

CHARACTERISTICS AND EFFECTS OF INNOVATION IN BOLIVIAN FIRMS: AN APPLICATION OF THE CDM MODEL

Carlos Foronda Rojas

ABSTRACT

This study examines the determinants of technological innovation and its impact on firm labor productivity using micro data from the first innovation survey (2016) in Bolivia. Based on Crepon, Duguet, and Mairesse (CDM) model and in line with the Latin America literature: firms that invest in knowledge are more able to introduce new technological advances and the relationship between technological innovations is positive with labor productivity, but this relationship has no significance in Bolivia. A patent property, market and technological sources of information increase the propensity to invest in innovation activities and encourage innovation investment at the firm level in manufacturing and services. Also, the results illustrate the weak linkages that characterize national innovation systems. Finally, the results highlight the importance to continue studying product and process innovation at the firm level to demonstrate their positive relationship with labor productivity.

Keywords: Innovation, Innovation Survey, Productivity, Innovation Policy.

DOI: 10.23881/idupbo.018.2-4e