Patents and Economic Growth: Cross-Country Evidence

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Abstract:

Intellectual property (IP) rights were established to foster innovation and economic growth. However, until now, there is little empirical evidence that IP rights do foster innovation or economic growth.

Here, we study the impact of changes in patent rights within cross-sections of developing and developed countries by comparing the impact of the rights on the various industries according to their relative “patent intensity” at 5-year intervals between 1981-2000.

We found that, on average, one standard deviation increase in patent rights, as characterized by an index of property rights was associated with growth of value-added being 1.2-3.5% higher.

Bios:

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