

# Is Wales Getting Innovation Right?

**nesta**

## **Nesta**

This research was commissioned and managed by the Nesta project team led by Jen Rae, with invaluable expertise from Madeleine Gabriel, Ksenia Zheltoukhova, Kathy Peach, Laurie Smith and Harry Farmer.

The full report and additional summary was edited by Alex Porter with Rob Ashelford. With thanks to Alice Turner and Nesta's Communications team for their ideas and input in the editing process.

## **BritainThinks**

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## Introduction

It is heartening to see that Wales is a nation ready for innovation, but this report sets out some clear tensions that exist in who feels the benefit and how they are involved.

People in Wales feel uncertain about the future, but are keen to be involved in shaping it; they understand innovation – and the role of risk and failure – yet they feel excluded from participating in it. They see the benefits of innovation, yet they don't necessarily feel them.

People see innovation happening in their lives, their communities and the country as a whole – tackling climate change, making us healthier and improving our education. Yet this isn't happening in an equal way. People on lower incomes are far less likely to say that innovation is benefiting people like them than those on higher incomes, with many stating that innovation is almost as likely to have had a negative impact as a positive one.

This is replicated in how people think innovation in Wales should be targeted – ensuring that it benefits more people, even if that's in smaller ways, and focusing on social challenges, even if that means there's little to no economic benefit to doing so.

It's often said that Wales has lots of the policy and legislation that can allow innovation to happen. However, it's not clear that this is currently being evidenced by change on the ground, with very few people having heard of the Well-Being of Future Generations (Wales) Act – one of our most innovative pieces of legislation – and even fewer recognising its impact on how decisions are made.

No single solution or organisation will be able to address the issues raised by this research – it will take a coordinated response by the public, private and third sectors and innovation funders to ensure that more people are involved in and benefit from innovation in Wales.

### **Rob Ashelford**

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*Y Lab is the public services innovation lab for Wales, a partnership between Nesta and Cardiff University*

## Background and methodology

This summary report is based on the results of a survey of adults in Wales, undertaken between 1–7 November 2019. In addition to the nationally-representative sample of 2,901 UK adults, the survey was run with an additional boost resulting in a sample of 1,012 in Wales. The data were weighted by age, gender, and urban/rural split.

This report outlines the findings from the survey for respondents in Wales only.

## Summary of findings

### **What Wales thinks about the future**

As with the rest of the UK, in Wales there is uncertainty about the future – as well as a sense of disempowerment in shaping the future of the country.

A majority (59 per cent) of people report feeling uncertain about the future and half (54 per cent) say that they often feel the world is changing too quickly.

There is widespread negativity about the long-term future of the UK within Wales. Thirty-eight per cent of people disagree with the statement 'I feel positive about the long-term future for the UK' and 70 per cent say there is no agreement around the long-term vision for the country.

Alongside this, a majority (70 per cent) of people in Wales say there is little to no agreement around the long-term vision for the country.

A majority (65 per cent) of people report they do not feel they have the opportunity to shape this future, with a quarter (26 per cent) saying they have 'no opportunity' at all. Half (50 per cent) of people say that they believe that under the current system, only people who are well-off and influential are able to get involved in innovation.

### **What Wales thinks about innovation and change**

People in Wales have a strong desire for innovation and change. Importantly, there is widespread recognition that a key part of innovating is allowing people to fail.

A majority of those in Wales (68 per cent) believe that allowing people to take risks and fail is what drives society forward.

A small majority of people in Wales (53 per cent) believe that change in culture and society is usually a good thing. 25–34 year olds are particularly likely to agree with this statement (66 per cent).

### **What Wales thinks about innovation and who benefits from it**

Recognition of the term 'innovation' is very high, with few people in Wales indicating that they do not know what it means.

When asked to define 'innovation' most definitions centre around new ideas and developments, as well as a sense of creativity, tackling challenges and 'thinking outside the box'. For example:

'Change, but in a good way. Updating and improving'

'Technologically advanced'

'Coming up with something new'

'A fresh idea with tangible benefits to society'

People have heard about innovation in a number of key areas, in particular, climate change, health and education.

There are some notable differences between older and younger people.

