



CO-CREATING DEVELOPMENT

BY VENKAT RAMASWAMY



We are now in
a new age of
stakeholder
engagement.

Thanks to the World Wide Web, social media, and advances in mobile and interactive communications and information technologies, networked individuals around the globe are no longer passive and docile recipients of dispensed instructions and development assistance. They are active participants and collaborators in the value creation process, and co-creators of solutions with a wide range of private-public-social enterprises.

ON THEIR PART, enterprises are learning how to engage external and internal stakeholders, and to harness their personal, peer-to-peer, and collective

knowledge, creativity, and expertise for the purpose of co-creation.

How can this emerging paradigm of *co-creation* advance *development*?

Let me first present a broader definition of co-creation that not only integrates but goes beyond participation, collaboration, crowdsourcing, open innovation, and co-development of solutions:

Co-creation is about:

- inclusive, creative, and meaningful engagement with stakeholders,
- to mutually expand value,
- based on human-centric experiences,
- through a strategic architecture of engagement platforms across the business-civic-social ecosystem,
- entailing transparency, access, dialogue, and reflexivity.

Inclusive, creative, and meaningful engagement with stakeholders (including recipients of services) in the process of learning and designing solutions together is critical. Open innovation and crowdsourcing use mass collaboration and ideation tools to tap into people's experience, expertise, and creativity anywhere in the world. These are ways of arriving at solutions that already exist in some form, or generating recombinant and new solutions. How meaningful the act of creating together is, depends on the design of the

environment in which the activity takes place. This is a critical notion: a poorly designed crowdsourcing environment, for instance, can generate a not-so-meaningful engagement experience.

Mutual expansion of value. Co-creation is not about “build it and they will come.” Rather, it is about “bring them together and build it with them.” Co-creation harnesses *human potential* to mutually expand value. It not only views individuals as having creative capacities to forge mutually valuable *outcomes* together, but also that they attach meaning to their *experiences* of these outcomes and their very acts of creative interactions with the environments around them. Thinking of co-creation in this way takes us well beyond crowdsourcing and open innovation. It can include any of the *value chain activities* of any business, civic, or social enterprise—activities that can be opened up to more inclusive, creative, and meaningful engagement with stakeholders.

Centrality of human experiences. Indeed, co-creation is not just about improving the quality of current experiences, but imagining *new types of human-centric environments* designed to generate new experiences of value to people. The centrality of human experiences in co-creation is ultimately what makes it a natural turbocharger of development.

One example of building a social ecosystem that promotes economic development, is ITC Ltd’s e-Choupal in India (*choupal* means meeting place in Hindi). A world leader in the for-profit sector, ITC created the e-Choupal model to improve its position in the global commodities export market, especially for soybeans, and to source high-quality agricultural raw material for the com-

pany’s newly launched packaged brands foods business. The management of the agribusiness division understood that the way to improve the firm’s position was to lift the economic performance of the entire system, and most notably that of the farmers. At the village level, ITC e-Choupal provided an *engagement platform* consisting of kiosks with Internet access, managed by ITC-trained local farmers called *sanchalaks*, who are an integral human part of the platform. Farmers gather there to engage in a dialogue with the *sanchalak*, with ITC, and with one another as a community. They also have access to the Internet and other resources, including:

