



Scaling innovative ideas to create inclusive labour markets

Social innovation can be a powerful tool for positive change, but we need to rethink scaling as an integral part of the innovation process, explains Johanna Mair.

Labour markets, and the access to and distribution of work, are organized by a complex set of ever-changing rules and a net of regulatory and voluntary arrangements. The dynamism of labour markets means that effective tools and regulations become outdated and so require constant rejuvenation and shifts. For example, existing toolkits are in many ways ill-equipped to deal with the consequences of the digital revolution, which has enabled new ways of organizing in the economy and has altered the relationship between those who offer and those who demand work.

These new challenges, but also stubbornly persistent ones — such as the large number of women or marginalized people denied equal and fair access and treatment in the labour market — provide opportunity spaces for social innovation. Broadly defined, social innovation refers to the process of creating new ideas and developing novel approaches to tackle social problems and societal challenges by combining and recombining principles, resources and practices. Many of these approaches and models are generated outside the private or public sector, those which forcefully determine the rules of the game. Local and global labour market realities provide ample opportunities for social innovation. Here are three positive models of social innovation, which show how labour markets can be made more inclusive.

First, technological progress creates more demand for digital solutions, providing professional opportunities for digitally skilled labour throughout the world, including poor and rural communities. Impact sourcing pairs this high-demand digital labour market with a novel approach to fight poverty locally. Pioneered by organizations such as Samasource (<https://www.samasource.org>), impact sourcing offers competitively priced business process outsourcing solutions to global customers by training local workers in underserved communities to solve global needs in the digital labour market. Originally focused on rural and poor regions of India and Africa, the innovative model increasingly includes populations at risk of poverty in the United States, such as military spouses and veterans. Similarly, in Europe, organizations such as the ReDI School

(<https://www.redi-school.org>) provide coding training to asylum seekers in Germany and offer opportunities to collaborate with the local start-up and digital industry.

Second, new social innovation models make labour markets more permeable for those excluded on the basis of physical or mental handicaps. Organizations such as Specialisterne (<http://specialisterne.com>) effectively reframe situations and life conditions of people at the margins of labour markets by highlighting the special and unique skills of people with autism and building a set of business models on these competencies, such as IT consultancy. Another organization, Discovering Hands (<http://www.discovering-hands.de>), has built an innovative model leveraging the unique skills of blind people for the early detection of breast cancer more accurately than short medical exams and more cost-effectively than technical solutions (such as mammograms).

Third, innovative solutions can expand the scope of what and whom we consider to be part of a formal labour market. Organizations such as Nidan (<http://nidan.in/nidanwp/>) have effectively adapted the institutional fabric underpinning labour markets in India. They have built an infrastructure and platform for informal workers and street vendors to organize around issues important to them and to effect policy change. Nidan, for example, has empowered more than 700,000 workers and their families across nine states of India.

Given its success, governments and policymakers increasingly turn to social innovation as a panacea and cost-effective means to create jobs and stimulate employment while creating inclusive societies. But although social innovation creates the potential for impact, innovation is not the holy grail for creating impact at the scale of the problem: it needs to be combined with an effective scaling strategy. Scaling — balancing the implementation of new ideas and expansion through existing organizational strengths — is less sexy than innovation as it mainly consists of boring and tiresome routine work. But scaling is imperative for effective social innovation.

Effective scaling does not depend solely on the ‘right’ solution but on the ability to

change attitudes and conceptions shared in society. This is especially challenging for organizations as it implies letting go of direct control in the scaling process. Creating a movement, influencing policy and altering deeply seeded behavioural and thought patterns are important elements of effective scaling strategies, but they can be orthogonal to organizational control. Scaling effectively requires organizations to think beyond what they can achieve alone and rethink how to work with other sectors.

The examples shared here show that effective social innovation requires involving partners, mobilizing and advocacy work. Specialisterne, for example, has partnered from the beginning with one of the largest IT companies in the world. Nidan influenced policy changes by making relationship building with policymakers a key pillar of its effort right from the start. Thus, building organizational capacity to scale is not a sufficient benchmark; social innovations need to be taken up by the private sector and/or be endorsed by the public sector. Integrating this collaboration early into the design of the innovation is critical.

Labour markets are about society’s human capital and about people. Social innovation is not a fix for all problems and challenges related to the labour market, but it has proved to be one tool to correct for institutional over-engineering of markets. For social innovation to be effective, we need to develop scaling strategies that ease the burden of organizations that can effectively provide the proof of concept. The public and private sector must be more effectively integrated into scaling strategy from the beginning. And hopefully, lessons drawn from scaling may positively influence the private and public sectors to come up with their own novel approaches for ensuring equality within labour markets. □

Johanna Mair^{1,2}

¹Hertie School of Governance, Berlin, Germany.

²Global Innovation for Impact Lab, Stanford Center on Philanthropy, Stanford, CA, USA.

e-mail: Mair@hertie-school.org

Published online: 14 May 2018

<https://doi.org/10.1038/s41562-018-0352-1>

Competing interests

The author declares no competing interests.