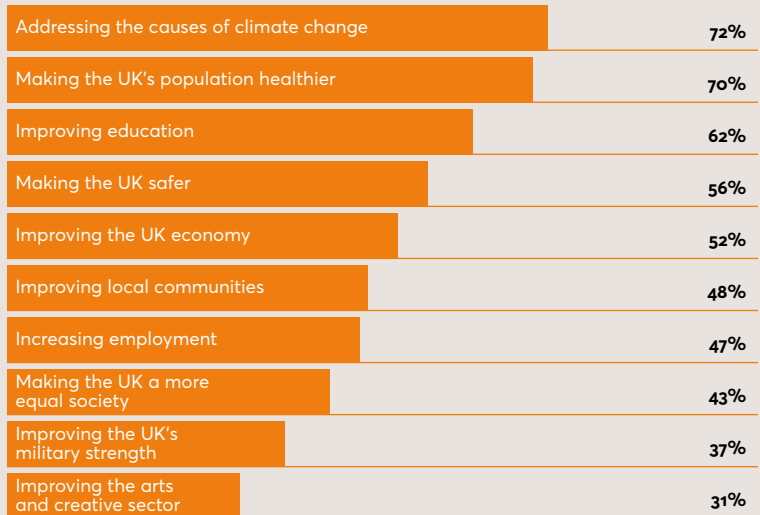
Older people are more likely to report hearing about innovations making the UK's population healthier (79 per cent of individuals over 65, compared to 70 per cent overall).

Younger people are more likely to report hearing about innovations improving local communities (56 per cent of 18–24 year olds, compared to 48 per cent overall) and improving education (73 per cent of 18–24 year olds, compared to 62 per cent overall).

25–64 year olds are less likely to be aware of innovation increasing employment than younger people (18–24 year olds, 54 per cent) and older people (65+, 56 per cent).

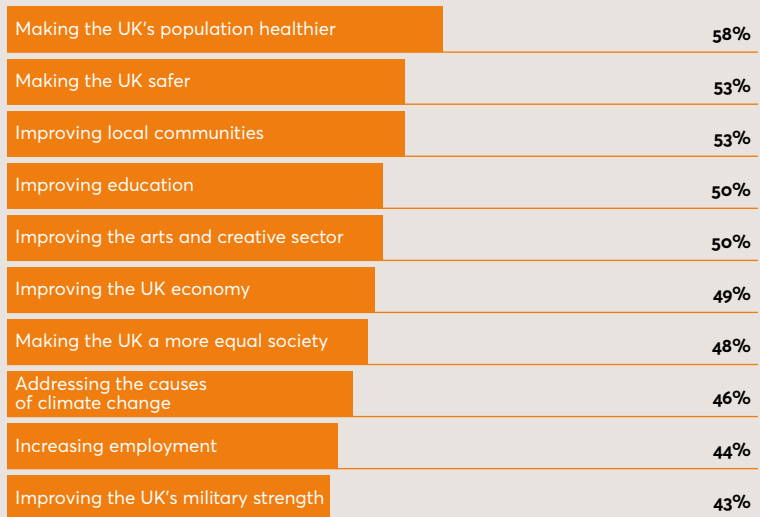
**Figure 1 % saying they are aware of any innovation in this area.**

Q4. How much innovation, if any, have you seen or heard about in each of the following areas?



**Figure 2 % selecting that each option has made their lives better.**

Q5. To what extent, if at all, has innovation in each of these areas made your life better, or worse?



Innovation is seen by some to have made Welsh people's lives better across a number of areas.

There are some notable differences between younger and older individuals in reporting which areas of innovation have made their lives better.

25–34 year olds are more likely than most age groups to say innovations making the UK's population healthier have made their lives better (75 per cent, compared to 58 per cent overall).

Younger people (18–24 year olds) are more likely to say innovations in education have made their lives better (69 per cent, compared to 50 per cent overall).

People in Wales feel there are some who are clear 'winners' as a result of innovation, whilst other groups are less likely to be seen to benefit.

Across the public, majorities feel that innovation has had a positive impact on the following groups:

**Table 1** Q3. How positive or negative is the impact of innovation on each of the following groups of people?

| Group   | % positive impact |
|---|-------------------|
| People on higher incomes                                    | 61%               |
| People in work  | 60%               |
| People who live in towns and cities                         | 58%               |
| People who went to university                               | 58%               |
| Younger people (aged 18 and under)                          | 57%               |
| Disabled people, or people with long term health conditions | 54%               |

There are significant demographic variations in the likelihood to say that innovation has had a positive impact on 'people like you'.

Individuals within the ABC1 SEG (56 per cent) are more likely than those who are C2DE (34 per cent) to say innovation has had a positive impact on people like them.

Only minorities believe that innovation has had a positive impact on the groups in the table below:

**Table 2** Q3. How positive or negative is the impact of innovation on each of the following groups of people?

| Group                                       | % positive impact | % negative impact |
|---|-------------------|-------------------|
| People like you                             | 49%               | 7%                |
| People who are from a BAME background       | 39%               | 8%                |
| People who live in the countryside          | 38%               | 13%               |
| Older people (aged 65+)                     | 38%               | 19%               |
| People who did not go to university         | 37%               | 10%               |
| People on lower incomes (e.g. minimum wage) | 30%               | 23%               |
| People who are unemployed                   | 26%               | 23%               |

Notably, almost as many people believe that innovation has a negative impact on people who are on lower incomes (30 per cent positive, 23 per cent negative), and on people who are unemployed (26 per cent positive, 23 per cent negative).

