

# *How Can Innovation Solve Current Challenges and Power Future Economic Growth*

From pandemic preparedness to climate change, innovation and the capacity to generate big ideas are necessary to successfully confront big problems and to power long-run growth. Developing technologies to produce new vaccines, clean energy, and a host of other innovations can help meet these imperatives, while also raising productivity and living standards over time. Public investment and reform—from boosting effective R&D investments to making a better use of talent to reforming the patent system—can facilitate the infrastructure investments and institution building needed to accelerate this progress.

PAPER

## *Innovation Policies for America*

*John Van Reenen (MIT Sloan School)*

Productivity growth has been weak in the US for over a decade. Sustainable growth rests on innovation, but there is evidence that bang for the R&D buck has been in decline for decades. What are the most effective innovation policies to boost American productivity and wages? Van Reenen examines the effectiveness of different innovation policies and proposes a new program to restore technological growth that is shared across the wealth distribution. The policy portfolio includes direct federal R&D grants, tax reform, and boosting the quality and quantity of human capital.

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## *A Proposal to Boost Innovation by Reducing Discrimination*

*Lisa D. Cook (Michigan State University)*

The ingenuity of inventors, entrepreneurs, and innovators is essential to coming up with new ideas and implementing them in a way that drives productivity growth. But the United States draws on only a fraction of the available talent, missing opportunities for faster economic progress. Cook proposes ways to reduce racial and gender discrimination in the innovation pipeline and draw a broader group of talented people into the fields that are most important for innovation.

PAPER

## *Reforming the Patent System*

*Lisa Ouellette (Stanford University Law School) and Heidi Williams (Stanford University)*

The patent system is a crucial institutional support to innovation and productivity growth. But poorly designed rules can also be an impediment to innovation. Ouellette and Williams propose several evidence-based reforms that would improve the efficiency and transparency of the patent system, including clarifying the data used in patent applications, addressing opaque patent ownership, and reducing inconsistencies in patent terms across inventions.