

Macro Roundup Article

Headline: [What Drives Innovation?](#)

Article Link: <https://www.project-syndicate.org/onpoint/innovation-technological-and-market-risk-key-role-of-the-state-by-william-h-janeway-2023-01>

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Summary: One recurring feature of that history has been the procurement power of governments. Freed from the necessity of abiding by a neat cost-benefit calculation, the state has repeatedly helped overcome market risk by pulling innovative suppliers down the learning curve to the point where they can offer low-cost and reliable products to commercial markets. In these cases, “product-market fit” results from a state-initiated dynamic process that succeeds in aligning an immature “product” with a nascent “market.”

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Primary Topic: Innovation/Research

Topics: Fiscal Policy, Government Spending, Incentives/Risk-Taking, Innovation/Research, Op-Ed/Blog Post, Productivity, Theory

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