### **What Wales thinks about how innovation should be targeted**

While 2020 is a predominantly election-free year in Wales, political parties will be gearing up for the end of our transition period from the EU and the scenarios that will bring, and the prospect of Welsh Parliamentary elections in 2021. Both provide opportunities for policy makers to address the key concerns of people in Wales, who would most like to see innovation in addressing the causes of climate change, making the population healthier, improving the UK economy and improving education.

There are clear indications as to the principles that people would like to be applied to innovation funding:

- Ensuring that innovations benefit a large number of people – even if the comparative benefit they experience from this is small. People in Wales are far more likely to say the Government should prioritise investing in innovation that has a smaller positive



**Table 3** Q6. In which of these areas do you think that innovation is most important to society?

| Areas for innovation                    | % selecting each in their top 3 |
|---|---------------------------------|
| Addressing the causes of climate change | 47%                             |
| Making the UK's population healthier    | 46%                             |
| Improving the UK economy                | 43%                             |
| Making the UK safer                     | 40%                             |
| Improving education                     | 35%                             |
| Increasing employment                   | 28%                             |
| Making the UK a more equal society      | 25%                             |
| Improving local communities             | 13%                             |
| Improving the UK's military strength    | 10%                             |
| Improving the arts and creative sector  | 4%                              |

impact on a larger number of people (83 per cent) than a significant positive impact on a small number of people (17 per cent).

- Solving social problems – even if there is no economic benefit to doing so. 71 per cent of people in Wales say that the Government should invest in innovations which solve social problems without any economic benefit compared to 29 per cent who say the Government should only invest in innovations where there will be an economic benefit to the country.
- Ensuring that innovation benefits the entire country – even if that means the pace of progress in better off areas is slower than it could be. 70 per cent of people in Wales say that when investing in innovation, governments should focus on making everywhere in the country more prosperous, even if this means that the progress in better-off areas is slower than it might have been otherwise, compared to just 30 per cent who say that when investing in innovation, governments should focus on improving a country's economy overall, even if some places (e.g. certain cities and towns) do better than others.

In other areas the principles that should guide innovation are less clear.

Three-fifths (61 per cent) of people in Wales say that innovation should focus on the long term. However, only 54 per cent say that innovation should focus on improving the lives of future generations rather than current generations.

A clear majority of people in Wales say they would be happy to share their personal data for innovation to take place (60 per cent).

There are no clear majorities of people in Wales who say that:

- We should be prepared to limit the use of innovation and new technology if they have the potential to lead to inequality or disadvantage certain groups of people (52 per cent).
- Decisions about innovation should be made by experts, even when they disagree with most of the general public (52 per cent).
- Innovation is worthwhile even if it means some people lose their jobs (51 per cent).

### **What Wales thinks about who should make decisions about innovation**

People in Wales believe they should have decision making power around innovation, but currently have less than they should.

A majority (52 per cent) believe the general public should have decision making power around innovation – however only two in ten (20 per cent) believe they currently do.

Slightly fewer (46 per cent) feel that they themselves ('people like you') should have decision making power around innovation. Currently, only 15 per cent believe that 'people like you' do in fact have this power.

People are most likely to feel that central Government should make decisions around innovation (62 per cent) – this is 11 percentage points less than the 73 per cent who believe that central Government currently has this power.

Almost half think that the Welsh Parliament (48 per cent) should have power, however less than a third (31 per cent) feeling that it currently does have power.

**Figure 3 % selecting each as coming closest to their view.**

Q7. For each of the following pairs of statements please indicate which best matches your views.

The government should invest in innovation that has a smaller positive impact on a larger number of people



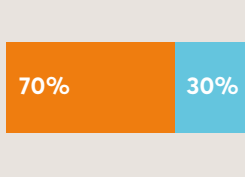
The government should invest in innovation that has a significant positive impact on a small number of people

The government should invest in innovation if it solves social problems, even if it doesn't necessarily have any economic benefit



The government should only invest in innovation if it will lead to an economic benefit for the country

When investing in innovation, governments should focus on making everywhere in the country more prosperous, even if this means that the progress in better-off areas is slower than it might have been otherwise



When investing in innovation, governments should focus on improving a country's economy overall, even if some places (e.g. certain cities and towns) do better than others

Innovation should focus on longer-term issues, even if that means ignoring issues that affect us now



Innovation should focus on the issues that affect the world now and not worry about the longer-term

I would be happy to share my personal data if it meant that innovation could take place



