Jugaad Innovation:
A Frugal, Flexible, and Inclusive Way to Grow

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UNCSTD, Geneva
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Unique Features of Indian Innovators

Frugal

Flexible

Inclusive
Thinking Outside the (Ice) Box

Source: http://gizmodo.com

Source: http://www.mitticool.in/
Thinking Outside the (Hot) Box
Jugaad Innovation

The art of overcoming harsh constraints by improvising an effective solution using limited resources

Gambiarrá or jeitinho in Brazil

Kanju in Africa

Jiejian Chuangxin in China

DIY in the US

Systeme D in France
Why Does India Need Jugaad?

Upwards of 40% of Indians:

Are unbanked

Are off the electricity grid

Have limited access to healthcare and education
Changing Class Structure

- **Upper-Middle**: $10,000+ PPP
- **Middle**: $5,000-10,000 PPP
- **Emerging**: $2,500-5,000 PPP
- **Poor**: Under $2,500 PPP

**2005**
- 588m
- 391m
- 94m
- 17m

**2020**
- 101m
- 628m
- 478m
- 123m
Why Does the World Need Jugaad?

The World Economic Pyramid

- **Base of the Pyramid**
  - Population: 4 billion
  - Individual daily income (in Purchasing Power Parity): < USD 9

- **Second Tier**
  - Population: 2 billion
  - Individual daily income (in Purchasing Power Parity): USD 9 - 55

- **Top Tier**
  - Population: 0.5 billion
  - Individual daily income (in Purchasing Power Parity): > USD 55

Source: World Resources Institute
Why Does the World Need Jugaad?

BOP market—$5 trillion
TOTAL BY INCOME SEGMENT

BOP3000
BOP2500
BOP2000
BOP1500
BOP1000
BOP500
Why Does the West Need Jugaad?

The West must learn to do « better with less »!

Thomas Piketty, Paris School of Economics
Social Entrepreneurs
Mansukh Bhai and the MittiCool Fridge

Miticool – Village Fridge

Innovator: Mansukh Prajapati
Gujarat

It is a fridge made from special clay. It has three chambers, one just for cooling water. It requires no electricity and is a perfect solution for rural areas.
Dr Mohan’s Mobile Diabetes Clinic

Source: http://www.drvmohan.com/

Source: http://www.worlddiabetesfoundation.org/composite-2731.htm
SELCO SOLAR
Posted On: April 16, 2009
Posted In:

SELCO Solar Pvt. Ltd, a social enterprise established in 1995, provides sustainable energy solutions and services to under-served households and businesses. It was conceived in an effort to dispel three myths associated with sustainable technology and the rural sector as a target customer base:

1) Poor people cannot afford sustainable technologies;
2) Poor people cannot maintain sustainable technologies;
3) Social ventures cannot be run as commercial entities.

SELCO aims to empower its customer by providing a complete package of product, service and consumer financing through grameena banks, cooperative societies, commerical banks and micro-finance institutions.
Devi Shetty: Frugal Surgeon
Large Domestic Organisations
Tata and the Nano

Tata “Swach” Water Filter
Aakash Tablet

$35 TABLET FROM INDIA
World’s largest NGO: employs 100,000 people, reaches 126 million people in over 11 countries

Diversified: health, education, finance and social enterprise

Covers 80% of its costs through own revenues

Best practices from business; constantly learning
Bangladesh and Social Businesses

The home of social businesses

Grameen, BRAC and Asa: three of the world’s largest microfinance organisations

Generate surpluses but plough these back into scaling their social mission
Multinationals & Inclusive Innovation
GE and Affordable Innovation

ECG machine designed specifically for India’s rural markets

Portable, light, battery operated, reliable, cheap

Launched in China, and now in the US after having got FDA approval
Siemens: Foetal Heart Monitor
The Nokia 1100

Specifically for emerging markets:

Dustproof keypad and front face

Built-in flashlight

Over 200 million sold since late 2003

World's best selling handset and consumer electronics device
M-Pesa and Mobile Payments
Selling Solar Lighting Solutions
Inclusive Innovation in the West
Ebon Upton and the Raspberry Pi

“Design intended to inspire schoolchildren and adults to program”

Demand for Raspberry Pi, the British $35 computer, “crashes website”

Source: The Guardian
Prabhu Subramaniam and CoLearnr
3D Printing: Increasingly Affordable
Challenges of Inclusive Innovation

Small organisations are inherently frugal and agile but lack resources to scale.

Large organisations have the resources to scale but are wasteful and slow.
Solutions for Inclusive Innovation

Partnerships between small and large, local and global are needed

Governments and public institutions like UNCTAD and UNCSTD can be cheerleaders and match-makers
Conclusion

Frugal, flexible, and inclusive innovation can help the world achieve the SGD's.

The West can gain by engaging with counterparts in the developing world.

Large and small, North and South, can work together to improve lives everywhere.
Thank You!