



**The McLeod Group**



## INNOVATION IN INTERNATIONAL DEVELOPMENT: NO SILVER BULLETS

“Innovation” has become a catchword in the field of international development. Divorced, however, from an understanding of its first cousin, failure, and undifferentiated from the concept of *invention*, innovation in policy terms has become largely meaningless. Worse, experiments among the poor, applied without great care, can result in hidden but very serious human cost.

In a short video about the “new aid paradigm”, Australia’s foreign minister, Julie Bishop, used the terms “new”, “cutting-edge” and variations on “innovation” more than a dozen times.<sup>1</sup> The word “innovation”, in fact, has become so common across the international development spectrum that it has begun to lose meaning. The Swedish aid agency SIDA and USAID are establishing a new “civil society innovation program” and USAID has established a “Development Innovation Ventures” program that looks for “bold development ideas” and “better ways to solve big problems”.<sup>2</sup> In the development section of Global Affairs Canada, “Partnership Branch” has been renamed “Partnerships for Development Innovation”. Proposal writers are repeatedly told to emphasize the innovative nature of whatever they are planning. Politicians often suggest that innovation is key, and that bright new ideas will solve hitherto intractable problems.

### **The Integrated Rural Development “Breakthrough”**

During the 1970s and 1980s, multilateral and bilateral donors made huge investments in the innovative concept of integrated rural development. They believed they could transform undeveloped rural areas into cohesive communities with profitable productive opportunities enjoying basic public and social services and that their “models” would point the way of the future for developing countries. Canada invested hundreds of millions of dollars in the concept in Ghana, Tanzania and Haiti.

It took more than a decade to understand that transformation pushed from outside, no matter how innovative, does not work well. A USAID study found that “target communities – not their national, nor regional governments, nor even just their village headmen – must have true ownership over this process and they must have the capacity to sustain and manage new infrastructure and operational and maintenance systems”.\*

Community mobilization is a long and intensive process and often the real causes of underdevelopment require systemic change, which can only be advanced through persistent, long-term engagement. After years of enthusiastic donor promotion, integrated rural development was quietly abandoned.

\* USAID, *Integrated Rural Development: Lessons Learned*, [http://pdf.usaid.gov/pdf\\_docs/PNADF432.pdf](http://pdf.usaid.gov/pdf_docs/PNADF432.pdf)

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The McLeod Group is made up of professionals with many years of experience in government, civil society and academia, working across the fields of international development, diplomacy and foreign policy. We work with others who value human rights, inclusion, equality and sustainable development to advance Canadian policy and action on international cooperation and foreign affairs.

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## THE FAILURE TO LEARN FROM FAILURE

In an age of rapid technological change, the idea of innovation has become prized among funding agencies because so much in the field of international development seems not to have worked, and because there is an idea that a “big breakthrough” is possible. That is why so many fads like integrated rural development have swept over the sector (see box on previous page). Some were dropped because they failed, but others failed because they were dropped.

The road to genuine success is paved not just with persistence, but failure. Failure is, in fact, an integral part of innovation. In the field of international development, however, funders are all too keen for experimentation that might lead to a “quick fix”, but there is little appetite for sustained funding in the face of short-term failure.

In the donor world, **evaluation** too often seeks out failure, not with a view to learning for the future, but to weed out unsuccessful grantees. Failure is punished, and the development enterprise, as a result, fails to learn from failure.

To use an analogy, Thomas Edison would almost certainly have found funding in the international development world for his first experiments with the light bulb. But when those early efforts failed, he would likely have been dropped from the standard development grantee list.

In a *Globe and Mail* article, James Dyson says it took him 15 years and 5,127 attempts to develop the first bagless cyclonic vacuum cleaner.<sup>3</sup> This would never have flown in Canada’s aid program, which demands *results* with each initiative. It has developed what it calls an “Aid Effectiveness Agenda” that does not once mention failure.<sup>4</sup> Failure, in fact, is avoided, denied and finally suppressed.

This is especially problematic in an enterprise where outcomes are notoriously unpredictable and where the aim is to end poverty. Very poor people are slow to

embrace change because if it fails – if a supposedly better plough, for example, does not work, or if new seeds or crop rotation techniques do not work – families might go hungry. Children could die.

## INNOVATION AND INVENTION

Walter Isaacson, author of *Steve Jobs* and more recently, *The Innovators*, says “There’s so much talk about innovation these days that it’s become a buzzword, drained of clear meaning”.<sup>5</sup> The word, and all of the careless baggage that can accompany it, are prominent in the development field because it sounds positive, enlightened, even simple. And because historically, development practitioners have loved to tinker, hoping that an experiment in, for example, rural Zambia will demonstrate new ways forward. If they fail, the cost to rural Zambians of these experiments is rarely recorded.

