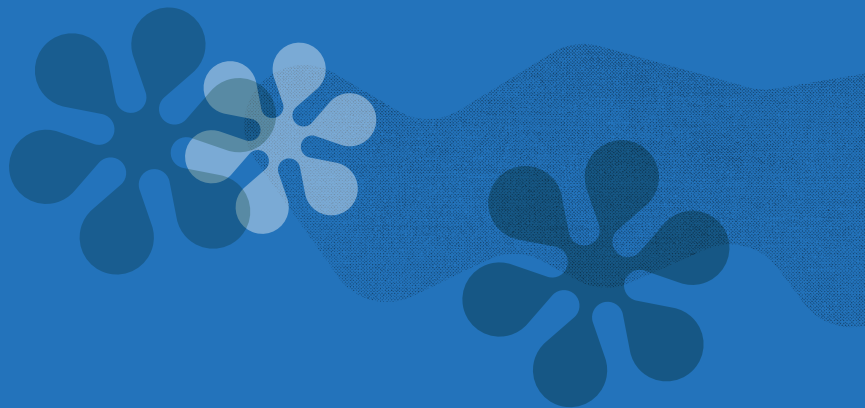


Inaugurazione
Anno Accademico
2017/2018
9 febbraio 2018



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**Ripensare il ruolo del settore pubblico per un
capitalismo più innovativo, più equo e più sostenibile**



**Università
degli Studi
di Torino**



Rethinking the Public Sector: from fixing to mission setting

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exciting time to rethink

- Directed growth
 - ❖ **Smart** growth (better **innovation**)
 - ❖ **Sustainable** growth (more **green**)
 - ❖ **Inclusive** growth (less **inequality**)
- Sustainable Development Goals
- Industrial strategy to rebalance economy

but *boring* policy toolkit

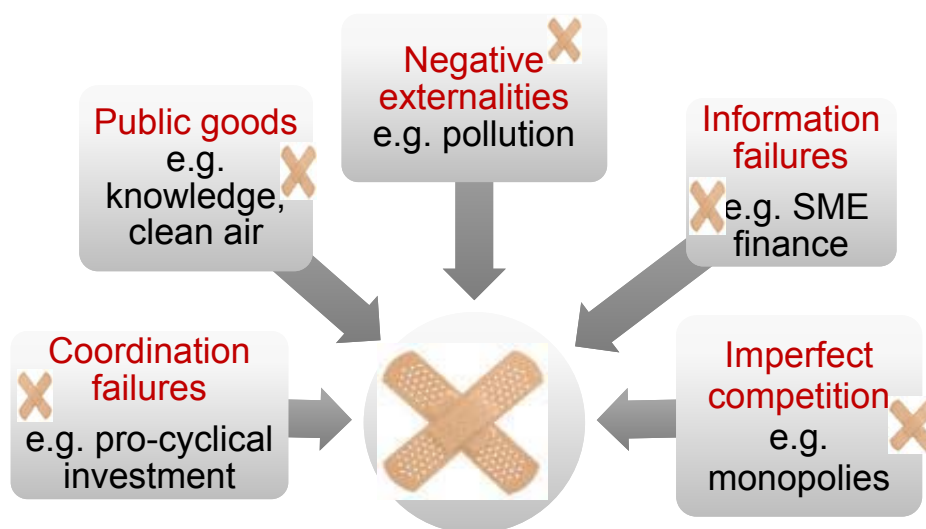
set rules of the game and 'level' the playing field

