GRUTER INSTITUTE FOR LAW AND BEHAVIORAL RESEARCH

and

Regulatory Studies Center
THE GEORGE WASHINGTON UNIVERSITY

Workshop on Understanding the Effect of Regulation on Innovation
With the support of the

Ewing Marion KAUFFMAN Foundation

MARCH 27, 2015
The George Washington University
Workshop on
Understanding the Effect of Regulation on Innovation

SCHEDULE
March 26, 2015
6:30 pm – Dinner at One Washington Circle Hotel
1 Washington Circle, NW
Washington, DC 20037

March 27, 2015
8:30 am – 5:30 pm - Workshop
The George Washington University
Milken School of Public Health, Convening Center A
950 New Hampshire Avenue, NW
Washington, D.C. 20052

6:00 pm – Dinner at the Tabard Inn
Room 26
1739 N St, NW
Washington, DC

CO-ORGANIZERS
Monika Gruter Cheney
Executive Director, Gruter Institute for Law & Behavioral Research

Susan E. Dudley
Director, George Washington University Regulatory Studies Center
Distinguished Professor of Practice, Trachtenberg School of Public Policy & Public Administration

Oliver Goodenough
Professor, Vermont Law School

Julian Morris
Vice President of Research, Reason Foundation

Workshop Description
The Gruter Institute for Law and Behavioral Research and the George Washington University Regulatory Studies Center are collaborating to convene a one-day workshop of approximately 20 invited participants from across a disciplinary spectrum to engage in an exchange of knowledge with respect to the central question of understanding innovation, especially in the institutional context of government regulation. We will seek to examine innovation across different complex systems, including biological, economic, legal and technological. By mining this systems-level understanding of innovation and growth, we will be better equipped to devise the legal regimes, economic and regulatory policies, and business approaches that can foster innovation and growth.

The Intellectual Challenge
Innovation drives advances in human well-being. Economists, the business community and politicians are in rare agreement as they recurrently point to innovation as a primary cause of economic growth and societal progress. In a sense, “innovation” is everywhere. In addition to its frequent invocation in popular discourse, programs in “Innovation and….” have proliferated widely; there are numerous
journals devoted to innovation in general and to subtopics in particular; companies are instituting multi-step programs to foster innovation among their employees. Policy discussions abound about how a given law may effect innovation. Large firms and start-ups struggle to create just the right invention at just the right price to garner market share or build a new market.

And yet, innovation and the institutional conditions that help promote it remain inadequately understood. Just what is the “secret sauce” that unleashes this gift? Even the most expert scholars and practitioners recognize that there is much to be done in theorizing and modeling innovation and growth within fields and across fields and in creating the social and institutional frameworks that can foster these critical phenomena. In short, understanding and implementing innovation is still a work in progress.

While our understanding of the causes of innovation in the human economic sphere may remain piecemeal at best, there is considerable knowledge about how innovation occurs in a range of complex systems: evolutionary biology, law, economics, anthropology, and technology. By mining this systems-level understanding of innovation and growth, we will be better equipped to devise the legal regimes, economic policies, and business approaches that can foster productive innovation and growth. We believe that an interdisciplinary conversation across such disciplines, particularly when focused on specific use cases, can lead to real progress.

**Workshop Format**

We invite you to come prepared to share your insights on the role institutions play in fostering or inhibiting innovation in your field and to exchange ideas with other leading thinkers representing a variety of disciplines. Given the interdisciplinary nature of this conference, the diverse backgrounds of the participants and the rich discussion that we are seeking to foster, we have asked a few people representing different disciplines to serve as “catalysts” for each session, providing brief opening presentations to stimulate subsequent discussion among all experts gathered. We have also designated “discussants” for each session. We are not asking discussants to prepare formal presentations, but rather to take the lead in contributing insights to what we hope will be a fertile discussion. The designations of catalyst and discussant are not intended as exclusive; we hope all participants at the Workshop will contribute in each session as the discussions develop. Moderators will ensure a discussion that engages all participants’ insights and expertise. At the conclusion of the workshop, we hope to synthesize the discussion and identify key lessons for innovation-friendly regulatory systems.

