Preface

Those innovations that attract widespread public attention are usually the *aristocracy* of innovation. Some leading examples are these: the Ferrari 458 *Italia*, the Apple *iPad* and the Dyson *Dual Cyclone*™. These stand as a beacon for innovators, showing them how to innovate for business success and for consumer enthusiasm. This aristocracy is usually treated with great reverence. For example, Barthes (1957) wrote of the Citröen *DS*:

> I think that cars today are almost the exact equivalent of the great Gothic cathedrals: I mean the supreme creation of an era, conceived with passion by unknown artists, and consumed in image if not in usage by a whole population which appropriates them as a purely magical object. It is obvious that the new Citröen has fallen from the sky inasmuch as it appears at first sight as a superlative object …

Those economists who study innovation, however, are also interested in a large number of more modest innovations. These do not usually attract much public attention, but they often play an important role in ensuring the profitability and survival of the innovators and often, though not invariably, in satisfying a large number of customers. The majority of these innovations are made by business, and hence they are usually called *business* innovations. (In some cases, the term, *professional* innovation would be more appropriate, as it encompasses innovation by other organisations and the public sector.)

In this book, however, we are concerned with something more modest still. These are the humble innovations made by individuals, households, clubs and local communities. They are not aristocrats of innovation, nor are they comparable to innovations by business or other professional organisations. I shall call these, *common innovation*. I use the word 'common' here in the same sense as a naturalist might talk of a common flower: it grows everywhere; it is unexceptional, non-proprietary, inexpensive and modest.

Three simple examples illustrate common innovation. The first is depicted on the front cover of this book: building sandcastles has been an essential element of seaside holidays for many generations of children. The second is found in the kitchen: the innovative cook creates a special meal from ordinary ingredients. The third, on a larger scale, is where a community finds a new use for an old industrial site, and thereby creates a valuable amenity. Individually, these examples may seem trivial, but when taken together, they do much to enhance the welfare of family and community.

A typical view amongst business people is that common innovation is simply not an issue for economics. They concede that common innovation may be important for the family and the local community, but they argue that because it happens outside companies, organisations and markets, it plays no role in wealth creation. I believe that argument is plainly wrong.

Any economists familiar with the household production theory of Becker (1965) will recognise that if household production lies within the domain of economics, then so too does common innovation. Put simply, common innovation alters the household production function or the community production function – as the above examples show. Nonetheless, while economists may concede this point, a typical reaction is that common innovation is of minor importance when compared to business innovation. I am not convinced of that. This may be the perspective of people who receive a high salary, and for whom consumption and leisure are expensive activities. But it is not the perspective of those with more modest incomes, who need to use their own intellectual and practical resources to ensure that consumption and leisure are *not* expensive activities. In the same way, the importance of common innovation will vary over the business cycle.

In this book, we shall encounter other reasons why common innovation is likely to grow in importance. Four are worthy of mention here. First, as the distribution of income and material wealth becomes ever more uneven, common innovation will be essential to ever more people. Second, as the focus of business innovation becomes ever more remote from the needs of citizens, common innovation will seem ever more relevant to these citizens. Third, while business innovation remains a 'perennial gale of creative destruction', as Schumpeter (1942) described it, common innovation is, by comparison, a 'gentle and benign breeze'. That sounds like a far more appropriate pattern for sustainable innovation in a finite world. Finally, and most of all, common innovation will become an important counter-balance to the ever increasing power of business innovation, in a world where business was once the *servant* of society, but is now firmly the *master*.

This book draws on work over forty years, and I cannot list all intellectual influences. This book draws in particular on the pioneering work of Eric von Hippel. I am grateful to Hans-Jürgen Engelbrecht and Rui Baptista for very useful comments, which have helped to clarify various parts of the manuscript, but neither is responsible for any errors or idiosyncrasies. I would also like to give warm thanks to colleagues at the University of Nottingham for their support. Above all, my greatest thanks are to my wife, Jenny Swann, for all her encouragement.