

WELFARE GAINS FROM OPENNESS

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- From Industrial to Digital Innovation
- Innovation Commons Defined
- Gains from Free Access to Innovation Commons
- Innovation Policy for the Digital Economy
- Conclusions

From Industrial to Digital Innovation

**Industrial
Innovation**



**Digital
Innovation**

What role for “openness“?

Potts, Jason, Torrance, Andrew W., Harhoff, Dietmar and von Hippel, Eric (2021). *Social Welfare Gains from Innovation Commons: Theory, Evidence, and Policy Implications*. Available at SSRN: <https://ssrn.com/abstract=3915997>.

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Innovation commons are repositories of freely-accessible, “open source” innovation-related information.

The data and information contents of innovation commons can be a significant resource for innovating and innovation-adopting firms and individuals. The basic welfare-enhancing factor associated with innovation commons is that they reduce the innovation-specific private or public investment required from innovators in their quests to make the next innovative advance.

Source: Potts et al. (2021). <https://ssrn.com/abstract=3915997>.

Commons – Some Examples

- **physical resource commons vs. information commons**
- **midden-heap commons**
- **government-provided commons (e.g. PubChem)**
- **hybrid commons (e.g., patent systems)**

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- **innovation commons reduce innovation-specific private and public investment**
- **who should be enabled to innovate?**
 - classical view: the “manufacturer” (scale, scope) - subsidies
 - alternative view: the (local) owner of the innovation problem – Hayek: information and opportunities are local
- **systematically enables innovators across the board**
 - crowd-sourcing of knowledge
 - broadcast search
 - innovation contests

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- The industrial innovation model is no longer appropriate as the **sole** guidepost for policy-making.
- For data-driven innovation, new concepts and policies are needed.
 - *innovation commons (instead of markets for technology)*
 - *frictionless access to data for innovators*
 - *government investment and support for open data*
 - *incentives for private data provision without monopolization*

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The impact of Open Source Software and Hardware on technological independence, competitiveness and innovation in the EU economy

FINAL STUDY REPORT

Blind, K.; Böhm, M., Grzegorzewska, P., Katz, A., Muto, S., Pättsch, S., Schubert, T. (2021). The impact of Open Source Software and Hardware on technological independence, competitiveness and innovation in the EU economy, Final Study Report. Brussels.

- impressive achievement by the author team, going far beyond the usual academic contributions
- cost-benefit ratio of OSS and OSH for 1:4 and higher
- 10% increase in OSS contributions would generate an increment of 0.4% to 0.6% of GDP...
- ... as well as 600 additional ICT start-ups
- benefits for growth and digital autonomy

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