



Athena Alliance

Exploring the promise and pitfalls of the global information economy

2011 Annual Report

Introduction

Athena Alliance is a Washington, D.C.-based 501(c)(3) nonprofit in the vanguard of identifying, understanding, analyzing, and educating on the information, intangibles, and innovation economy—that is, the I-Cubed (I³) economy.

Intangible assets—worker skills and know-how, informal relationships that feed creativity and new ideas, high-performance work organizations, formal intellectual property, and brand names—are the new keys to competitive advantage. Information and intangibles—a combination of formal research and informal creativity—drive innovation. These combined elements lead to the productivity and improvement gains needed to maintain prosperity.

Although the economic rules have changed, public policy has not caught up. Government leaders struggle with how to utilize information, foster development of intangibles, promote innovation and competitiveness, and frame policy questions to reflect and address the realities of the changing economic situation.

Athena Alliance undertakes outreach activities to help members of Congress, the administration, constituency groups, and the media better understand these issues and craft informed policies and programs. The Athena Alliance mission is threefold:

- **Reshaping the Debate.** Developing and utilizing information, managing intangibles, and fostering innovation underpin discussions on a variety of subjects, such as intellectual property rights, education and training policy, economic development, and technology and trade policy. Creating new public policies in these areas requires infusing a better understanding of intangibles and the information economy into the public debate.
- **Crafting Strategies, Policies, and Tools.** Global economic shifts call for different ways of thinking about economic activity, different means of promoting and organizing economic opportunities and activities, and different economic policies and programs. We must enlarge the repertoire of strategies, mechanisms, tools, and capabilities that individuals, firms, and communities can use to shape positive economic futures, with special attention to those in danger of being left behind. All Americans must be able to participate—economically and socially—in the emerging information economy. Athena Alliance undertakes practical policy research aimed at creating new solutions to these new sets of problems.
- **Building Partnerships and Sharing Knowledge.** We are not alone in seeking to understand the challenges of the global information economy and the need for new

solutions to confront them. We engage in academic and scholarly research; corporate policy, research, and strategic activities; and practical, on-the-ground efforts with community activists and economic development practitioners to advance the public debate about the information economy. We do this through conferences, workshops, research activities, publications and reports, and public education.

In 2011, we undertook a number of activities—nationally and locally—to advance our three-pronged mission, including cosponsoring conferences; publishing research and blog articles; and conducting outreach to businesses, government leaders, and many others.

National Activities

In 2011, Athena Alliance advanced public understanding of the I³ economy by organizing a major international public policy conference on intangibles. This was accomplished through publication of conference materials, an article, a major policy statement, and various outreach activities.

Conference on Intangibles

Athena Alliance's signature activity in 2011 was a day-and-a-half international conference on *New Building Blocks for Jobs and Economic Growth: Intangible Assets as Sources of Increased Productivity and Enterprise Value*. Organized by Athena Alliance, the conference was cosponsored by the Organization for Economic Co-operation and Development (OECD), The Conference Board, the Kauffman Foundation, the National Academies-STEP Board, and the Georgetown University Center for Business and Public Policy.

Following welcoming remarks by Dr. Kenan Jarboe, president of Athena Alliance, and Richard Boucher, OECD Deputy Secretary General, the conference opened with a keynote address by Federal Reserve Board Chairman Ben Bernanke. Dr. Bernanke noted that the topics of innovation and intangible capital “are central to understanding how we can best promote robust economic growth in the long run.” The opening plenary panel covered a range of topics and viewpoints. Panelists included Jon Spector, chief executive officer, The Conference Board; Manuel Trajtenberg, professor and former head of the Israeli National Economic Council; Otaviano Canuto, vice president, Poverty Reduction and Economic Management Network, World Bank; Carl Shapiro, White House Council of Economic Advisors; Lisa Lynch, dean, Heller School for Social Policy and Management, Brandeis University; Edward Jung, chief technology officer and cofounder, Intellectual Ventures; David Stafford, chief operating officer, Michelin Americas Research Company; and Allen Howell, chief executive officer, Corporate Flight Management.

The closing panel featured Lesa Mitchell, vice president, Innovation, Kauffman Foundation; Rebecca Blank, Under Secretary of Commerce for Economic Affairs, U.S. Department of Commerce (DOC); Tony Clayton, chief economist, Intellectual Property Office, United Kingdom; Raine Hermans, director, Strategic Intelligence, TEKES—the Finnish Funding Agency for Technology and Innovation; John Mayo, executive director, Georgetown Center for Business and Public Policy; and Ken Warwick, chair, Committee on Industry, Innovation, and Entrepreneurship, OECD.

The invitation-only working session segment of the conference drew more than 120 participants from five continents. The dinner keynote speaker was Delaware Senator Christopher Coons.

