

*Government Involvement in the Innovation
Process: A Contractor's Report to the
Office of Technology Assessment*

August 1978

NTIS order #PB-286545

**Government Involvement
in the Innovation Process**

**A Contractor's Report
to the Office of Technology Assessment**

CONGRESS OF
THE UNITED STATES 
Office of Technology Assessment

Library of Congress Catalog Number 78-600102

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

FOREWORD

As part of its planned comprehensive assessment of national R&D programs and priorities, the Office of Technology Assessment is studying policy tools to encourage innovation. This document, *Government involvement in the innovation Process*, is an interim report from this study.

A handwritten signature in black ink that reads "Russell W. Peterson". The signature is written in a cursive style with a large initial "R".

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PREFACE

This report was prepared by the Center for Policy Alternatives at the Massachusetts Institute of Technology, under a contract awarded by OTA. It was undertaken to acquaint OTA with Government policies that relate to or bear upon technological innovation—the process that leads to the commercial introduction of a new technology.

The study included an examination of the major factors that currently influence the process of introducing new goods and services to the user. These factors include the following: incentives and funding for basic research; tax, patent, procurement, and antitrust policies; regulations; size, sector, and locale of the business; subsidies; inflation rate; available technical, marketing, and management skills; credit; and the formation of capital (see pp. 23-25).

The report also identifies and describes the activities of five other industrialized nations in the support of science and technology (see pp. 43-47). The applicability and transferability of these approaches to the United States are questionable.

The report is summarized in chapter I, where the contractor's findings are translated into suggestions and options. The authors identify 10 opportunities for Congress to consider for facilitating beneficial innovation. These complex issues deserve much greater consideration than was possible in the brief study. However, it illustrates the complicated dynamics of the innovation process.