**Timing**

To meet the goals of the Workshop within the constraints of time, we have devised the following time allocations:

- Catalysts: 10 minutes (PowerPoint or other materials welcome)
- Discussants: 5 minutes (easier if no PowerPoint, but if needed we understand)

This timing allocation will be carefully monitored by the moderator to allow plenty of time for open discussion by all participants. Breaks will be taken as needed.

**Participant Submission of Written Materials**

Given the constraints of time, and the diverse backgrounds of our participants, we ask that each participant provide either a new paper, or previously written materials, relevant to the Workshop. We hope that by sharing these materials in advance, we will have more time available at the Workshop for deeper discussion. Please provide such written materials to jeanne@gruter.org by March 20th. We will distribute them to all conference participants.
Workshop on Understanding the Effect of Regulation on Innovation
Agenda

March 26th

6:30 pm  Dinner – Circle Bistro, One Washington Circle Hotel, One Washington Circle, NW
Welcome Remarks - Introduction to the Program

March 27th

8:30 am  Introductions
Susan Dudley, Monika Gruter Cheney, Oliver Goodenough, Julian Morris

9:00–11:00  What are the key common elements of innovative systems?
Moderator: Monika Gruter Cheney
Catalysts: Lydia Hopper, Amar Bhide, Andrew Torrance
Discussants: Brian Mannix, Kevin McCabe, Erez Yoeli

This session will explore innovation in evolutionary biology, economics, technological and social change, law, etc., with the goal of identifying common features in systems with higher vs. lower rates of innovation.

11:15–12:30  What institutions (regulatory and other) allow innovation to flourish? What institutions are “innovation killers?”
Moderator: Susan Dudley
Catalysts: John McGinnis, Orly Lobel, Rich Cooper
Discussants: Bill Casebeer, Al McGartland, Michael Mandel

This session will compare institutions across different disciplines, sectors, cultures and countries to understand what frameworks encourage and/or discourage innovative behaviors and outcomes.

12:30 pm  Lunch

1:30–2:15  Continued: What institutions (regulatory and other) allow innovation to flourish? What institutions are “innovation killers?”

2:15–3:30  Case studies: the effect of regulation on innovation in the life sciences
Moderator: Lydia Hopper
Catalysts: Andrew Torrance, Anula Jayasuriya
Discussants: All

3:30–4:45  Case studies: the effect of regulation on economic & technological innovation
Moderator: Bill Casebeer
Catalyst: Adam Thierer
Discussants: Gerald Brock, David Gilmour, Patricia McGinnis

4:45–5:30  Key lessons for innovation-friendly regulatory systems & Next steps
Moderator: Oliver Goodenough
Discussants: All

6:00 pm  Dinner - Room 26, Tabard Inn, 1739 N Street NW
Workshop Participants

Amar Bhide – The Fletcher School, Tufts University

Gerald Brock – Trachtenberg School of Public Policy and Public Administration, The George Washington University

William Casebeer - USAF, Retired; Program Manager, DARPA/DSO

Monika Gruter Cheney - Executive Director, Gruter Institute for Law & Behavioral Research

Richard Cooper – U.S. Chamber of Commerce Foundation

Susan Dudley – The George Washington University Regulatory Studies Center

David Gilmour - Managing Director, Blyth Capital Partners LLC

Oliver Goodenough - Vermont Law School

Lydia Hopper – Lester E. Fisher Center for the Study & Conservation of Apes, Lincoln Park Zoo, Chicago

Anula Jayasuriya - Managing Director, India Life Science Fund, eXXXclaim Capital

Orly Lobel – University of San Diego School of Law

Michael Mandel – Progressive Policy Institute

Brian Mannix - Regulatory Studies Center, The George Washington University

Kevin McCabe – Center for the Study of Neuroeconomics, George Mason University

Albert McGartland – National Center for Environmental Economics, Environmental Protection Agency

John O. McGinnis – Northwestern University School of Law

Patricia McGinnis - Trachtenberg School of Public Policy and Public Administration, The George Washington University

Julian Morris - Vice President of Research, Reason Foundation

Gerry Ohrstrom – Private Investor, Gruter Institute Board of Directors

Adam Thierer – Mercatus Center, George Mason University

Andrew W. Torrance - University of Kansas School of Law; Visiting Scholar, MIT Sloan School of Management

Erez Yoeli – Economist, Federal Trade Commission