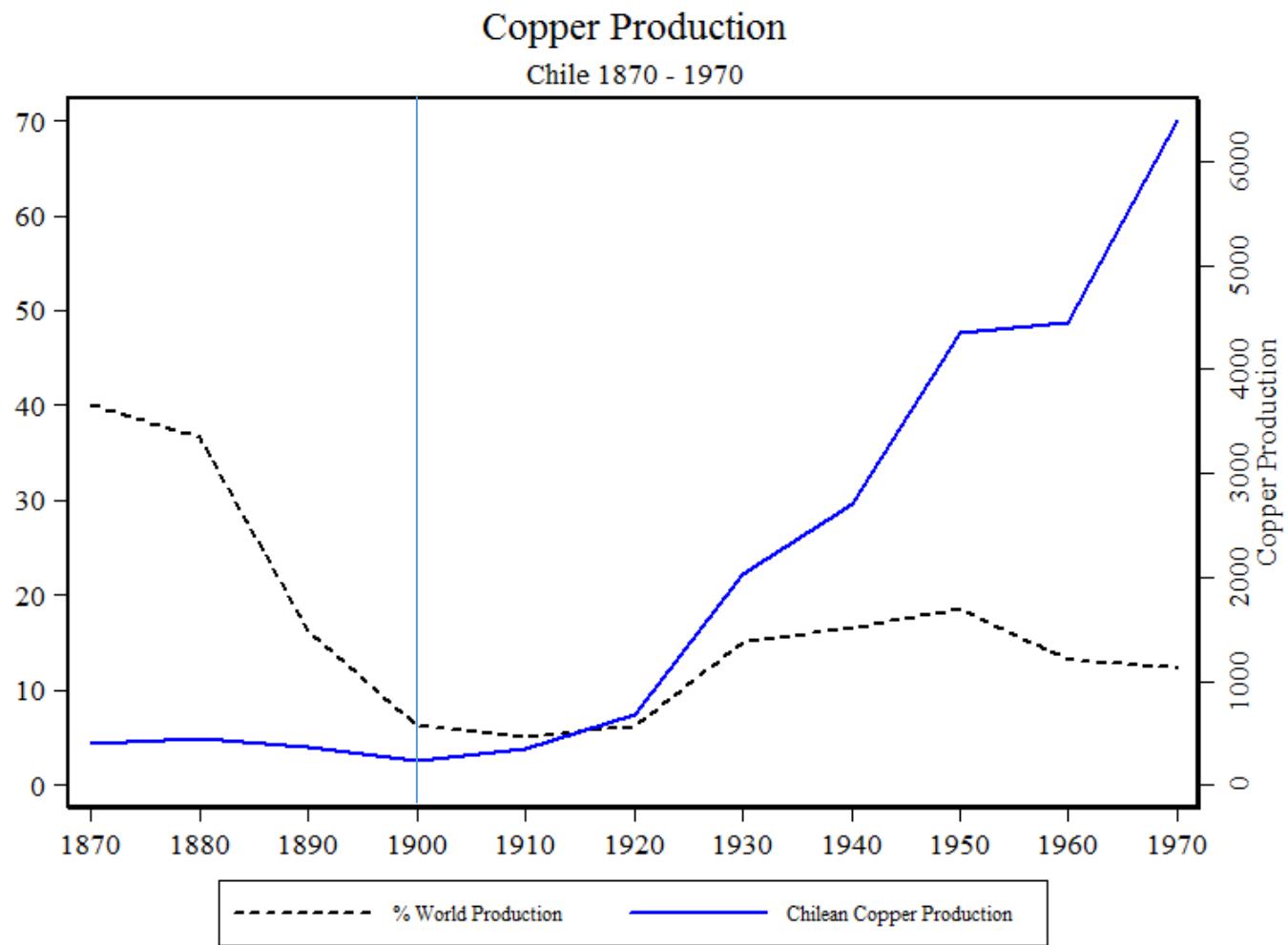


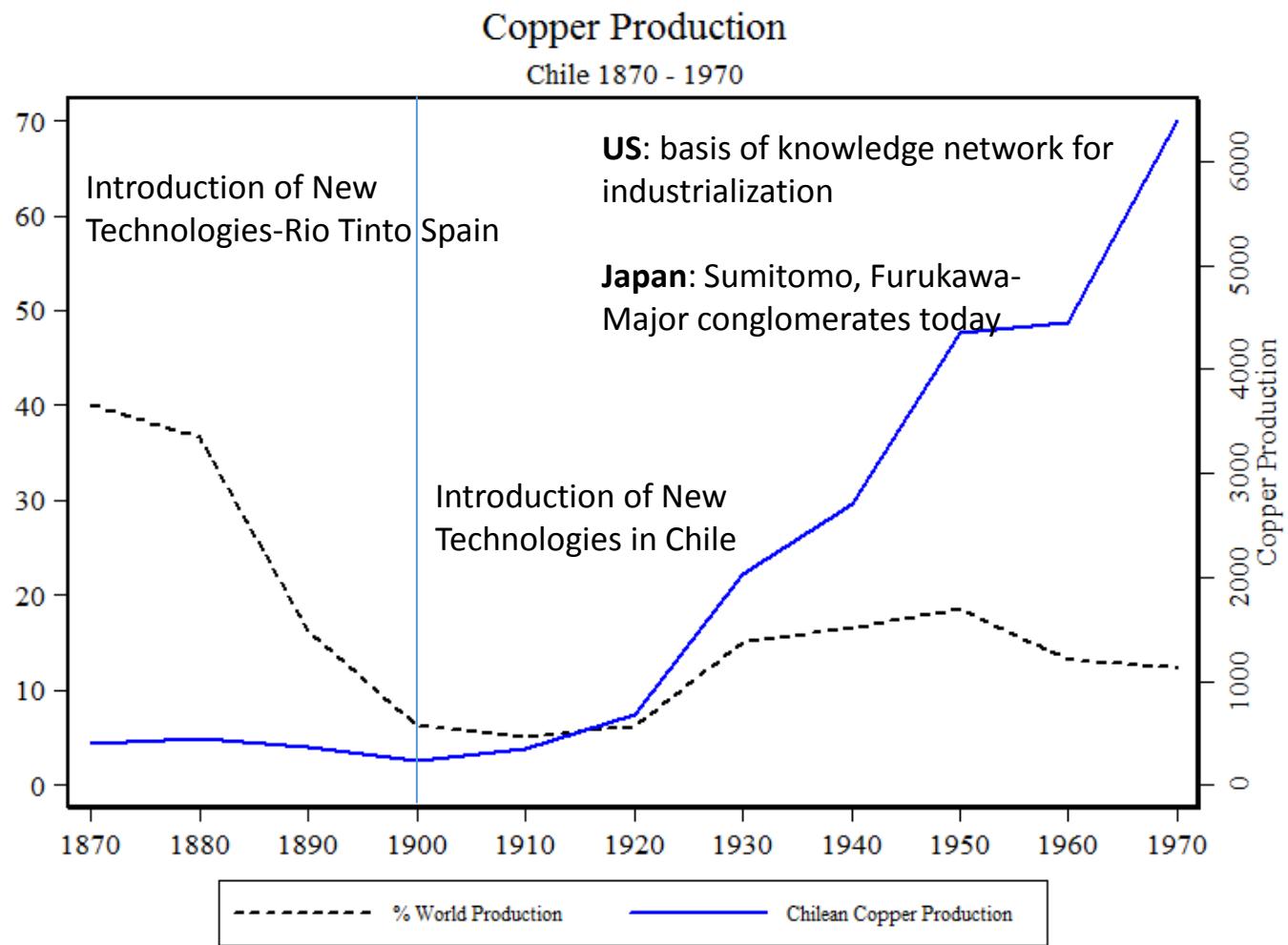
The productivity