The Impact of Intellectual Property Rights on Labor Productivity: Do Constitutions Matter?

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joint work with Emanuela Carbonara, Giuseppina Gianfreda, Giovanna Vallanti

Abstract

Focusing on 22 OECD countries we estimate the impact of constitutional provisions and of lower-rank norms aimed at protecting intellectual property rights (IPR) on labor productivity at industry level. Our analysis allows us to answer the following questions: Are IPR more likely to be enforced if they are envisaged in the constitution rather than provided for in ordinary legislation? And if constitutional protection implies an accrued defense or enforcement of those principles, is this difference relevant enough to translate into a higher impact on firms’ outcome?

By using IV techniques and controlling for a full set of year-, industry- and country fixed effects (and their interactions), we show that constitutional provisions protecting IPR positively affect the differential in labor productivity between high and low R&D intensive sectors. This effect is driven by the impact of IPR protection on R&D investment of the highly innovative sectors. Our results hold after controlling for lower-rank norms. Furthermore, the interaction between constitutional norms and lower legislation is negative, suggesting that the two are substitutes: the impact of constitutions is stronger in those countries where IPR protection by lower norms is weaker. On turn, in those countries where IPR are protected by constitutional norms, lower norms do not have a significant effect on the productivity of high R&D intensive sectors.

Professor Enrico Santarelli is Professor of Economics at University of Bologna, Department of Economics (since 1992). From 2003 to 2009 he was also Research Professor at the Max Planck Institute of Economics, and in 2010 served as Senior scientist at the Institute for Prospective Technological Studies (JRC-IPTS) of the European Commission. He has been a Visiting professor in several universities across the globe, including: Berkeley, Erasmus of Rotterdam, Maastricht, Saarland, Stanford, and Sussex. He is Editor of Small Business Economics, a member of the Board of Review of the Journal of Business Venturing, and a member of the Editorial board of the Eurasian Business Review. He was a member of the Executive Committee of the European Association for Research in Industrial Economics (EARIE) from 2004 to 2010.


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Location
6, rue Richard Coudenhove-Kalergi
L-1359 Luxembourg
Building JFK
Room Nancy-Metz

Language
English

Registration
- Free seminar
- Registration to crea@uni.lu
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- Lunch is planned for registered participants

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