Conference materials, including background and workshop information, videos, and reports are available at the conference's online forum, www.newbuildingblocks.org.

Reports

As a follow-up to the conference, Athena Alliance published two reports in September. The first was the official report of the conference that was presented to the OECD and other sponsors. That report, *New Building Blocks for Jobs and Economic Growth: Intangible Assets as Sources of Increased Productivity and Enterprise Value—Report of the Conference*, summarized the opening session keynote and opening panels, the breakout sessions, group reports, and concluding session.

The second report, *New Building Blocks for Jobs and Economic Growth: Intangible Assets as Sources of Increased Productivity and Enterprise Value—Conference Observations* (Working Paper #8), summarized the key points of the conference from Dr. Jarboe's point of view.

Articles

In 2011, Dr. Jarboe also published an article titled "Comment on Cragg and Stiglitz: Invest in Intangible Assets," which ran in *The Economist's Voice* on May 18, 2011. Dr. Jarboe's article followed up on a piece published in *The Economist's Voice* the previous month titled "Should the Government Invest, or Try to Spur Private Investment?" In that article, authors Michael Cragg and Joseph E. Stiglitz argued that investment-incentive proposals must move beyond "old economy" ideas like accelerated depreciation of plant and equipment. Dr. Jarboe concurred and extended the argument by calling for incentives to invest in intangible assets, such as worker training.

Requests for Comments—Policy Statement

In response to a request for comment on the strategy for American innovation, issued by the DOC February 4, 2011, Athena Alliance submitted a major policy statement concerning the role of intangibles and new models of innovation (*Rethinking Innovation Policy*, April 1, 2011). The information was requested in conjunction with a congressionally mandated study of U.S. competitiveness.

In Athena's response, Dr. Jarboe noted that the President's *Strategy for American Innovation* and Request for Comments/Request for Information provide an important framework for thinking about U.S. innovation policy. He suggested, however, that the scope of the framework and the set of question posed in the Request is too narrow. The response urged DOC to use the study to undertake a broader analysis and to rethink U.S. innovation policy. The restated questions articulated a starting point for a more expansive analysis.

Presentations/Panel Discussions/Roundtables

Dr. Jarboe spoke at three conferences in 2011:

- On May 27, he was on a panel for the *2011 Intellectual Capital for Communities* conference, held in Paris. Participating via videoconference, Dr. Jarboe presented the summary of the *New Building Blocks* conference.
- On June 29, he participated in the invitation-only Roundtable on Science, Technology, and Innovation Data and Indicators, organized by the National Science Foundation and the National Academies.
- On December 13, he participated in the invitation-only Technology Policy Roundtable, organized by the New America Foundation and Arizona State University.

Outreach Activities

The Athena Alliance blog, [The Intangible Economy](#), remained a vital communications and outreach tool. Articles were posted that highlighted new research reports and analyzed public policy issues affecting the intangible economy. We also continued posting our monthly analysis of U.S.–international trade in intangibles.

In 2011, Athena Alliance continued its role with the Washington DC Economic Partnership, with Dr. Jarboe serving on the organization's Technology Advisory Group. He also remained a member of the Tuesday Innovation Workshop at the Woodrow Wilson Center and continued his activities with the Intangible Asset Finance Society and the Intellectual Capital Practitioners Network.

Throughout the year, Dr. Jarboe held discussions on intangible economic issues with various policymakers, including members of the Obama administration and congressional staff, and he attended numerous other meetings, conferences, presentations, and events throughout the year.

Organizational Activities

Advisory Committee

At the end of 2011, Athena Alliance formed a new Advisory Committee to expand our understanding of the changes taking place in the U.S. and global economy and to offer ways to meet the economic challenges arising in an increasingly interconnected, knowledge-intensive world. The Advisory Committee held its first meeting on December 9, 2011.

Advisory Committee members include Mary Adams, ICapital Advisors (cochair); Andrew Sherman, Jones Day (cochair); Carol Corrado, The Conference Board; Joe Dyer, iRobot; Gabe Fried, Hilco Streambank; Allen Howell, Corporate Flight Management; John Hudson, Deloitte; Bob Laux, Microsoft; and Jim Malackowski, Ocean Tomo. Biographies of Advisory Committee members are on the Athena Alliance website, <http://www.athenaalliance.org/advisory.html>.

Athena Alliance Officers

- Richard Cohon, President, C.N. Burman Company LLC—Chairman
- Kenan Patrick Jarboe, Ph.D.—President
- Joan L. Wills, Director, Center for Workforce Development, Institute for Educational Leadership—Secretary/Treasurer
- Jonathan Low, Partner and Cofounder, Predictiv LLC—Board Member
- Peter Harter, Vice President of Public Affairs, Intellectual Ventures LLC—Board Member

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