high-impact solutions to diverse development problems in Latin America and the Caribbean (LAC). Technology can provide the key for every person to add value in an innovation process; it ensures that innovation is demand-driven and meaningful. Virtual platforms and social media have the ability to link challenges to solutions, just as they can link people at both ends of the spectrum. In other words, technology allows us to connect problems with corresponding ideas to resolve them.

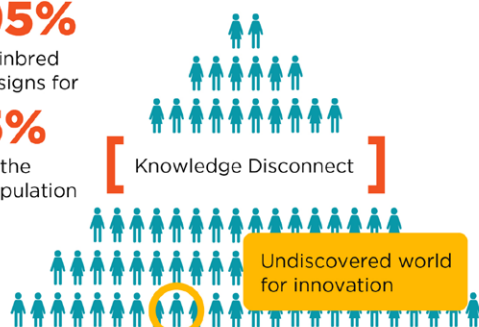
## Our approach: Technology

**95%**

of inbred designs for

**5%**

of the population

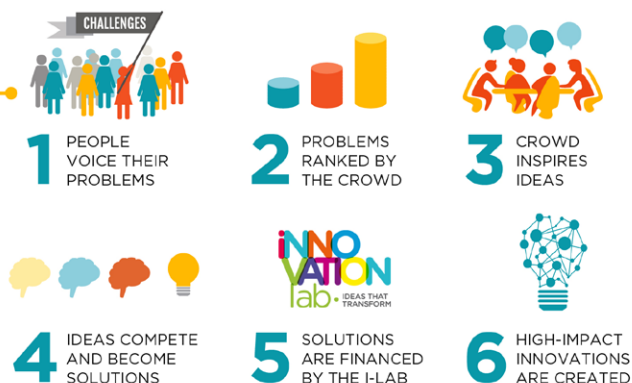


Requires the involvement of the final beneficiaries in the process & scalability

Ideas from the periphery to the center



## Our focus: The Problem



Don't assume you know what the most relevant problems are



Empower beneficiaries to communicate their most urgent challenges



Share their challenges so that they turn into inspiration



Call creative thinkers to seize the opportunity of developing innovative solutions

The I-Lab methodology: Developing solutions directly with and for excluded communities

## THE I-LAB PRINCIPLE: TRANSFORMING PERSONAL ADVERSITIES INTO COLLECTIVE SOLUTIONS

The I-Lab's vision and experience is that introducing innovation into certain social issues – mainly those that affect people at the base of the income pyramid – needs to be tackled with the involvement of the affected group – that is, using a bottom-up instead of a top-down approach [3]. In 2009, the I-Lab launched a *call for problems* for one of the most excluded groups in the world – people with disabilities. Through crowdsourcing via a web 2.0 platform, we disseminated this call for problems at the international level. To ensure that even the most marginalized groups had a voice, we engaged local NGOs, community workers, and churches to capture the input of these excluded communities on the platform. The call for problems lasted six weeks, during which the website received 1.6 million hits, resulting in 49 problems presented from 58 different countries. The crowd then ranked the problems through a voting process on the same platform. The three most-voted problems received 150,000 votes from across the Latin American and Caribbean region and brought to light a wealth of information about the

realities faced by people with disabilities, ranging from the lack of educational resources for deaf and blind children, to the difficulties of mobility in a wheelchair in rural settings. Once we identified the top five problems, we launched a *solutions contest*, which received over 200 project proposals from firms, universities and innovation agencies. A high-level panel of disability experts, technical specialists, and academics selected the best projects, which received funding and technical expertise to develop the solutions to these five top challenges. The majority of these innovations have received important regional and international acknowledgements. The I-Lab's 2009 *call for problems* and *call for solutions* titled "A World of Solutions," laid the foundation for our social innovation work and methodology, starting always with the final beneficiaries and with them identifying and prioritizing the problems to be solved.

## THE I-LAB PATH: BRINGING IDEAS FROM THE PERIPHERY TO THE CENTER

Making a market visible means revealing people's needs and facilitating the junction between the world of problems and

the knowledge economy. As such, the methodology we implement is as follows:

**Identifying the problem:** the I-lab launches a *call for problems* through a virtual platform open to the public, based on a general issue that has been determined as the contest's priority. Depending on the nature of the issue, the process for the identification and prioritization of the problem could also include focus groups, surveys, interviews, and other channels that can give voice to the potential beneficiaries. Based on this problem, people express their most pressing issues, generating awareness of the community's urgencies.

**Creating solutions:** once the problem is identified, we launch a *call for solutions* through the same platform, encouraging private sector companies, universities, and entrepreneurs across different disciplines to develop or apply solutions to the selected problems, offering know-how and financial support to the winning ideas. This phase focuses on generating ideas, rather than on the business plan necessary for implementation. At this stage, it is important to determine the conditions for Intellectual Property rights.

**Selection of solutions:** a multidisciplinary panel indicates the most pertinent and innovative solutions through a scoring system, identifying initiatives that create value and address problems in new and creative ways. The solutions usually involve technology and may entail certain inherent risks and uncertainties. We also conduct the process of selecting the solutions through crowdsourcing, using an open public ballot for citizens to prioritize the solutions.

**The conjunction between the public, private, and academic sectors, and civil society is essential to determine the correct information, provide the most viable solution, and attain the proper funding to scale and create the highest impact.**

**Funding and implementation:** a non-reimbursable subsidy from the IDB is granted to each of the winning solutions, in addition to development support for the conceptualization and implementation stages.

## EMPOWERING VULNERABLE INDIVIDUALS IS THE KEY TO HIGH-IMPACT SOCIAL INNOVATIONS

The experience of the I-Lab has tackled a wide array of social problems, from improving the economic and social opportunities of young people with disabilities in Ecuador to facilitating access to water in low-income communities throughout Colombia. We believe that effective collaboration among people from different backgrounds opens up a world of creative opportunities, but we also know how difficult it is to put this into action. By connecting the world of problems with the world of ideas through the application of technology, we are able to generate social innovations that are sustainable, effective and scalable. The conjunction between the public, private, and academic sectors, and civil society is essential to determine the correct information, provide the most viable solution, and attain the proper funding to scale and create the highest impact. To strengthen this network of collaboration is to strengthen and empower vulnerable individuals.

## REFERENCES

- [1] Guaipatín, C./ Schwartz, L. (2015): Social Innovation: An Operational Definition for the IDB's Innovation Lab. Discussion paper. Inter-American Development Bank.
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## Acknowledgement:

*The author thanks the assistance of Isabel Vicentini, Federica Tourreilles and Miguel Lage. The content of this document is the responsibility of the author and does not represent views of the Inter-American Development Bank.*