Innovation Unravelled

The tone of commentary about the appropriateness and effectiveness of innovation as a centrepiece of Government policy has turned from one of enthusiasm, particularly among the start-up community, to pessimism and even rejection.

Stuart Kennedy[[1]](#footnote-1) argues that “innovation politics has paid out some harsh lessons for the Coalition”. Not only the loss of the high performing Assistant Minister for Innovation, Wyatt Roy, but the wider unreceptivity of the electorate to the ‘Ideas Boom’ signals that the Turnbull message of an exciting future through innovation and high-tech start-ups has palpably failed to engage the Australian community.

Should we be surprised? Did innovation ever have sufficient potency or reach as a concept to transform the Australian economy? Indeed what are the subliminal messages carried by this nebulous concept?

First it is important to reiterate that the many arguments made over the years, and myriad research findings, emphatically support the role of innovation in the modern economy.

The globally competitive nature of the modern economy requires companies to continually improve their products, services and business processes if they are to survive. Innovation makes immediate sense in the corporate environment because of this competitive pressure: doing the same thing over again invites rapid imitation and displacement.

Not that producing and managing innovation is easy. By its very simple definition of ‘doing new and better things’, innovation does not lend itself easily to rule-based procedures – indeed it is inherently rule-breaking. Hence the myriad ‘top ten tips’ for innovation are almost invariably pointless. If you are following someone else’s rules, you are not innovating.

At a national level, establishing effective and enduring systems of research, development, engagement and commercialisation remains a significant challenge, shown not only by Australia’s relatively poor performance in international comparative measures of innovation performance, but also by the high level of analysis and policy reform in the many countries that perform far better than Australia.

The lessons we have learnt is that innovation arises from an uncertain combination of creative minds, space to experiment and fail, modest financial support, a supportive environment, passion, and risk-taking, in relatively small portions. The current intense activity and hype in the start-up space is less about creating a new generation of billionaires, and more about realising a new, intensive approach to the pursuit and capture of innovation.

But when we move into the policy context, and even more importantly the political context, the meaning and role of innovation becomes far more problematic. To paraphrase Carl Sagan, ‘We live in a society exquisitely dependent on innovation, in which hardly anyone knows anything about innovation’.[[2]](#footnote-2)

Firstly, innovation is such a loose, umbrella concept that it can mean many different things to different people. More significantly, innovation is only ever a means to an end – new products, jobs, economic growth, profitability are what we want from innovation. Too often innovation is treated as an end in its own right, implying that if we only change something, anything we do, life will be better. It reminds me of the possibly apocryphal manager demanding of his staff that they increase their innovation rate to 3.5/week.

And what do we know of public attitudes to innovation? Reliable opinion poll data are scarce. But if we draw on politicians, whose central survival skill is understanding people’s interests and concerns, we find Ed Husic the Labour innovation spokesman commenting:

“If I went and had this (innovation policy) debate in the Mt Druitt library I don’t think many people would get what we are talking about. A lot of those people think what you do and what we argue for is a job killer…The other issue that is contentious is whether technology is only going to make rich people richer. Is it only going to accumulate benefits to one portion of society that is already doing well?”

All the positive arguments about the need to transition from a resources-based to a knowledge economy (not that the two are mutually exclusive) will require a much broader framing than facilitating start-ups and venture capital investment. It involves a profound reshaping of the understanding of what is and will be the nature of a ‘job’, what skills are necessary to be able to get that job or deliver that service, and how that provides the basis for the desired life quality. A much larger narrative is waiting to be written.

Throughout history there have always been winners and losers in times of great change. At least some of our commitment to innovation needs to be in finding new ways to ease the economic, social and psychological transitions.

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1. InnovationAus.com, 3 July 2016 [↑](#footnote-ref-1)
2. Sagan, C. (1990) The Skeptical Inquirer: Why we Need to Understand Science, Volume 14,

   Issue 3. [↑](#footnote-ref-2)