
Foreword

Mike Wright

A major policy challenge in recent years has been the question of how to commercialize research based on government contracts and that emanating from universities. While much is claimed for these policies, systematic evidence on their actual effects is often missing. As shown by this fascinating collection of articles, research by Al Link with various colleagues has over a number of years provided important insights into whether and how this challenge is met. Such analysis has the additional advantage of helping to indicate where policies may be enhanced rather than continuing to be an ineffective way of spending public funds or simply abandoned. For example, the analyses indicate that there may be a need to strengthen policy regarding support for women-owned firms. These analyses can also dispel myths, such as the evidence from one study in this collection about the extent to which public funds are benefiting foreign companies at the expense of domestic firms. Here is where independent, peer-reviewed academic research has a central role to play.

The papers in this volume show that when the government acts as entrepreneur, more risk may be taken and that R&D may lead to substantial commercialization that would not otherwise have occurred. However, while policymakers often focus on the employment effects, the direct effects are less clear.

We also see, however, significant knowledge transfers from researchers to industry, for example through partnerships with larger firms and those where the entrepreneur has an academic background, the greater tendency of academic entrepreneurs to publish their intellectual capital, and the greater likelihood of commercialization if a university is involved in the project. This evidence suggests that the indirect social and economic effects may be substantial, though difficult to measure. Looking at direct employment effects as a major indicator of the commercialization benefits from publicly funded research may be focusing on the wrong place.

A major issue in the policy debate concerns the vexed problem of how to bridge the gap that typically emerges between the ending of grant funding and the resultant innovation being fully commercialized, the so-called 'Valley of Death'. The analyses support the view that the probability of publicly funded R&D being commercialized is higher when outside private investors are involved as these investors have better information and expertise to recognize and exploit commercialization opportunities. However, what also emerges is an important need, supported by the studies in this volume, to develop connected policies at government level since the outcome of such research is oftentimes too under-developed to be investor-ready for traditional venture capital firms.

For the future, the rapid development of non-formal IP based on research, particularly in IT and media (for example, mobile technology) presents new challenges to commercialization and policy. It also provides an agenda for future research evaluating the impact of whatever policies may be developed. On the basis of this collection of articles, Al Link and colleagues

will be placed to undertake such analyses. I commend this insightful volume to both academics and policymakers alike.

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