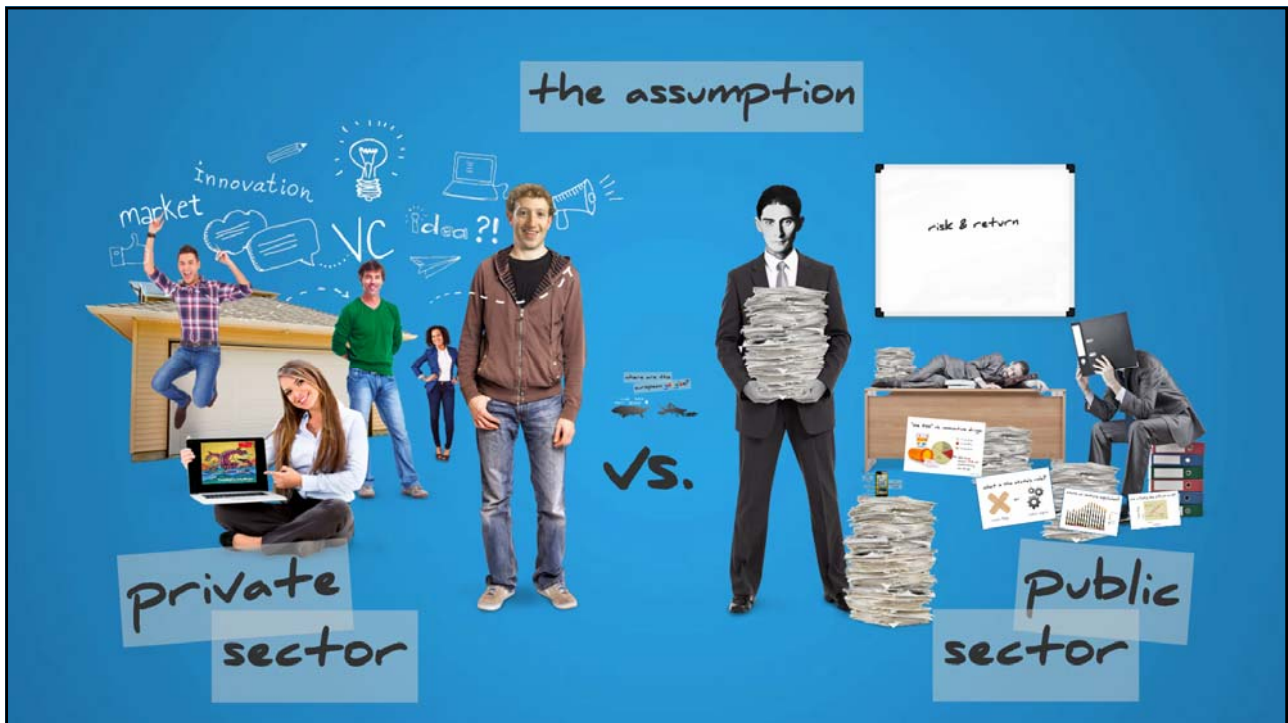
de-risk, enable, incentivise, 'facilitate' private sector

fix market 'failures'

universities produce (only) a 'public good'?

bandaging up via (just) fixing failures





what is VALUE?

private wealth creators encouraged to:

- invest in capabilities
- take risks & welcome uncertainty
- learn from trial and error
- make strategic choices (MBA)
- be hungry & foolish!

public servants encouraged to:

- facilitate
- de-risk
- level the playing field
- redistribute value
- fix market failures then get out of the way!

(then criticised as *boring, slow, bureaucratic*)

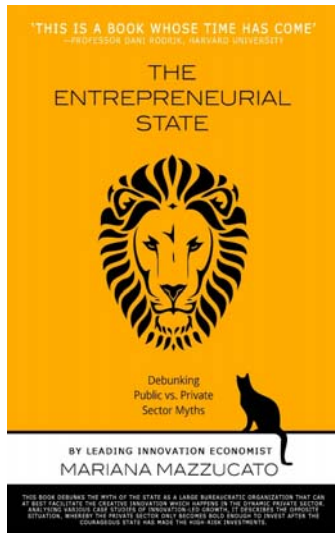
Public Choice Theory (and new public management)

- citizens are customers/clients
- privatisation or 'load shedding' is a good thing
- outsourcing and contracting saves money
- private sector management tools bring efficiency
- civil servants easily corrupted
- government failure worse than market failure!

yet market failure policies don't explain transformation

- 'mass production' system
- Apollo moonshot
- computers
- internet revolution
- nanotechnology
- green technology

investor of first resort



rethinking how public value is
created, nurtured and evaluated





need radically
new tool kit!

UCL Institute for
Innovation and
Public Purpose



ROAR

ROUTES & DIRECTIONS. How to use policy to set direction of change and enable bottom up experimentation?

ORGANIZATIONS. How to build explorative public sector organizations that learn-by-doing, and welcome trial and error?

ASSESSMENT. How to evaluate public sector market creating investments (pushing market frontiers beyond 'crowding in')?

RISKS AND REWARDS. How to form new deals between public and private sectors, socializing both risks and rewards?

from **fixing** markets
→
actively **co-creating** &
co-shaping markets

solving missions

NASA's mission is to *“Drive advances in science, technology, aeronautics, and space exploration to enhance knowledge, education, innovation, economic vitality, and stewardship of Earth.”* NASA 2014 Strategic Plan

