

14 CONCLUDING STATEMENT

This book has focused on six specific public/private partnerships in the United States, what they are and their role in stimulating innovative activity. These six partnerships are summarized in Table 14.1. Certainly, public/private partnerships are not unique to the United States, although the pedagogical focus of the book is general enough to be applied to partnerships in any industrialized nation. Regardless, certain fundamental principles remain, and they are pervasive throughout the book:

- Government has a role in the innovation process and that role is based on the concept of market failure.
- Ideally, the causes of market failure should be understood *a priori*, and then an appropriate innovation policy proffered and adopted—a public/private partnership—to alleviate the barriers that caused the market failure.¹
- Whatever innovation policy is implemented, it is incumbent on the government to demonstrate, at some point in time, accountability for its use of public resources. And, as the summary tables throughout the book have emphasized, any effort at accountability must take into account the policy's ability to leverage public and private R&D.

The models of economic growth from Chapter 5 are reproduced in this chapter as Figure 14.1 and Figure 14.2 to serve as summary devices. The six public/private partnerships discussed herein map into the models of economic growth.

¹ Note the word “ideally” in this bulleted conclusion since in practice innovation and technology policies are generally justified *ex post*. They are then rationalized after the fact on the assumption that there was a market failure that needed to be overcome. The notable exception is in Link and Scott (1998a).

Table 14.1. Taxonomy of Public/Private Partnerships

Economic Objective		
<i>Governmental Involvement</i>	<i>Leverage Public R&D</i>	<i>Leverage Private R&D</i>
Indirect		Patent system (Patent Act) Tax incentives (R&E tax credit) Research joint ventures (NCRA and NCRPA)
Direct		
Financial Resources	Small Business Innovation Research Program (Small Business Innovation Development Act)	Advanced Technology Program (Omnibus Trade and Competitiveness Act)
Infrastructural Resources	National Institute of Standards and Technology (Organic Act)	National Institute of Standards and Technology (Organic Act)
Research Resources	National Institute of Standards and Technology (Organic Act)	National Institute of Standards and Technology (Organic Act)

For specific examples, although the mapping is not singularly focused, the patent system leverages the relationship between proprietary technologies and technology development in manufacturing, while it constrains the relationship between purchased technologies and entrepreneurial activity in services when the purchased technology was patented by the inventive firm.

Tax incentives related to R&D affect the level of investment in generic technologies and proprietary technologies in manufacturing, and they