Too often funders – and practitioners – have mistaken the idea of innovation with invention. They expect and even demand a light bulb after a single experiment, miracle wheat without years of failure, an Ebola vaccine from nowhere.

*Invention* is the creation of something new, an idea made manifest. In development terms, this is the work of Norman Borlaug who developed the high-yielding varieties of wheat that led to the green revolution. It is the breakthrough work of scientists who pioneered oral rehydration therapy for acute diarrhea. Their experiments – and many failures – were the result of years of research. In Canadian terms, support for this kind of work correctly falls to the International Development Research Centre.

*Innovation* refers to ideas that are successfully applied in practice. 3D films were an invention of the 1950s, but the process required the use of two projectors and was not technically or commercially successful. More recent innovations in polarizing systems meant that existing projectors could be used without significant additional cost. *RealD 3D*, *Dolby 3D* and *IMAX 3D* are further innovations in the field.

In development terms, BRAC's work in Bangladesh to simplify oral rehydration therapy into a home remedy, and its work in creating an incentive-based training system for rural mothers, was the innovation.<sup>6</sup> As Isaacson puts it, "Vision without execution is hallucination".

#### Microfinance: Persistence Pays Off

Microfinance provides a good example of the difference between invention and innovation, and of the need for experimentation, adaptation and persistence over time. Despite the advertising, microfinance was not "invented" by Bangladesh's Grameen Bank. Experiments with very small loans to poor people go back to Jonathan Swift, the Irish Loan Funds, German cooperatives and Quebec's *caisses populaires*. The **innovation** in microfinance for developing countries was the simplification and systematization developed by BRAC (a development organization also based in Bangladesh) and Grameen, allowing it to be taken to scale. *It was the innovation rather than the invention that made the difference.* A further and more important innovation was BRAC's realization that as an innovation, microfinance alone had major limitations, and that new, productive enterprise had to be – and could be – developed for poor rural women if lending was to have its full impact. In other words, without access to tested investment opportunities, borrowers are often unable to move beyond petty trading into productive initiatives.

#### CONCLUSION

The human desire to simplify is understandable, but real, sustainable development is complex, and innovation must fit the context in which it is to be applied. Tinkering has its place, as does serious invention. But the real development challenge is not invention, it is application: the promotion of initiatives that have successfully passed the invention stage, providing support that can take them into the real world. There is no shortcut to development, no escaping failure, no substitute for hard work and no way of avoiding the need for sustained, long-term support for promising initiatives.

Five things are therefore essential in a responsible approach to innovation:

- Innovation should be clearly distinguished from invention. Invention has its place, primarily in limited and clearly designated research projects. Innovation should focus on the challenge of taking successful inventions to scale.
- Expectations in funding for invention must be realistic; failure should be anticipated.
- Failure must be acknowledged, embraced, understood and documented in ways that advance learning and avoid repetition.
- Innovations that affect the lives and livelihoods of poor people must be introduced responsibly and with safeguards that protect them against failure.
- Innovation and responsible innovators must be encouraged in ways that go beyond platitudes; they must be protected from funders' proclivity to punish failure and rush on the Next Big Thing.

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<sup>1</sup> Carlos Santamaria, “Australia’s ‘new aid paradigm’ introduces performance benchmarks”, June 18, 2014, [www.devex.com/news/australia-s-new-aid-paradigm-introduces-performance-benchmarks-83711](http://www.devex.com/news/australia-s-new-aid-paradigm-introduces-performance-benchmarks-83711).

<sup>2</sup> See <http://acuns.org/call-for-proposal-civil-society-innovation-program/> and [www.usaid.gov/div](http://www.usaid.gov/div).

<sup>3</sup> Ian Harvey, “James Dyson’s road to success paved with Failure”, *Globe and Mail*, August 14, 2014, [www.theglobeandmail.com/report-on-business/innovators-at-work/james-dysons-road-to-success-paved-with-failure/article20074990/](http://www.theglobeandmail.com/report-on-business/innovators-at-work/james-dysons-road-to-success-paved-with-failure/article20074990/).

<sup>4</sup> CIDA, “Canada’s Aid Effectiveness Agenda: Focusing on Results”, September 2010, [http://publications.gc.ca/collections/collection\\_2011/acdi-cida/CD4-72-2010-eng.pdf](http://publications.gc.ca/collections/collection_2011/acdi-cida/CD4-72-2010-eng.pdf).

<sup>5</sup> Walter Isaacson, “5 Easy Theses”, *Vanity Fair*, October 2014.

<sup>6</sup> See Mushtaque Chowdhury, “Saving lives and livelihoods: Resilience in the context of health”, BRAC Blog, February 11, 2013, <http://blog.brac.net/2013/02/saving-lives-and-livelihoods-resilience-in-the-context-of-health/>.

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