The reverse tragedy of the commons: an exploratory account of incentives for under-exploitation in an open innovation environment

This paper presents an empirical account of a phenomenon that we refer to as the ‘reverse tragedy of the commons’ in open innovation. The name signifies the ‘under-exploitation’ of intellectual property (IP) under weak appropriability. The name is this graphic because the tragedy is costly, and can also render IP effectively worthless and block innovation in the short to medium term. We propose that the tragedy is borne out of the interaction between enterprise characteristics, a competitive setting and the framework that is set by the policy intervention. This finding is pertinent to policy-makers with regard to the design of research, development and innovation instruments, as well as managers who must determine how to implement open practices in innovation.