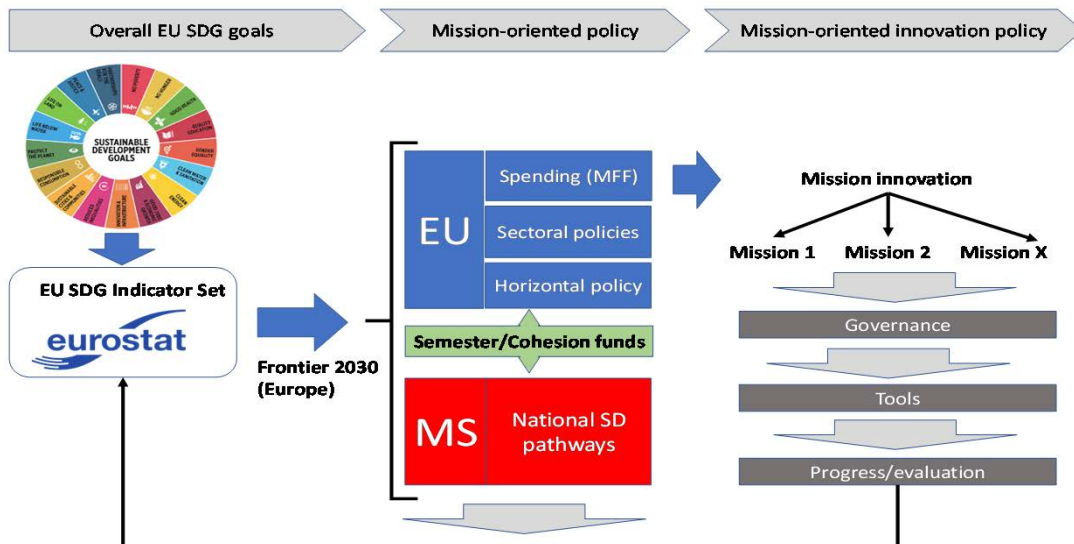
“Creating breakthrough technologies for national security is the mission of the Defense Advanced Research Projects Agency (DARPA).”

*“The **ARPA-E mission** is to catalyze the development of transformational, high-impact energy technologies.”*

*“**NIH's mission** is to seek fundamental knowledge about the nature and behavior of living systems and the application of that knowledge to enhance health, lengthen life, and reduce illness and disability.”*

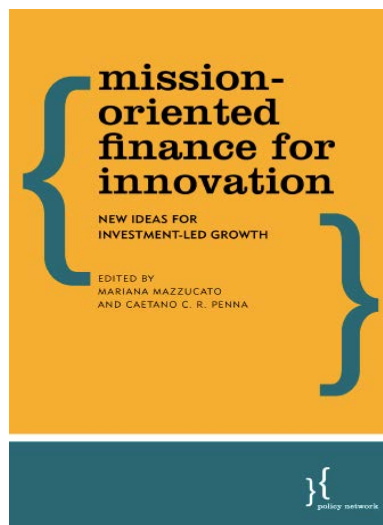
*“The mission of the **KfW Group** is to support change and encourage forward-looking ideas – in Germany, Europe and throughout the world.”*

from Grand Challenges to Missions

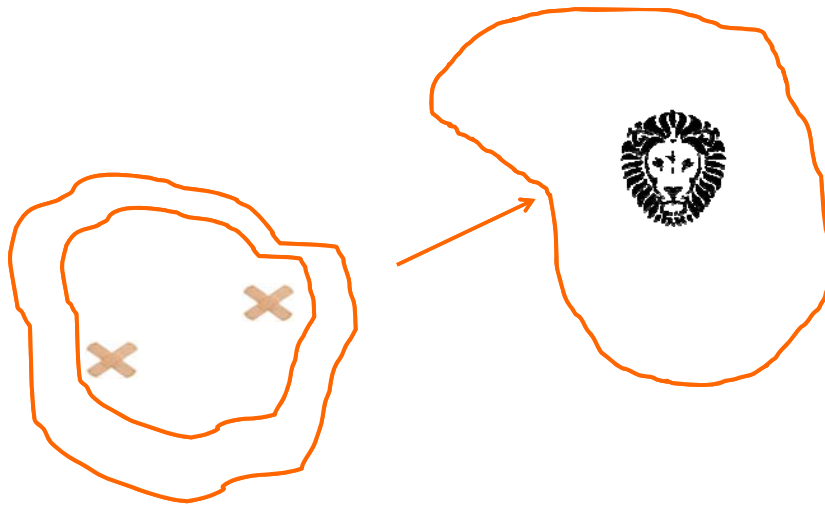


Source: EC ESIR Memorandum and Mazzucato (2017)

We measure success by how many risks we have been willing to take (with inevitable failures) and whether the successes actually matter. **Cheryl Martin**, ex-Director ARPA-E



measuring the *dynamising in process*



- **BBC** Charter Review: why not soap operas?
- do **public banks** crowd out private ones?
- **health**: why many drugs and so little life-style?
- role of **universities** in commercialisation?

from public good to public values

Public values are those providing normative consensus about (1) the rights, benefits, and prerogatives to which citizens should (and should not) be entitled; (2) the obligations of citizens to society, the state, and one another; (3) and the principles on which governments and policies should be based” (Barry Bozeman, 2007, 13).



(from new public management's **fear of government failure**, to enabling experimentation and learning)

Universities central to mission setting

new interaction between basic & applied research

reframing problems to be cross-disciplinary

welcoming risk taking, exploration and uncertainty

keep science open, while enabling commercialisation

Universities central to inclusive growth

steer missions with societal value

rethinking collective value creation

building symbiotic partnerships

redefining citizenship and citizen engagement



The Entrepreneurial State: debunking public vs. private sector myths (2013)

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