

and open-source models of information transmission will also tend to alleviate the under-provision problem.

Overall, however, the public good aspect of this type of information suggests that either public provision or subsidization may be justified. This can take various forms, such as subsidizing research in business schools, coordination of information gathering activities, and public provision via public agencies.

The public good aspect of general information also applies to domestic markets. However, there is likely to be much less need for general information provision for domestic firms in the domestic market than for those looking to expand in foreign markets. Simply living in a country, being exposed to the domestic media, being able to relatively easily hire people with a common background but with experience in various markets within the country, and being part of various domestic social and business networks of the type discussed by Rauch (2001) all suggest that the domestic information problems are likely to be less severe within a country than between countries.

Moreover, government-funded programs already exist within the domestic market that have the effect of promoting the provision and transmission of information relevant to market expansion within the domestic economy. Business school education is subsidized, and this facilitates the transmission of general information about doing business in the domestic market. Publicly funded education programs also facilitate the development of information networks, as students develop contacts during the course of their education. Federal and provincial governments both invest in information acquisition and dissemination—via agencies such as Statistics Canada, and via various government departments that employ people to help businesses learn how to cope with various regulatory issues when moving into new domestic markets.

Information generated via experience and experimentation

Much information and knowledge is obtained via experimentation and experience. Success in developing new products and entering new markets requires trying new ideas, many of which