



You are cordially invited to

UCLouvain Economics Seminar

**On Thursday October 18, 2018, from 12:45 to 14:00 Doyen
22, Place des Doyens, 1**

Gianmarco Ottaviano
(Bocconi University)

Will give a presentation on

Appropriability of Intellectual Assets and the Organization of Global Supply Chains

Abstract:

This paper introduces the intangible dimension of sequential production in the property rights theory of organization of supply chains. We focus on the quality of intellectual property rights (IPR) institutions. On top of the hold-up problem between a supplier and the final good producer, we allow for an additional risk of imitation at any stage of production. The strength of IPR enforcement in the location of production is shown to play a crucial role in the firm's decision whether to outsource or integrate a particular stage of production depending on its intangible content and position along the supply chain. Our theoretical predictions, tested on Slovenian firm-input level data, show that introducing incomplete appropriability of intellectual assets in multi-stage production may have opposite effects than input contractibility on outsourcing decisions.

(Joint paper with Stefano Bolatto, Alireza Naghavi, Katja Zajc Kejzar)

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