



You are cordially invited to

## **UCLouvain Economics Seminar**

On **Thursday** December 15, 2016 from **12:45 to 14:00**  
**Doyen 22, Place des Doyens, 1**

**Andreas Moxnes**  
(University of Oslo, CEPR & NBER)

Will give a presentation on

### **Better; Faster, Stronger : Global Innovation and Trade Liberalization**

**Abstract:** This paper estimates the effect of trade policy during the Great Liberalization of the 1990s on innovation in over 60 countries using international firm-level patent data. The empirical strategy exploits ex-ante differences in firms' exposure to countries and industries, allowing us to construct firm-specific measures of tariffs. This provides a source of variation that enables us to establish the causal impact of trade policy on innovation. Our results suggest that trade liberalization has economically significant effects on innovation and, ultimately, on technical change and growth. According to our estimates, about 7 percent of the increase in knowledge creation during the 1990s can be explained by trade policy reforms. Furthermore, we find that the increase in patenting reflects innovation, rather than simply more protection of existing knowledge. Both improved market access and more import competition contribute to the positive innovation response to trade liberalization.

(Joint paper with Federica Coelli and Karen Helene Ulltveit-Moe)

*Information:*

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