

## Assessing Innovation Activity in Mexico and South Korea: An Econometric Approach

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**Abstract :** This article analyzes innovation activity in Mexico and South Korea. It develops an econometric model to test for structural breaks in the number of patent applications filed by residents and nonresidents in these countries during the period of 1965 to 2012. These changes may suggest that firms' innovative capabilities have changed because of implementing different science, technology and innovation (STI) policies in Mexico and South Korea. Two important features characterize this research from others already developed by these authors. First, the theoretical research framework in this research is the debate between the assimilation view of growth and the accumulation view of growth. This characteristic suggests that trade liberalization should be accompanied by an adequate STI policy to boost competitiveness among indigenous firms. Second, the analysis in this research stresses the importance of key actors (e.g. governments) to successfully develop innovation capabilities among indigenous firms. Therefore, the question conducting this research is how STI policies in Mexico and South Korea contributed to develop firms' innovation capabilities in these countries during last decades? The results from this research suggests that STI policy in South Korea was more suitable to boost innovation firms to compete in markets. Data to develop this research was released by the World Intellectual Property Organization (WIPO).

**Keywords :** innovation, Mexico, South Korea, science, technology and innovation policy

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