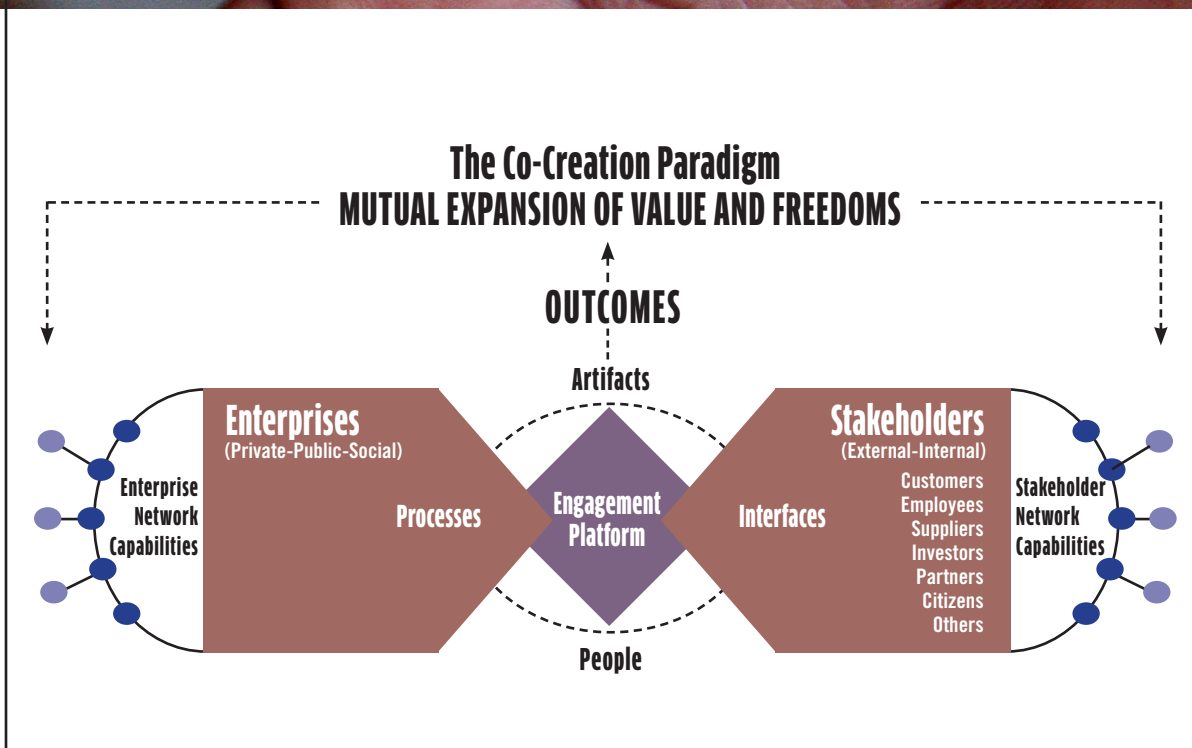
- information in the local language on the daily weather forecast, prices of various crops, and agricultural news,
- knowledge and advice about farming methods and soil testing specific to each crop and region,
- an email facility to connect with scientists at agricultural universities and ITC’s expertise network, as well as fellow farmers who may have dealt with similar crop challenges,
- the ability to purchase seeds, fertilizers, pesticides, and a host of other products and services, ranging from insurance policies to tractors and toothpastes (over 160 companies are partners in the ITC network),
- access to land records, health and education services, nongovernmental organizations (NGOs) working on cattle breed improvement and water harvesting, and
- self-help groups (for example, groups that help farmers save from their income, and consequently gain access to loans).

The *sanchalaks* have become trust-

worthy co-creators of change, taking oaths to serve the best interests of the community without discrimination, and also entering into a social contract to spend part of their income on community welfare. The incomes of farmers have also increased as a result of working with better seeds and better herbicides, and securing higher prices for their crops (particularly as a result of improving the quality of their crops to meet ITC’s more demanding standards).

Strategic architecture of engagement platforms constitutes evolving human-centric *environments of artifacts, interfaces, processes, and people*, designed to engage individuals in generating outcomes of value. Engagement platforms can be anywhere in the ecosystem. In addition to opening up one’s own value chain activities, they can help connect with stakeholders’ value chain activities. In the case of ITC e-Choupal, the platform is *purposefully* designed to engage farmers around their farming experiences, as well as an ever-expanding network of stakeholders who provide products and services in the agriculture ecosystem.

Transparency, access, dialogue, and reflexivity are enablers of co-creative engagement platforms. The first three enablers: transparency, access, and dialogue build on each other. Events and activities that take place on the engagement platform, clarity about the motivations and goals of participants, and assessment of the risk-reward relationships, all contribute to transparent engagement. Access is about the ability to use, modify, and expand on data, information, knowledge, and tools. Dialogue is about the ability to share, communicate, and engage in divergent and con-



vergent conversations on the platform. Reflexivity, which builds further upon dialogue, is about ploughing back participants' experiences and accumulated learning to further improve the design of the platform, make participants' engagement experiences more meaningful, and mutually expand value in a continuous manner.

