Abstract for "The Long-run Effect of Innovations on Economic Growth"

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This study uses patent and trademark statistics as innovation measures to examine the longrun relationship between innovation and output in countries with a long-established system of intellectual property rights (IPR). The findings provide evidence that innovation may no longer play a positive role in driving economic growth in some countries. Post-World War II evidence for countries with extensive measured innovation (the US, Germany and the UK) shows innovation had non-positive effects on economic growth. However, a positive role for innovation was retained in Japan, France and Australia. Long-run output elasticities with respect to innovation among these countries ranged from 0 to 65 per cent pre-World War II and -74 to 82 per cent post-World War II. Using two different innovation measures, the sign and statistical significance