# Nesta: new ideas, new possibilities

Great things can be achieved with great ideas. Creative ways of seeing, perceiving and solving problems can change the world. But the process of transforming a spark of inspiration into something with the potential to be useful is a complex one. This is where Nesta - which started life as the UK's National Endowment for Science, Technology and the Arts – comes in. Nesta seeks out and develops new ideas, with the aim of tackling the big challenges of our time. **Geoff Mulgan**, Nesta's Chief Executive, met up with *Research Features* to tell us more.

eoff Mulgan is interested in social change. A quick glance at his CV shows this to be a recurring theme, and one which he has approached from many different angles. He used to be head of policy at 10 Downing Street, he founded Demos, the 'UK's most influential thinktank' (as described by The Economist), and spent some time as a Buddhist monk. Today Geoff is Chief Executive of 'innovation foundation', Nesta, an organisation which aims to bring about social change through the practical implementation of new ideas. This independent body aims to get people working together, from grassroots activists to national governments, to improve how the world works for everyone.

Research Features met up with Geoff to find out more about social innovation, a process that he describes simply as 'new ideas that work', and to hear about some of the exciting projects currently underway at Nesta.

Hello Geoff! Can you tell us what brought

# you to Nesta and what your role there involves?

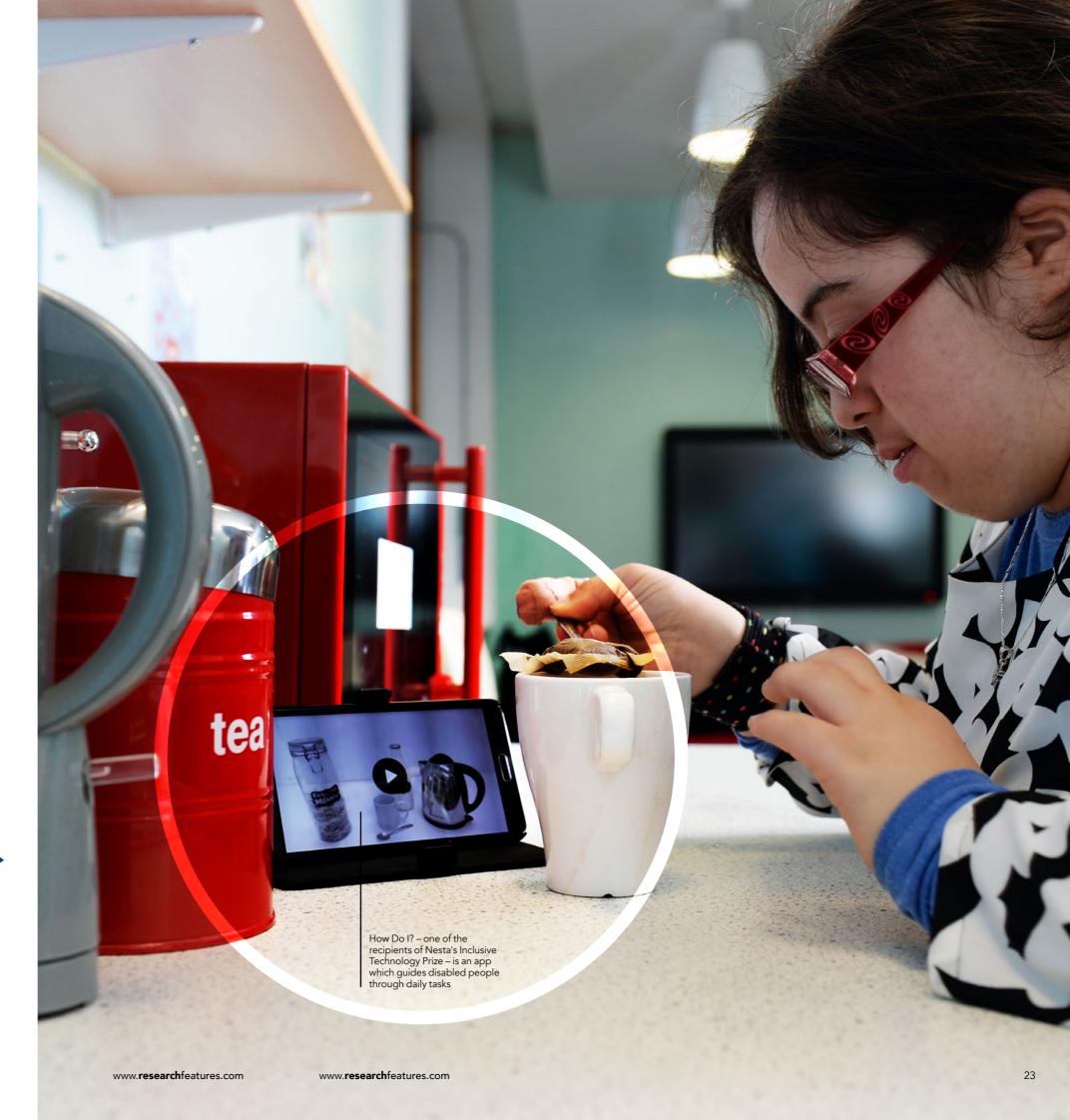
I have a PhD in telecommunications, I ran the Prime Minister's (Tony Blair's) policy unit, and was involved in the arts in quite a few fields. For me, this was a chance to bring quite a few of those threads together. We have here a team of about 200 people, working on everything from research projects, to investments, to practical programmes. We now work in six continents, so we have become a very global organisation. My task is really keeping the show on the road, ensuring that what we do is as impactful as possible and that the main focus is on innovation. We do not do much fundamental or basic research. It is more about trying to bring ideas into the world and to be as useful as possible, and achieve some public benefit.