For instance, ITC has gained a more granular understanding of the interaction between soil types, seeds, and fertilizers, which it has used to promote new hybrid seeds, fertilizers, and tilling techniques that help farmers save money in seed, land preparation, plowing time, or water usage, while helping them maximize crop yield. The knowledge gained from farmers has also allowed ITC to provide soil-testing services at its labs and build a data warehouse of soil properties in the villages where it operates. This data is now used by agricultural input companies to generate better products and services for farmers. ITC has also enabled the design of

new weather insurance products for farmers, with new pricing structures reflecting more accurately the impact of rainfall and temperature changes on individual crop yields. This deeper personalization involves a more granular and direct level of communication and interaction with individual farmers—augmenting their interactions through *sanchalaks* via a new mobile technology-enabled engagement platform that helps e-Choupal to further expand its developmental reach deeper and wider into rural India.

CASTING THE NET WIDELY

THERE ARE MANY SUCCESSFUL development initiatives that have been based on open, participatory, and collaborative engagement. For instance, in April 2011 the World Bank announced the winners of the first Apps for Development competition, which sought innovative technological solutions to development challenges

related to the Millennium Development Goals (MDG). The competition was part of the World Bank's Open Data Initiative, which has made its catalog of development data available to anybody, anywhere in the world. The top winners include an application to visualize development indicators through maps and charts, a web-based tool to measure the impact of global events on progress on the MDGs, and an interactive application that explores human development. The popular choice award, determined by online public voting, is an application that takes data from the World Bank databases on a randomly-selected topic and generates messages supported by pictures, videos, and maps to raise public consciousness about the MDGs. The World Bank's Development Marketplace for turning Ideas into Action is another example, "stepping up the pace of innovation to catalyze change in development" as noted by World Bank Institute Vice President Sanjay Pradhan, as it rapidly expands the deployment of engagement tools on its online platform.

HOW IS IT DONE?

THE NOTION OF ENABLING hundreds of exchanges, whether South-South, North-South, South-North (or even North-North following the development impacts of the Great Recession of 2008), as countries seek to learn from each other how to tackle pressing global challenges ranging from poverty and disease, to climate change and environmental issues, to local conflict, is indeed promising and aspirational. These are just a few of the hundreds if not thousands of initiatives involving stakeholder engagement. They all involve some kind of platform (whether live meetings or online or a combination of the two) where interactions take place. The key questions are:

- What are the engagement experiences of participants?
- What mechanisms exist for people to share their experiences?
- Can we (re)design the environments in which engagement happens, by tapping into insights gained from participants' experiences?
- Can we open up the platform design process itself?

THE CASE OF AMAZON.COM

TO ILLUSTRATE THE IMPORTANCE of these questions, let's first consider an example outside the development realm as such. Take Amazon.com, a platform that enables suppliers and buyers to come together to make commercial transactions. Amazon helps buyers to rate and review suppliers' products. It is still difficult to sort through a multi-

While other institutional systems around the world tend to focus on citizens' complaints, usually on a one-off basis, OASIS allows for continuous reform, while enhancing the image of civil servants and improving citizens' trust in the institution at large.

tude of product reviews, each of which may use a different basis for evaluation. This is no different from scrolling through blog entries and replies, one by one. Although improvements are being made that enable users to sort and understand the data, it is quite odd that, as of this writing, it is impossible to rate Amazon and its *own* services, let alone engage with other users in a dialogue about their experiences of Amazon. Why not engage users and other stakeholders reflexively in co-designing change, and making specific design revisions to the platform itself. Even organizations like this who purportedly focus on user experiences may not be going far enough in engaging individuals as co-creators of environments. As the next example from the public sector and city development illustrates, a co-creation mindset *inside* the organization is often a prerequisite to enabling co-creation with *external* stakeholders.

