

Impacts of government incentives to R&D, innovation and productivity : a microeconometric analysis of the Québec case

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Propositions

Regarding the dissertation

Impacts of Government Incentives to R&D, Innovation and Productivity: A Microeconometric Analysis of the Québec Case

Rufin Sosthène Baghana
Maastricht, May 17th 2013

1. There is a deadweight loss due to the level-based R&D tax credit scheme because it supports R&D that would have been done anyway.
2. The incremental R&D tax credit is much more effective than the level based tax credit and its effectiveness does not vary much by firm size.
3. When the R&D tax assistance is level-based there is a certain threshold beyond which government funding yields a negative bang for the buck.
4. Firms that use public grants for R&D in conjunction with R&D tax incentives perform better in terms of R&D input additionality and in terms of productivity growth than firms that use only R&D tax incentives.
5. Manufacturing firms in Québec that invest in innovation have a labour productivity that is comparable to that of OECD countries.
6. Subsidized firms closer to the technology frontier spend more on innovation and earn more sales from product innovation than those further away.
7. "Our biggest challenge is to eliminate the popular perception that economists don't have anything useful to say." (*Mark Zandi*)
8. "Economic statistics are like a bikini, what they reveal is important, what they conceal is vital." (*Professor Sir Frank Holmes*)
9. When I was in high school, in the philosophy course, I had trouble understanding the assertion of Socrates: "I know that I know nothing". I understand better now because on the road to complete this thesis, I found myself repeatedly faced by this reality.
10. "Who lacks knowledge is being constantly at the mercy of change."
(*Rémi Belleau*)