Innovation is a real buzzword at the moment. Is there a certain point when it took off?

I think it has been recognised for about 40 or 50 years, that innovation is the main driver of economic growth. In most accounts, at least 60%, probably 80% of economic growth

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# Our aim is to become, at a global level, a trusted intermediary with deep knowledge of how innovation works in practice

comes from new ideas and their adoption. In fields like the public sector there is growing recognition that if you do not innovate, you stagnate. To some extent it is a word that is very widely used and probably overused.

#### What are the challenges that Nesta was set up to address, and what impact has the organisation had on these issues?

The founding goal of the organisation was to address what has been a very longstanding issue in the UK, which is our ability to make ideas useful. That can be about commercialising ideas from universities, but much more broadly, it is about an anxiety that we are a creative country, but we are not always so good at making the most of that creativity. What we have done over the last 16 or 17 years is act on this in many fields. We have been an investor, directly, in earlystage tech companies. We have helped to grow fields like alternative finance, which has roughly doubled each year in turnover for the last five years, with a turnover of nearly four billion last year. We have helped shift the whole approach of the UK on coding skills for kids. Many more primary and secondary school children are learning computer science and learning how to code. We have brought in some radical new approaches to health care. We are always trying to bring together our capabilities in research, in funding,

but also in knowing how business and government work, with a focus on practical implementation as well as ideas.

#### Do you think there are always lots of ideas around, but that sometimes the circumstances are not right for them to reach their potential?

It is rare for ideas to be born fully formed. One of the things we have done is to experiment with lots of methods for improving the quality of ideas, helping people turn a half-formed idea into something with the potential to be useful. It is very rarely the case that there is a pool of ideas simply ready to be exploited. It is hard work. It takes development, experimentation and adaptation of all kinds to turn even a fantastic idea into a form which will grow a business or change the way a social system

#### How valuable are historical perspectives on present day innovation questions?

It is always interesting to look at history. Our digital magazine, The Long + Short, has commissioned many articles looking at historical analogies. To give you an example, we are doing a lot of work at the moment on how cities can best experiment with the use of drones, and also design the regulation of drones. There are lots of parallels with what

happened when the car came along. To get the best of the car, but not the worst, cities had to invent things like driving schools, road markings, traffic rules, fines and driving licences. A whole panoply of institutional innovations were needed to get the best out of the technology. It is always useful to look at a historical analogy with almost any

# What are some of the main considerations in the formation of innovation policy and what is Nesta's relationship to policy

We work with many governments around the world. We conduct training for innovation policy leads. In the next couple of years we will be doing that in 20 countries. In the UK, we work closely with the Whitehall departments, but also in Scotland and Wales, partly helping policy makers be aware of the different methods they could be using for funding or for support, partly helping on data tools. We have developed better ways of mapping what is actually happening in the economy, identifying new firms, new sectors, new clusters, and we think those will become pretty standard in policy making in the future. We also deal with some perhaps slightly more lateral issues. We are doing a big study at the moment on future skills needs in the UK and the US, looking at how

automation will change jobs, and the likely skills needs of different kinds of job. This will allow us to see how fit-for-purpose the current provision by schools or universities is, given the young people in them now will be needing a job in 10 or 20 years time. So we are working on a lot of different angles of policy.

## An ethical and societal mission is at the heart of Nesta's innovation agenda, how does Nesta marry these aims with an analytical approach?

We like to look at the facts as they are, particularly where public money is concerned. The UK, like many countries, invests many billions in innovation. We think it is pretty important to be able to distinguish good from bad innovation, and one of the deficiencies of much of the policy debate is that it often treats innovation as good in itself. You mentioned historical perspective, and it is fairly obvious, once you reflect for a moment, that some innovations have been incredibly damaging. We think in the future it will be necessary for anyone involved in innovation to be a lot more sophisticated about ethical questions. Most writing about innovation and most innovation agencies around the world are still stuck in a rather anachronistic frame, where innovation is just good per se and they do not distinguish between good and bad.

## Nesta is based in the UK, but is involved in projects all around the world. Can you tell us about the importance of international collaboration for Nesta?

Innovation is truly global now. Ten or 20 years ago we would have only really looked to Silicon Valley, or to perhaps Japan to learn about innovation. Now there are all sorts of innovations in innovation happening in China, India, Brazil, Scandinavia. We see it as really important to be open to all of those, to learn from them, to adapt the best methods coming from other countries. Often that means putting together or encouraging collaborations across borders. Obviously a great deal of modern science is very global and very collaborative, and a fair amount of innovation is as well. We see it as absolutely vital that the UK does remain very open and networked in every aspect of its innovation ecosystem in the future.

# What is your vision for Nesta over the next 18 months?

We have just moved into a new building and we are trying to use our new space as a hub for people and organisations involved in creative solutions. We are growing a number of our teams and units which have become quite global in their reach. We have, for example, the Challenge Prize Centre, the Alliance for Useful Evidence, and a team

running transformative processes in health care. We have an i-school – an innovation school which is going global this year. We are really keen to help all of these grow as a network of organisations, and we may set up sister organisations in a few other countries this year too. Our aim is to become, at a global level, a trusted intermediary with deep knowledge of how innovation works in practice.

# **Contact**

Nesta 58 Victoria Embankment London EC4Y 0DS UK

E: information@nesta.org.uk **T:** 020 7438 2500

W: www.nesta.org.uk

ff/nesta.uk





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