
Introduction

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There is only one good, knowledge, and one evil, ignorance
—Socrates

This collection of my previous research brings together a decade of scholarship on the subject of public support of innovation in small, technology-based entrepreneurial firms. The papers that I have selected for inclusion in this collection are based on data collected by the National Research Council (NRC) of the National Academies of the United States on projects funded through the Small Business Innovation Research (SBIR) program. Arguably, this data forms the most complete database on small, technology-based entrepreneurial firms. I have been privileged to be able to be the person to publish from the NRC database, and thus the findings in this collection of papers might possibly begin to define this field of research. If so, this collection might also provide a template for how others address this topic from both an academic as well as from a policy perspective.

This collection is divided into four sections beginning with two papers on the probability of a small, entrepreneurial firm commercializing a technology based on its SBIR-funded research. The US Small Business Innovation Development Act of 1982, Public Law 97–219, required all government departments and agencies with external research programs of greater than \$100 million (at that time) to establish internally an SBIR program to stimulate technological innovation, to facilitate small businesses meeting Federal research and development (R&D) needs, to foster and encourage participation by minority and disadvantaged persons in technological innovation, and to increase private sector commercialization of technologies derived from Federal R&D. Our evidence is that the probability that a firm will in fact commercialize from its SBIR award is about the same as observing a head on the flip of a fair coin.

The second section has two papers related to short-term and long-term employment growth directly related to the SBIR-funded research. While employment growth was not a stated purpose of the 1982 Act, employment growth was certainly a concern of Congress as it debated the permanent renewal of the program from 2008 through 2012. During that period of time the program was temporarily renewed a number of times. Our analysis of the NRC data suggests that the short-term employment growth attributable to SBIR funding is minimal but the longer-term growth is permanent and significant in many instances.

The papers in the third section of the book broadly investigate the social spillovers associated with the technologies developed from SBIR-funded research. In all, measured net social benefits attributable to the SBIR program are positive, and those benefits are far reaching ranging from regional growth and development to the creation of codified knowledge through publications and patents.

The final section contains papers related to policy recommendations associated with future funding of public support of innovation. The recommendations range from consideration of a

prediction market for future award selections to consideration of ways to overcome the fact that women-owned entrepreneurial firms are disadvantaged in receiving private investment dollars for commercialization of their SBIR-developed technologies.

It is, of course, a privilege and a pleasure to be invited to assemble this collection of papers for re-publication. That fact aside, from my perspective what makes this collection special is that the papers I have selected for inclusion were co-authored with my colleagues at the University of North Carolina at Greensboro, and with my friends and virtual colleagues elsewhere.

