



The Oxford Handbook of Innovation

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PART FRONT MATTER

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Introduction to Part IV

THE literature on the relationship between innovation and economic performance has been dominated by economists, and the first chapter in this section focuses on an issue that has received more attention than any other in this area, the relationship between innovation and economic growth (Chapter 18 by Verspagen). As the author shows, economists have adopted different frameworks for the analysis of this relationship; the two most relevant approaches being “evolutionary” and “new growth” theory. These approaches differ less in their views of the importance of innovation for growth, which is acknowledged in both, than on the precise mechanisms through which innovation affects growth. One important way through which innovation spurs growth is through the diffusion of technology from the developed to the less-developed world (so called “late-comers”). Fagerberg and Godinho (Chapter 19) provide a historical and interpretative survey of the literature on catching-up by “late-comers”, with special focus on the role played by innovation for the outcome of such processes. A related issue is that of changing patterns of competitiveness, and the role of innovation in this context. Cantwell (Chapter 20) examines the literature on innovation and competitiveness. Although the competitiveness issue has spawned numerous controversies since the 1980s, a perhaps even more hotly debated issue, particularly within Europe, concerns the employment effects of innovation. Pianta (Chapter 21) provides an extensive survey of the large empirical literature on this subject. The section—and the entire volume—concludes with Chapter 22 by Lundvall and Borrás on science, technology, and innovation policies.