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Innovation for the Masses: How to Share the Benefits of the High-Tech Economy, by Neil Lee, Oakland, California, University of California Press, 2024, 248 pp., £23.00, US\$26.95 (hardcover and eBook), ISBN: 9780520394889

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Innovation for the Masses: How to Share the Benefits of the High-Tech Economy, by Neil Lee, Oakland, California, University of California Press, 2024, 248 pp., £23.00, US\$26.95 (hardcover and eBook), ISBN: 9780520394889

‘*Innovation for the Masses*’ by Neil Lee is a real gem of a book. It’s a hugely thought-provoking read with Lee investigating the extent to which innovation is doomed to be negatively correlated with equality. Based on evidence from more than one hundred interviews and a range of secondary material, both qualitative and quantitative, Lee’s research approach is to look beyond the obvious cases of places with a strong innovation economy. Instead, he seeks out economies high in innovation, but that are less obvious and visible than Silicon Valley and the like, and which have also maintained relatively high rates of socioeconomic equity and inclusivity. Within this analysis, Lee is keen to understand the role of the state not only in generating innovation, but also in ensuring that such innovation is widely diffused across economies.

The book has a focus on considering the role of the state in establishing institutions that facilitate the benefits of innovation to be equitably distributed. Across a number of possible contenders, Lee identifies four case studies that have bucked the positive innovation-negative equality trend and he presents detailed historically informed case studies of innovation and economic development in Switzerland, Austria, Taiwan and Sweden.

The book begins by outlining the analytical framework Lee seeks to adopt, which connects innovation with inequality and living standards. The early chapters covering this will be a highly informative introduction to those new to the field of innovation economics. Following this, there are four chapters dedicated to the case study economies. Each chapter provides a fascinating historical analysis of the development of each economy in the context of the rise of innovation.

Some of the key highlights from each case study include the finding that a strong education and skills development system in Switzerland, coupled with a balanced approach to regional development and pure/applied research, has led to the nation maintaining an impressive record for radical innovation and the diffusion of new technologies. Supported by a strong social partnership approach to development, Austria has managed to maintain a culture of innovation in often low-tech industries, which has allowed it to grow more strongly than nations with similar industrial structures.

Based on the success of its semiconductor industry, Taiwan is found to have grown fast but at same time managed to maintain a relatively high level of equity, which has been supported by significant investment in the education system and growth in the welfare state. Finally, Sweden has negotiated the high-wire act of maintaining a strong welfare state alongside innovation-led competitiveness, with the state being a key enabler, rather than a constrainer, of competitiveness in innovation-intensive industries.

Following the case study analysis, Lee brings his findings together. He is keen to indicate that it is very difficult, impossible even, to make general propositions given the contextual complexities within each economy. However, he argues that three forms of

institution are the key drivers of inclusive innovation. First are 'generative institutions' such as research universities and particular types of firms that produce innovation. Second are 'diffusive institutions' such as networks and education systems. Third are 'redistributive institutions' in terms of the shape and nature of labour markets and welfare states.

Although these institutions are in play across all the case studies, Lee acknowledges that they are far from perfect models representing inclusive innovation, with each having embedded and evolving challenges and issues: growing 'hidden' inequality in Taiwan; deep-rooted gender gaps in Austria; the rise of populism in Sweden; and the darker side of Switzerland's political economy.

Clearly, while economies do not work as perfect models, Lee's call for widened access to the innovation economy and greater participation in the innovation workforce is both logical and compelling. If innovation is to form an increasingly central driver of economic growth in the 21st century, it is incumbent on governments to ensure that such access and opportunity is as assured as possible.

In many nations beyond those highlighted in the book, the direction of travel appears to be going the wrong way. Innovation is increasingly in the hands of those that concentrate rather than diffuse the drivers, mechanisms, processes and economic benefits of technological development across a limited network of actors. Similarly, government policy in many nations – often inadvertently it must be said – results in growing innovation economy divides, with many economic geographers – including Lee – highlighting the stark spatial nature of these divisions.

The book provides a range of policy pointers, with the European case studies indicating that part of their relative 'success' has been based not only on innovation in the urban core of these nations, but also innovation in the periphery. Lee's analysis indicates that smaller regional clusters of the innovation economy in these peripheral areas are often highly important in building national equity. Taiwan is a somewhat different case as it is still an advancing economy and is now suffering from growing spatial inequality. As a result, the Taiwanese government have introduced 'regional revitalisation' policies that mirror similar efforts in Japan, and it will be interesting to monitor the effectiveness of such policies in coming years.

As Lee concludes, government subsidies for R&D are likely to be ineffective unless there are mechanisms in place to diffuse and distribute the outputs of this R&D, with the most important mechanism being investment in education and skills development. This should facilitate workforces at large to more effectively absorb technological development. Austria and Switzerland have strong vocational education systems, and a key statistic in the book is that 40 percent of young people in Austria undertake vocational education. This involves them spending around a third of their time at vocational colleges and the rest learning on the job.

Education is implicit in economic models of growth and development in the form of human capital measures, but the state and nature of education systems are too often situated beyond the remit of economic development policymakers, many of whom are somewhat ironically enchanted by the notion of innovation-led economic growth. Of course, the real world is not only imperfect it is inherently complex. Deliberate government strategies often result in emergent unpredicted outcomes, particularly in the realm of innovation. Lee's analysis fully appreciates these complexities and, perhaps, he rightly shies away from establishing a best practice or common model of innovation and innovation policy that is likely to engender, or least not endanger, equality.

Instead, Lee captures the role of institutions working effectively with the available capital in an economy. One area he does not dig into is the role of behavioural factors in terms of the types of culture and psychological traits within an economy. These behavioural factors may significantly influence the extent to which innovation is diffused effectively. However, the

book highlights a key source for establishing a behavioural profile that best promotes the diffusion of innovation, namely the quality and nature of education systems.

Overall, the 'warts and all' approach taken by Lee sets up an exciting and challenging research agenda, including the role of balanced education systems in promoting economic development based on inclusive innovation. The often unacknowledged role of patent policy, such as that found in Switzerland, is highly relevant given growing political turbulence in the United Kingdom, the United States and others. Furthermore, the case studies on Austria and Sweden raise questions concerning the role of supranational policies such as those stemming from the European Union in Austria. Finally, the book raises significant questions as to the role of workers and the agency of labour within innovation processes.

The cover of the rock band Depeche Mode's 'Music for the Masses' album ironically depicts a number of megaphones apparently blasting out music to an empty landscape, with no masses present. 'Innovation for the Masses' makes the argument that while a small number of actors may pump out new technological developments and innovation, the masses are unlikely to feature in this landscape unless there is significant institutional change in many advanced and advancing economies across the globe. This crucial feature of contemporary capitalism, raised by Lee, is set to head economic development agendas over the coming years.

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