

# Innovation is the Key Determinant of Economic Growth and Social Welfare

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Have you observed a kid playing with clay in his pre-school classroom? The variety of things he can prepare out of it will surely amaze you. From no prior knowledge about any clay model whatsoever, the child begins to explore. By grasping from the resources around him, he develops a skill.

He utilizes these skills to create something unique. Innovation is closely associated with this thought. The freshness of ideas allows you to re-create something that suits the modern-day needs.

## The concept of Innovation

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*“Changes call for innovation and innovation leads to progress” ~ Li Keqiang*

Innovation brings about a change that unlocks new demands. Prosperity in social, economic, political, and cultural fields is made possible because of it. Innovation can be broadly described as the flow of new and unique thoughts. It helps improvise an invention to serve technological advancement and our current requirements.

One of the greatest innovations mankind has ever noticed is fire. The friction that generated a spark has now become an integral part of our lives. Fire keeps us warm on cold nights. It keeps us safe from animals. The innovation of steam-powered machines led to an industrial revolution. New cities and towns were developed. This boosted employment and had a positive impact on all our lives.

Another example includes the invention of the electric bulb by Thomas Alva Edison. The bulb that he invented in 1879 is not the same which we use today in our homes. This invention was followed by multiple others. Different versions of bulbs were created. Years of research have equipped us with the latest bulbs. Put together, innovation is invention blended advancements that stand the test of time.

## Significance of Innovation

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A nation's development is greatly based upon two things- its economic growth and its social welfare. A country having solely economic growth will intensify the gap between rich and poor over time. Based on OECD index figures, the USA is in the top 4 countries to notice this gap. And if we just have social welfare, soon we would lose all our resources.

Thus, these two parameters must constantly work together to amplify the development. And Innovation is a tool that maintains this harmony. Let us dig deeper to understand how it all happens.

## **1. The Wheels of Economic Growth**

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Without innovation, we cannot keep up with the constantly changing world. We cannot possibly use vintage slow cars in the previous century. Doing that would mean being late to work. It would consume 3 to 4 hours of our time which we cannot risk losing.

Everybody demands speed in working. So, speed is something that innovation brings in an invention. Processors that were used years ago cannot be used today. They were too slow, and they offered little space. The fastest processors available today show how technology can build a new space for a country.

As the country begins to innovate more and more, the use of technology becomes even more rapid. And we get to live a simplified life. Developed countries have the latest and most advanced technologies available at their throw.

This forms the backbone in their economic development. The wheels of economic development are driven by the progress of a country. Research enables ideas to stimulate innovations. Thus, at the grass-root level, a country can be seen making huge progress if it is technology-enabled at every step of its growth.

## **2. The Trigger of Social Welfare**

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We have now understood how innovations affect a country's economic growth positively. We need great minds who can implement their learning drives to benefit different fields of social importance. This way, we can bring about social change in our society.

The invention of 'computers' was a great boon to the human race. 'Digitizing' the functional aspects of governmental services has enabled the country to become a citizen-friendly nation. Starting from reserving a railway ticket to being able to access the most advanced banking services, we have it all. And a larger section of society can now derive these benefits fruitfully.

Social welfare can be broadly described as an act that enables society to implement policies that help a larger group of people. This can be achieved, only when these innovations can be made reachable to the most remote corners of our country.

If the rural and remote pockets are deprived of its benefits, then social welfare cannot be attained. Bridging this gap is the work of our political system. Governmental policies should be framed such that they reach out to all the communities.

## **Innovation in different aspects of life**

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Multiple fields provide an extensive scope of innovations. For this to happen, we need two things. First is a suitable environment that will regulate these innovations. The second important thing that is required is financial support (from the government). The following are the fields that have witnessed significant progress due to innovative measures.

**Information Technology:** This in itself is an innovation. It has turned our world into a global village. Communication now is better than ever. It is quick, effective, and easily accessible. The entire economy is going digital. This has benefited so many different sectors like education, health, entertainment, corporate, etc.

**Biotechnology:** This is a sector that has provided us with life-altering innovations. Today, the agricultural industry is thriving because of it. Farmers have been enabled to produce high-yield and pest-resistant crops.

**Industrialization:** We are equipped with high-scaled machinery and numerous industries. Innovation has done its best in this sector. We have managed to tap out energy from fossil fuels, water, wind, sun, etc. This has not only changed the social order but has also changed the dynamics of our economy.

**Healthcare:** The field of medicine has remarkably changed our life. It has provided us with potent drugs, vaccines, and other medicines to cure our illnesses. Innovation in this field has led to the eradication of life-threatening diseases like polio, smallpox, leprosy, etc.

**Space Research and Technology:** There has been a momentous change in the space research area. With the support of the government, it is now possible to access many services. Weather forecasting, planetary movement, satellites, and GPS search are some of the innovations made in this realm. Disaster management has been greatly affected by it as well. Today, we can provide mass evacuation facilities to the people during a natural disaster.

## Conclusion

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Innovations have transformed our thinking and changed our lives for good. Several institutes have built incubation centers on their campuses. Here students are encouraged to think freely and differently by inducing scientific knowledge. They are facilitated with funding sources to achieve their innovative projects. These projects must be patented and licensed (within the legal framework of our constitution) to avoid misuse. Innovation management is essential to inculcate healthy practices.

Innovation is a stimulant that is bound to bring massive transformation. It lays the foundation of the economy in a country. And it benefits a greater part of this society. Thus it would not be wrong to say that innovation is the key determinant of economic growth and social welfare.