There are issues of importance to the IP community that sometimes seem to slip our collective attention. One is the role of the public, versus the private, sector in facilitating innovation and entrepreneurship. This topic was forcefully addressed by the English-based academic, Mariana Mazzucato, in her widely discussed 2013 book, The Entrepreneurial State—Debunking Public v Private Sector Myths. The author unabashedly and relentlessly makes the argument that the proper role of government is not simply to facilitate or foster innovation and entrepreneurship. Rather, government should play a proactive role in carrying out the innovation function, in parallel with (or even in primacy over) the private sector.

Mazzucato brings various examples, many but not exclusively from the U.S., to show that the state may often be best situated to jump-start innovative activity. More often than not, however, the private sector then seeks to take advantage of these public initiatives to reap (often oversized) commercial benefit without recompense to the public. Her poster child for such exploitation is Apple which, she claims, merely designed and assembled the smartphone on the back of publicly funded basic research. Readers are invited to read Mazzucato's arguments and reach their own conclusions. What seems unassailable, however, is that the IP community has paid scant attention to her work.

A good place to test Mazzucato's views is the question of who will take the lead in carrying out the so-called second Green Revolution. The first Green Revolution, in the 1960s, headed off potential mass famine, particularly in certain Asian countries, by improvements in higher-yielding wheat and especially in rice varieties. While these developments are often identified with the late Norman Borlaug, the initiative was the collective result of government support together with assistance from international research centres and largely American charities. The challenge today is somewhat different, directed at developing more targeted varieties, the most important of which may be for the benefit of rice farmers working the least productive lands.

So what is the problem? As described by The Economist (“A second green revolution” and “a bigger rice bowl”, 10 May 2014), there is no-one ready to take the initiative. Unlike developing new varieties of maize and wheat, areas in which agribusiness is active, the market for monetizing research in new varieties of rice is apparently small. This is because farmers can keep seeds from one harvest for planting in the upcoming harvest with no reduction in yield. As a result, farmers have little or no need to buy seeds for each planting season, which serves as strong disincentive to entry by the agribusiness industry. Seen in terms of market failure, it is no surprise that most research is being carried out by the state. The problem is that there is not enough of it.

Mazzucato does not like relying on market failure as the basis for governmental involvement because it puts the state in a reactive, rather than a proactive, position. But, presumably, she would “tolerate” governmental involvement under such circumstances. However, it does not appear that government is materially more motivated than the private sector to support this initiative. The problem is that government support for such research means government outlays. In an era of shrinking public budgets, support for research on new varieties of rice varieties is a low priority. As well, to the extent that the research involves genetic modification, political resistance may make more active governmental involvement well-nigh impossible in certain jurisdictions. In these circumstances, lack of government will and public support are both missing. That said, Mazzucato seems hard-pressed to offer any prescription how to engage the public in such circumstances; the invitations have been sent, but no one has come to the party.

Seen from the vantage of the IP community, this seeming sad state of affairs puts the public-private debate, as framed by Mazzucato, in bas-relief. As such, the circumstances surrounding the current challenges to funding research in new rice varieties would seem to be a worthy agenda item for IP associations to consider. More generally, how research gets funded is a topic that should occupy the IP community on an ongoing basis, given the importance of funding levels and sources on innovation, entrepreneurship and the IP professions.