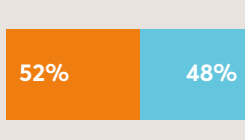
I would be unhappy to share my personal data for the purposes of innovation

It is more important that innovation improves the lives of future generations, rather than current generations



It is more important that innovation improves the lives of current generations, rather than focusing on future generations

We should be prepared to limit the use of innovation and new technology if they have the potential to lead to inequality or disadvantage certain groups of people



The good brought about by innovation and new technology will ultimately outweigh any inequality or disadvantage – so there is no need to slow down progress

Decisions about innovation should be made by experts, even when they disagree with most of the general public



Decisions about innovation should be made by the general public, even if they disagree with experts

Innovation is worthwhile if it improves a country's economy, even if that means some people lose their jobs



Innovation is not worthwhile if it causes people to lose their jobs, even if it improves a country's economy overall

At the moment, private sector companies are seen to have far more decision making power (71 per cent) than they should (53 per cent).

The public has a clear view on who should be most responsible at each of the different stages of innovation.

Business are most likely to be considered responsible for the development, production and delivery of new goods and services, and government for planning for the future.

**Table 4** Q12. Of the groups below, please indicate who you think should be most responsible for each of the following stages of innovation.

|                |                         | Stages of innovation     |                      |                     |                     |                    |  |
|----------------|-------------------------|--------------------------|----------------------|---------------------|---------------------|--------------------|--|
|                | Planning for the future | Coming up with new ideas | Developing new ideas | Manufacturing goods | Delivering services | Adapting to change |  |
| Responsibility | Government              | Mixed                    | Business             | Business            | Business            | Individuals        |  |
| Government     | <b>64%</b>              | 8%                       | 10%                  | 4%                  | 27%                 | 29%                |  |
| Business       | 12%                     | <b>43%</b>               | <b>62%</b>           | <b>86%</b>          | <b>59%</b>          | 18%                |  |
| Individuals    | 15%                     | <b>39%</b>               | 20%                  | 4%                  | 6%                  | <b>40%</b>         |  |

## From policy writing to policy making

The findings from this research throw up a clear challenge to policymakers, not just in terms of the themes that people want to see tackled, but in bringing to life policy and legislation that is designed to support and encourage innovation. That the majority of Welsh respondents have heard nothing about the Well-Being of Future Generations (Wales) Act (FGA), and most of those who have heard about it do not report decision-makers changing their behaviour as a result of it, is a good example of how this manifests itself in Wales.

82 per cent of Welsh respondents report having heard nothing about the FGA, compared to just 14 per cent who report having heard something (incl. only 2 per cent who have heard a lot).

Of those who have heard about the FGA, two thirds (69 per cent) have not noticed any differences in the way that decision-makers in Wales have acted as a result of it.

Of the fifth (21 per cent) who have noticed a difference, explanations frequently mention the M4 relief road, as well as climate change being taken more seriously, and more of the Welsh public being consulted in decision-making.

## Conclusion

The key challenges for anyone looking to encourage, support or enhance the development and spread of new ideas isn't about making the case for innovation; it's about ensuring that it happens in a way that's more inclusive and shares the benefits more equally than we've seen until now. Innovation in Wales needs to involve and benefit those people who live in Rhyl West, St James and Tylorstown – Wales' three most deprived areas – as much as it does Mold South, Marford and Hoseley, and Church Village – the three least deprived.

Our research points to an opportunity to think differently and radically about how we ensure that innovation benefits more people. We already have lots of the tools, as well as the policy and legislation to make this happen in Wales. Our challenge is to use them to create meaningful action involving people in a more impactful way.

There have been calls in recent years for innovation policy that focuses on solving missions (and lots on the challenges of putting this into practice). In Wales, we might want to focus our ambitions on finding ways to rapidly and radically tackle the income inequality that leaves 30 per cent of children in Wales in poverty, or the significant gaps in healthy life expectancy between the richest and poorest. With the effects of climate change already starting to show, we need to ensure that we're at the forefront, not just of ambitious efforts to reduce carbon emissions, but in developing new ideas that mitigate the impacts in a compassionate and sustainable manner.

We also need to ensure that we have the resources to innovate. For a long time, Wales has lagged behind the rest of the UK in terms of research and development spend, and its ability to attract funding for innovation from UK research councils. Attracting more of this funding is part of the solution, but we also need to ensure that our public institutions have the internal funding and capacity to innovate, and support innovation in the areas they represent; and collaborate more effectively to tackle the challenges that cut across sectoral and geographic boundaries.

Whatever the focus is (and it's clear that Wales as a whole needs to be involved in that decision), the efforts of funders, supporters and encouragers of innovation need to be shaped by the demands for greater involvement by the general public and greater equality in its outcomes.

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