# Innovation: More than a Commercial Affair

**Friday, June 28, 2002** – Innovation drives productivity growth and is, for good reason, a vital focus of economic policy. But, in a recent presentation to the Statistics Canada Economic Conference in Ottawa, CPRN's President, Judith Maxwell maintains that productivity is not simply a commercial matter. It is the concern of every sector that consumes resources and produces outputs.

"So our productive potential depends on the capacity for innovation across markets, state, community and family."

Innovation doesn't take place only in the laboratory or on the factory floor. It is also the product of social interaction in the workplace and between the workplace and other institutions and groups.

In her presentation, ***Innovation Is a Social Process***, Maxwell examines the characteristics of "place" that foster this kind of interaction, this kind of "social learning", and their implications for policies designed to enhance innovation. She also points to the unfortunate trend towards polarization in the new knowledge-based economy between those with access to education (and the training on which economic success depends) and those excluded.

She argues that policies to boost innovation cannot ignore the need for social investment to counter exclusion and social distress. She gives examples of programs that work in this regard. She also warns that social investment has a long "payback period", as much as 10-15 years, but that the wait is worth it. The greatest threat to achieving that payback, she says, is an innovation debate restricted to talk of R&D, lower taxes and less government.

You can access a Powerpoint version of her remarks by clicking here.

e-network e-network work e-network e-net