

Rethinking R & D

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As the [FT notes this morning](#):

A handful of multinationals control close to 70 per cent of global private sector research and development, while government R&D budgets have fallen to levels not seen since the turn of the century.

Three thoughts follow. First this means that the majority of the tax reliefs now given for R & D go to just 250 companies worldwide. No surprise there then: that the tax system is rigged in this way is just another indication of its capture by big business.

Second, the OECD finds strong support for [Mariana Mazzucato's arguments](#):

A growing body of evidence shows that government support for R&D has been central to the digital innovations now transforming the way people live, learn and work.

In other words, the R & D we really need is being hindered by a lack of funding as a result of giving tax reliefs to those doing the R & D we may not need so much (such as adding an S to your phone's name).

Third, where is the blue sky thinking? In any area this is the hardest of all to fund. We need more of that.

As it is, the profile of current R & D lends support to my hypothesis that the current wave of capitalism is running out of steam: business has no real idea what to do with its money and little inclination to do more than product iterations whilst government is giving up its role in this area just when the need for new thinking is greatest.

In that case I'm not sure we need R & D right now: maybe paradigm shifts are required instead.