
Foreword

The Rt Hon. Lord Willetts

I welcome this review of innovation policies, especially as its origins lie with a challenge I put as minister responsible for technology and innovation in the UK: 'Given that there are now so many initiatives across the world to promote innovation, what is the evidence about the ones that work and the ones that don't?'

This *Handbook* is an important attempt at answering that question. Perhaps inevitably the conclusions so far are limited. Investing in relevant skills, both formal and informal, looks helpful. So does advice and networking support for firms. Technology foresight exercises can be useful, especially when guiding the use of specific instruments in specific priority areas. Tax reliefs may promote incremental improvements but are not so good at stimulating radical innovation.

There are however major uncertainties. Short-run gains do not necessarily point to more transformational long-term effects. And, vice versa, long-term benefits may not show up in the short run. Most profoundly there are uncertainties about the effects of combining different policies – does that yield a kind of multiplier effect or do they just get in each other's way and overlap with little extra impact? This is an area where we know little as yet.

Often innovation policy is linked to universities, which are at the heart of all the great innovation clusters. But despite their commitment to research it does not look as if innovation policy itself is always studied by universities with the rigour and sophistication one would expect. It is thus pleasing to see the Manchester Institute of Innovation Research at the University of Manchester take up this challenge.

One of the most valuable features of this *Handbook* is the typology of different kinds of innovation policy. This on its own is a contribution to good policy making by helping us to think through what we are trying to do and why. And when policy makers gather at discussions promoted by the OECD and others this *Handbook* means there will be a framework within which initiatives can be compared and contrasted.

Above all, policy makers themselves should keep trying. As a minimum their experiences provide evidence from which others can learn. And sometimes things really do work. My experience has been that we exaggerate what governments can do in the short run but underestimate what they can do in the long run. I believe this may be true of innovation policy.

The Rt Hon. Lord Willetts was Minister for Universities and Science in the
UK 2010–14.