

WORLD EXPORT DEVELOPMENT FORUM – W·E·D·F 2008

BREAKOUT SERIES 1: ACTING ON CONSUMER CONSCIENCE: TOWARDS RESPONSIBLE INNOVATION

The Issue:

Innovation has many dimensions. While some emphasize high technology, capital-intensive production processes and R&D, others refer to how the generation and application of new ideas transforms the way in which companies operate at the design, production, marketing, management, distribution or service delivery stage.

Responsible innovation can be defined as the successful exploitation of ideas that have a positive impact on society and the environment. This includes not only the areas of sustainability, environment, safety and health, but also values such as accountability, transparency, privacy and more general ethical and social concerns about intervening in human behaviour. At a first glance, growing consumer conscience seems overwhelming for developing country exporters. They are expected to operate in a responsible and sustainable manner and to provide detailed information about all steps in the product or service specific value chain.

At the same time, however, (and precisely because of their increasingly conscientious purchasing decisions), consumers are inclined to spend money on products and services that conform to their values and appeal to their concerns. Products or services devised, produced or delivered in a responsible manner may therefore appeal to favourably minded consumers. Indeed, entrepreneurs from all over the world have demonstrated that responsible innovation is a global business opportunity that does not necessarily require cutting edge technology or high up-front investments. Examples include the usage of local ingredients and traditional techniques as well as clean and energy efficient production processes, sustainable packaging, anti-corruption measures or regular health checks and adequate treatment for staff.

The Proposition:

Innovation is hard to capture, and even harder to plan or to bring about in a deliberate manner. Impediments to innovation in general do of course also constrain responsible innovation, including a lack of education and specific scientific or technological skills, limited access to capital and an insufficiently supportive infrastructure. To promote responsible innovation, entrepreneurs and export strategy makers in developing countries need to first be apprised of changing global consumer concerns by raising awareness and promoting an understanding of pressing social and environmental concerns in developing countries and how they relate to purchasing decisions of consumers.

It is equally important to link consumer networks with producers and to facilitate the adaptation of business processes to generate a positive impact on society and environment. To lead by example and to encourage similar ventures, best practices at the sector or enterprise-level should be disseminated at national level through the trade support network.

The public and private sector have to work together to determine and address enterprise needs at the technical, financial, commercial, legal and institutional level to help them appeal to and meet global consumer trends.

Focus of the debate:

The debate will address the following questions:

1. Can responsible innovation be harnessed in such a way that the benefits exceed its costs?
2. How can companies in developing countries become responsible innovators even if general “innovation infrastructure” is missing? Are the key ingredients mentioned above sufficient? What else is required?
3. How and with whom, should businesses from developing countries partner to become responsible innovators and appeal to global consumers?