and innovation agenda

William Maloney

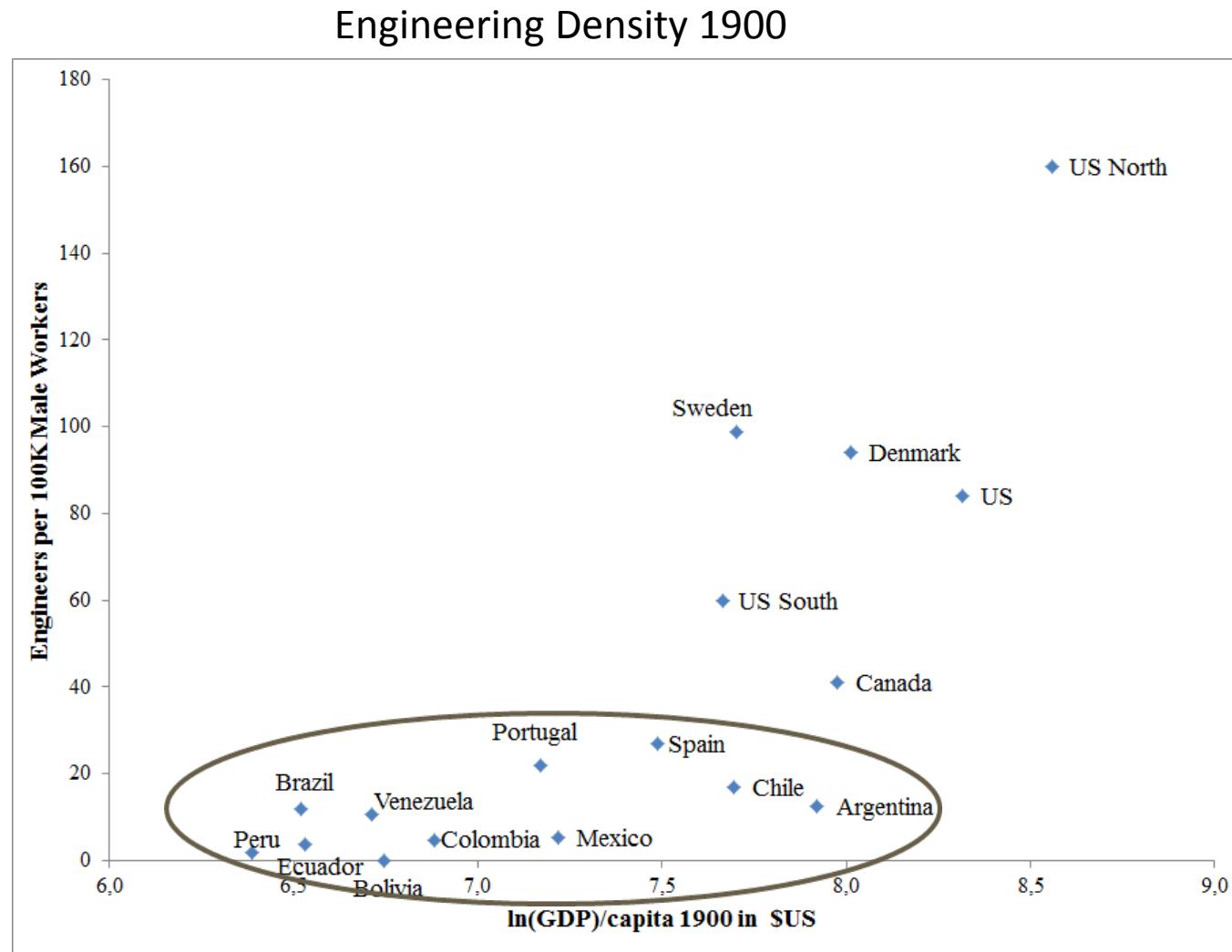
World Bank



Maloney and Valencia, 2014



The Key: Differences in ability to adopt and adapt new technologies.