THE CASE OF SEOUL, KOREA

IN OCTOBER 2006, Seoul's Mayor Oh Se-hoon launched an external, online, open ideas platform called OASIS to "enhance creativity and imagination in administration," bringing in citizens as active participants in government policy and decision making. Its genesis was an internal intranet initiative dubbed Creative Seoul Project Headquarters, where the mayor encouraged civil servants to suggest ideas on three topics: improvement of work practices, encouragement of citizen participation, and transparent city administration. Over 3,000 ideas per month were received in the first year and evaluated by the Seoul Development Institute.

The Institute forwarded the best ideas to the relevant civil servants. The performance evaluation system for city employees, which previously had been based on seniority, was revamped to include a merit rating system that reflected how ideas from the intranet had been adopted. This paved the way for engaging external citizens in generating ideas for better governance.

A RIGOROUS PROCESS

THE NEW PLATFORM, named Ten Million Imaginations OASIS, invited creative policy-making ideas from Seoul's 10.3 million citizens. Between October 2006 and May 2009, over 4.25 million citizens visited OASIS, submitting 33,737 ideas (about 1,050 ideas per month on average). OASIS (<http://oasis.seoul.go.kr>) is a dynamic engagement system involving three key stakeholders: citizens, civic bodies, and public enterprise employees. A select group of prequalified participants including policy experts, civil servants, and a volunteer Citizen Committee assess and develop ideas. Of the 1,050 ideas proposed per month in OASIS on average, about 120 ideas make it to the discussion phase. At this point, OASIS consolidates similar ideas, followed by an Offline Preliminary Examination, where selected ideas are evaluated based on *feasibility and viability*. About 40 ideas per month reach this phase. Then the top levels of city government take part in a brainstorming process to develop the ideas into policies. The director general, directors, and external experts participate, and the Deputy Director in charge of implementing the idea and policy joins at the appropriate

time. After the discussion, the city government holds a working-level meeting to decide which ideas to take to the final policy adoption meeting.

ONLY THE MUTUALLY VALUABLE IDEAS

ABOUT SEVEN IDEAS on average make it to the fourth and final phase of the engagement process—the Seoul Policy Adoption meeting, a live public meeting of some 200 people, including the idea provider, Citizen Committee members, nongovernmental organizations (NGOs), external experts, citizens, and the city's top officials. The meeting is chaired by the mayor, and broadcast in real time over the Internet. A voting process follows. Close to a hundred ideas have been adopted through OASIS such as provisions of free baby carriages and wheelchairs in parks, narrowing of the gratings of drain covers, and a footbridge across the Han River. The adopted ideas are posted on the OASIS website with a due date and progression bar showing percentage of completion. Ideas not adopted are also posted on the web site, with an explanation and details on any alternate policies in process. The web site allows further discussion on alternative solutions or related problems. While other institutional systems around the world tend to focus on citizens' complaints, usually on a one-off basis, OASIS allows for *continuous reform*, while enhancing the image of civil servants and improving citizens' trust in the institution at large.

A VISION FOR DEVELOPMENT

TO NOW STEP BACK into the wider realm of economic, civic, and social ecosystem development: *can we engage people we otherwise don't engage in the design of management and governance processes that shape people's environments?* This takes us beyond the current best practices of co-creation, largely based on generating ideas and solutions together, to more of an end-to-end *systemic* co-creation that has the power to transform relationships and social realities and enhance the quality of our human experiences. It can even widen the current structural limitations of funding for development—not only by thinking out of the box, but transforming the box itself: for example, enabling people from the grassroots to not have to depend solely on large donor agencies or even someone else's agenda.

On the supply side, donors could have more freedom to choose from a network of capable organizations with a wealth of local knowledge and experience in development at the grassroots. Ultimately, enhancing such human experience and *freedom-centric development through co-creation thinking* would enable individuals and institutions to converge on the collective realization of human potential and enhance the growth, productivity, sustainability, and resilience of the ecosystems in which we live, and the quality of people's lives. □

Venkat Ramaswamy, Ph.D., is Hallman Fellow of Electronic Business and Professor of Marketing at the Stephen M. Ross School of Business at the University of Michigan.