

Service innovation is not exclusively the domain of high-tech service providers in Western countries. Why, for example, did the tailor not move to a prosperous suburb, but instead openate out of a rubbish-infested street in a poor part of town? In their book *Poor Economics*, Banerjee and Duflo describe levels of ingenuity in poverty-stricken areas which might put to shame a Western service development manager, surrounded by piles of quantitative and qualitative data (Banerjee and Duflo, 2011). Such harsh environments for service development have spurred further innovation in the form of micro-credit – small loans given by lenders to individuals whom the mainstream banks would not look at. Micro lenders have themselves adopted low-cost business models which adapt to the needs of their small-scale, asset-poor clients. The slum dwellers of Mumbai who innovated with new ways of collecting and sorting garbage into the categories that modern recycling plants demanded. Gome innovators from poor economies have gone on to create major service businesses when the opportunities arose.