Maloney and Valencia, 2014

Thanks

1. Entrepreneurship and Management Quality: Another Historical Mystery

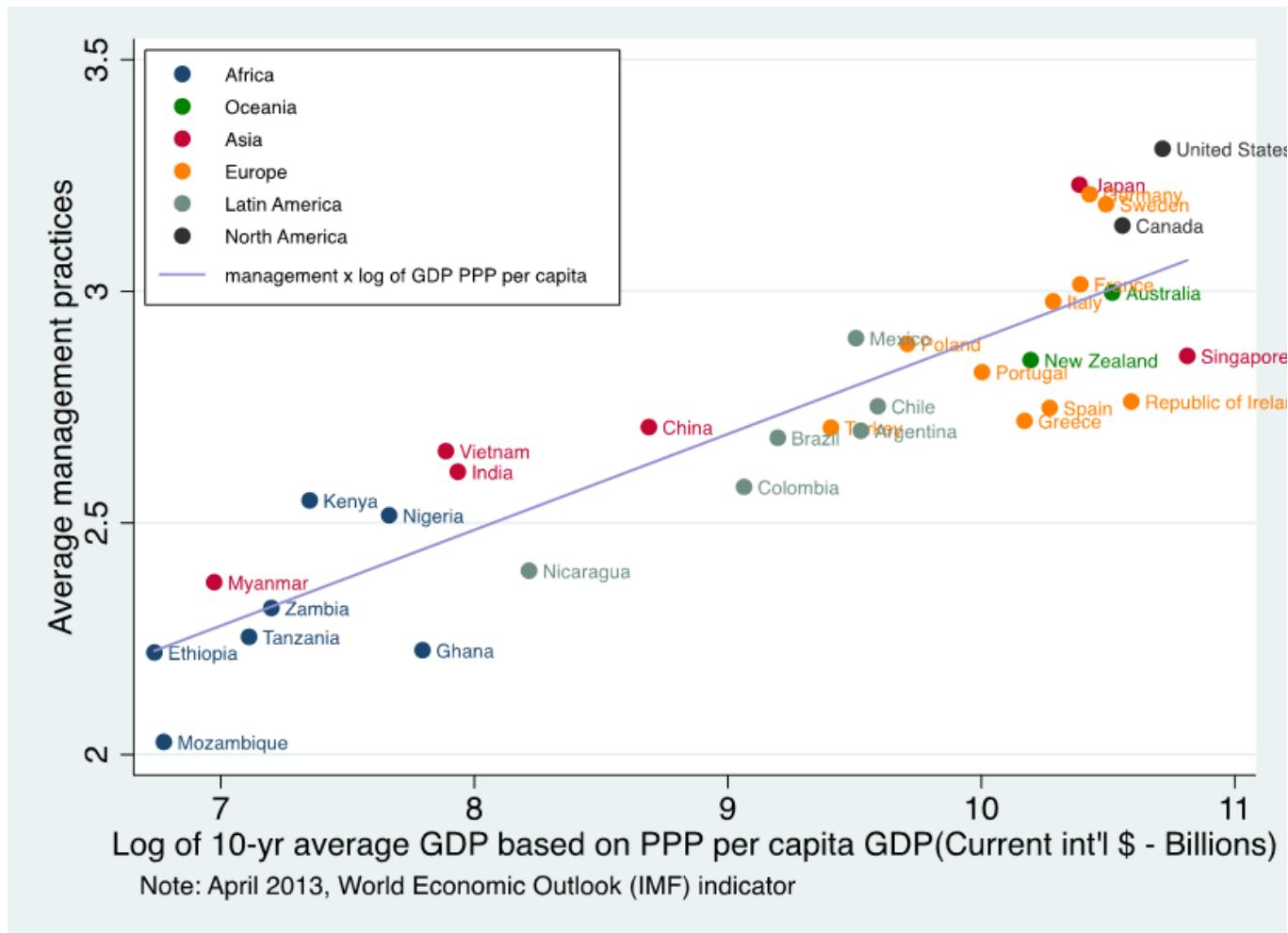
Table 9: Relative Contribution to Industrialization of Locals vs. Immigrants

Country	Year	% Owners		% Pop.		Ratio
		Immigrants	All	Immigrants	Men	
Argentina	1900	80		30	2.7	1.3
Brazil (Sao Paulo)	1920-1950	50		16.5	3.0	1.5
Brazil (Minas Gerais)	1870-1900	3.6		1.5	2.4	1.2
Chile	1880	70		2.9	24.1	12.1
Colombia (Antioquia)	1900	5		4.7	1.1	0.5
Colombia (Barranquilla)	1888	60		9.5	6.3	3.2
Colombia (Santander)	1880	50		3	16.7	8.3
Mexico	1935	50		0.97	51.5	25.8
US (5% census sample)	1900	31		13.6	2.3	1.1
US (Fortune 500)	various	18		10.5	1.7	0.7

Notes: Table tabulates the share of industries owned by immigrants, their share in the population, their contribution relative to their share in the population and their contribution assuming all immigrants and entrepreneurs are male. Source: Industrial Surveys, both official and academic. See text.

Business climate? Property rights?

Managerial Practices and Development



Bloom et. al. (2015)

- Macro issues broad concensus
- LA low productivity, excessively concentrated.
- Growth is low. McKinsey Arg. Mx. Brazil divergence in labor productivity.
- Argue- not a function of production mix-much more attention to producing a society that is 1. entrepreneurial and 2. can manage new technologies at the frontier.

- Heterogeneity in productivity growth more interesting than central tendency (no resource curse).
- How we produce arguably more important than what and since we have no clue about which is better. Designing the i Phone better than low grade textiles but aside from that.
- Still relevant: Mexico has had an electronics industry about as long as Korea- but no telefono Azteca.
- But who hires the engineers?

Entrepreneurship-who employs engineers

- Latin America: 50% of turn of century firms immigrants as directors or owners.
Generally the case in LA vastly out of proportion to share in the population. Not the case in the US.
 - Question: how critical is Business climate? Institutions? How much is information?
- Bloom Van Reenen: LAC- poor management and weak ability to take a long view.
- Arguably: Challenge is generating a private sector that is dynamic, knows how to learn.
 - Asian countries: Japan, Singapore- quality, or productivity.
- Challenge going forward.