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POWER AND INCENTIVES IN NEWSpace ENTREPRENEURSHIP: HARMONISING ECONOMIC
AND POLITICAL REALITIES OF THE SPACE SECTOR

Abstract

This paper focuses on the regulatory and broader political barriers to entrepreneurship in NewSpace activities. Firstly, the basic economic principles concerning value, capital and imputation are addressed so as to frame “entrepreneurship” in the context of how resources have been traditionally used for space compared to how firms use resources for NewSpace ventures. The political environments under which NewSpace entrepreneurs and financiers operate is then discussed, which illustrates an entrepreneurship-political dichotomy. This, in turn, enables an identification of how approaches to value, capital and imputation are often distorted by policy and regulation rather than embraced. One such identifiable factor is the boom and bust cycles in NewSpace financing. Further, the distinction is made between how entrepreneurship is guided and limited by international law on the one hand and by domestic law and policy on the other. Such discussions and analyses propose sound responses to the following two questions: 1) whether, by following economic principles, international organisations and domestic political actors can better facilitate entrepreneurs in NewSpace without unreasonably compromising on control, safety and state-interests; and 2) how the distinct incentives of entrepreneurial actors and political actors can be in harmony rather than conflict.