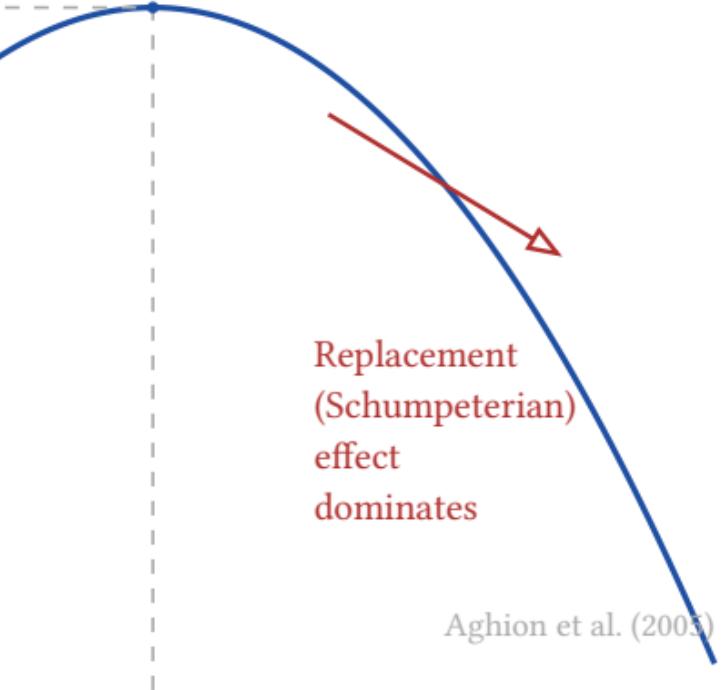


Innovation



Monopoly

Escape  
competition  
effect  
dominates



Perfect  
competition

Aghion et al. (2005)

Competition intensity

Perfect

competition

Replacement  
(Schumpeterian)  
effect  
dominates

