



# «Imitations having a creative component are also good for industrialised countries»

ANDREA VENTURINI

On the last 5 October, **Eric Maskin**, winner of the 2007 Nobel Prize of Economy, visited Barcelona – a city he loves – and held a speech at the Parliament of Catalonia. Some hours later he entered the **Real Academia de Ciencias Económicas y Financieras (RACEF)** as a member, the only Spanish Royal Corporation the headquarters of which are not in Madrid but in Barcelona. *Paradigmes* took his stay to talk with him.



**You've said that the creation of patents for hardware, ICT and semiconductors delays research and development in these sectors. Would you extend this idea to the rest of hi-tech industries, in which innovation is sequential and complementary? Does this mean that you encourage free software?**

I think that free software is a very good idea. By that I'm not saying that all software shall be free. In fact, I'm not sure that if all programmes were open we would have had the software industry we're having. But the simple fact that there is a movement in favour of free software is very positive. The whole world benefits from it.

**However, the global domination of Microsoft has created an almost universal standard system that encouraged general dissemination of ICT at user level...**

That's true.

**«The simple fact that there is a movement in favour of free software is very positive.»**

**And Microsoft seems to be ready to open its codes to users so they can implement some changes in their programmes. Is this the start of a general reversal in this sort of attitude by the big corporations in the industry?**

I don't know if other companies will follow the example of Microsoft, but it would certainly be a good idea.

**Should we understand this decision of Bill Gates' company as part of a general trend towards adaptation and customisation of products and active participation of customers in product design and improvement?**

A conception as the one you suggest would be very beneficial for the consumer and it would also encourage innovation. So it would be also good for companies.

**Would you apply this phenomenon to all sorts of goods and services or would you restrict it to a certain type?**

It's being already positively used in other sorts

of goods and services. It could be applicable to music, for instance. People can download music and then change it, add their creativity and upload it again to the web. This has a very positive effect on music. And the same can be said of literature. In fact, there are very few goods and services where this idea wouldn't be beneficial. This is why I criticise the patent system. If I patent a product or service, nobody else can change it without asking for my permission. And this affects innovation in a very negative way.

**You defend imitation in hi-tech industries. However, there is a long battle between industrialised and developing countries over copies and patents. Do you think that full liberalisation here would harm industrialised countries?**

There are different kinds of imitation. Imitations only producing a cheaper version of a product are doubtless a big advantage for developing countries. However, imitations often have a creative component that improves the original product. This sort of imitations is good for everybody, not only for developing countries but also for industrialised ones.

**«Inability of changing a patented product without permission of its author affects innovation in a negative way.»**

**There are people saying that Japan's failure in taking the world economic leadership from the United States lied in the fact that Japanese companies are good imitators but were unable to innovate. Do you think the same will happen with China?**

China hasn't been a big innovator so far, especially regarding high technology, but they're good imitators. However, the Chinese are aware of this and try to change their production model investing much money in research. So it's very likely that this changes in the future.





**We Europeans are constantly advised to focus on four or five industries to concentrate our research and innovation efforts. Are these recommendations compatible with your ideas on innovation?**

We know by experience that it's very difficult to predict which industries will produce great discoveries and which won't. I don't know how governments can decide which will be the most innovating sectors. It's very difficult to know.

**Let's talk about current economics. In how far do you think that so-called **green shots** in the American economy are solid?**

There are some positive signs of recovery. Investments have increased and stock exchange markets are again working much better than some years ago. I think the economic situation will settle in 2010 and we'll see a reduction in unemployment and a growth in production.

**«I don't know how governments can decide which will be the most innovating sectors. It's very difficult to know.»**

**Is there any risk of a **W-shaped crisis**?**

There's always such a threat, especially if we relax and think that problems will get solved alone.

**What could be done to avoid it?**

It's still important that governments keep stimulation plans active. But by what we've seen so far, it seems that chances are high that the economy recovers next year.

**Do you think that once the crisis is over, we'll have again a long period of uninterrupted expansion as in the last years or will there be another situation of periodic instability with brief expansion periods and frequent crises like in the 1970s?**

Even if we have no W-shaped crisis, there'll be ups and downs. No recovery is completely

### Eric Maskin

Born in New York in 1950, the economist Eric Maskin has a PhD in Applied Mathematics from Harvard University and is a professor of Social Science at Princeton University. Together with Leonid Hurwicz and Roger Myerson, he won the 2007 Nobel Prize of Economy for the theory identifying which markets need mechanisms to work correctly and which do not. Maskin is also famous for his studies on income inequality and sequential innovation, patents and imitation.



▲ Eric Maskin believes that the economic situation will settle in 2010.



▲ Imitations can have a creative component improving the original product.

smooth. There'll be good times and bad times. However, my general view is positive.

**«China is aware that it's hardly innovating and it is investing much money in R&D.»**

**Do you think that stimulation plans are enough to overcome the crisis?**

As regards the American economy, I think they've been a success. However, I think they're

still necessary. Once things start improving, there's always the trend towards forgetting the circumstances that caused the crisis. The American economy still needs stimuli.

**French president Nicolas Sarkozy took up James Tobin's old idea of taxing speculative investment with the aim of fostering long-term investment strategies. What do you think of that?**

Honestly, I think that in times of recession it would be a mistake to introduce new taxes. The main priority of governments right now is to stimulate the economy, and this generally means to reduce taxes and not introducing new ones. At the same time, I think that once the economy has recovered and is back to normality, it's important to improve those things that originated the crisis. Once the recession is over, introducing the Tobin tax would be a good idea. It's a way of regulating financial markets. However, I wouldn't introduce it now. It's too early, at least for some countries.

**«I think the economic situation will settle in 2010, but no recovery is completely smooth.»**

**Do you think that a crisis like the one we're suffering could be a good opportunity to change the current economic model for a more sustainable one based on alternative energies?**

Of course it is! I'm absolutely in favour of increasing investment in non-fossil fuels. It's important not only for the environment but also for the economy and geopolitics. The less our economy is oil-based, the less we'll need to depend on regions like the Middle East, the instability of which shows in the price of these fuels.

**Regarding measures to reduce dependence on fossil fuels, are you in favour of implementing a green tax?**

Yes, I am. And I'm going further. I think the GDP as a metrics for the wealth of a nation is inappropriate as it ignores side effects on the

environment. A good accountant should take into consideration the depletion of our environment, and a good way of achieving this is introducing a green tax.

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good idea.»**

**ANDREA VENTURINI**

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