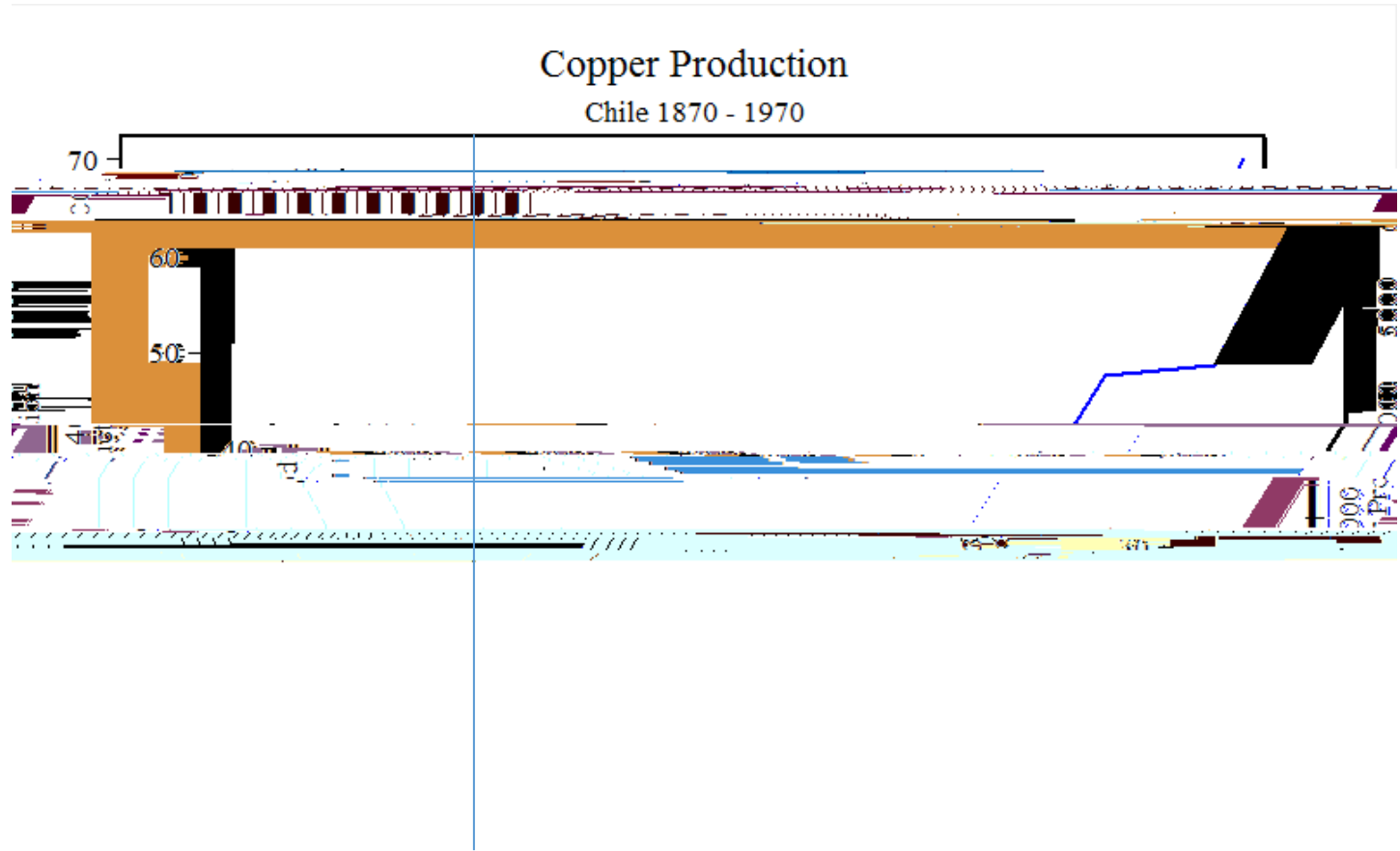
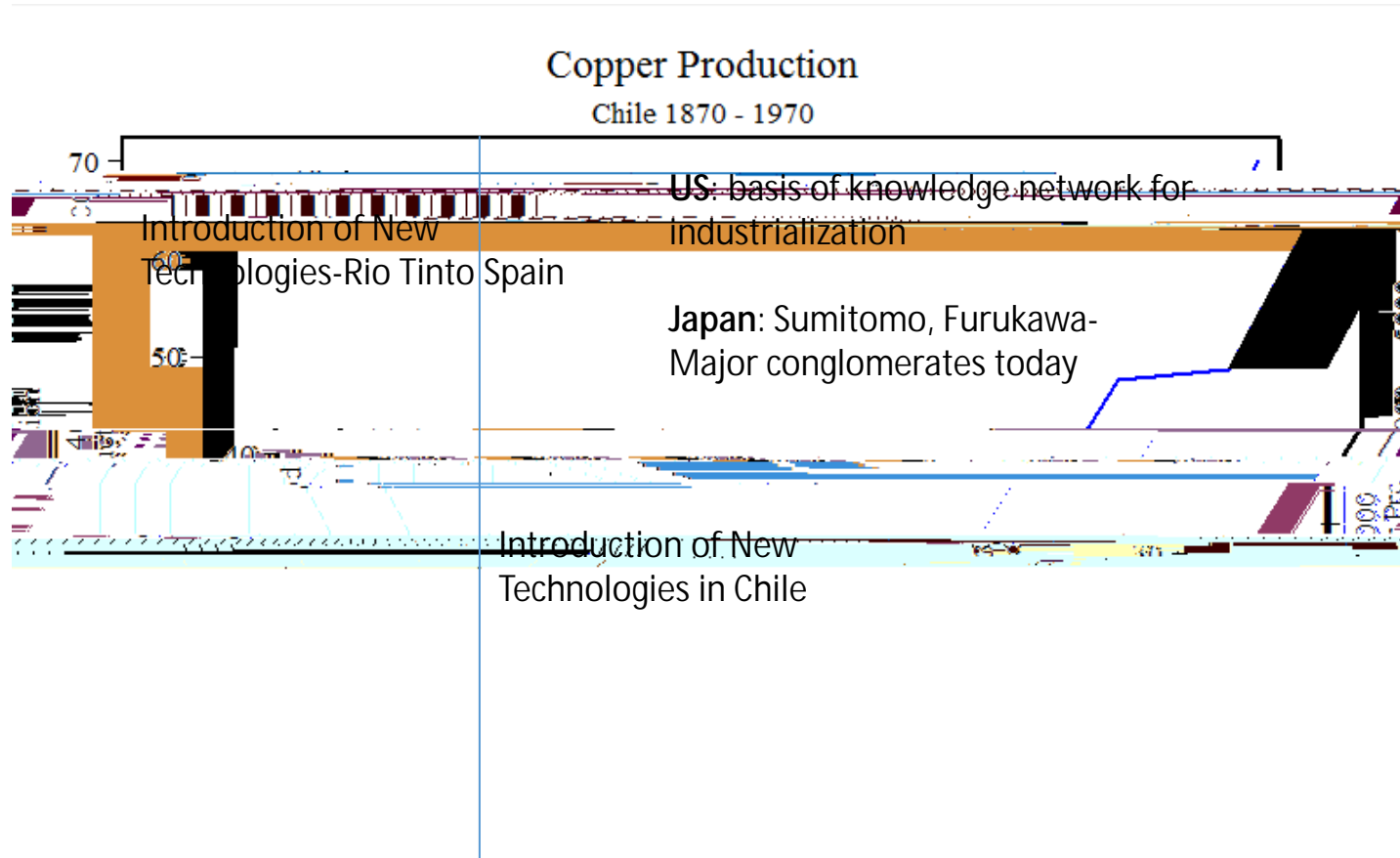


# The productivity and innovation agenda

William Maloney

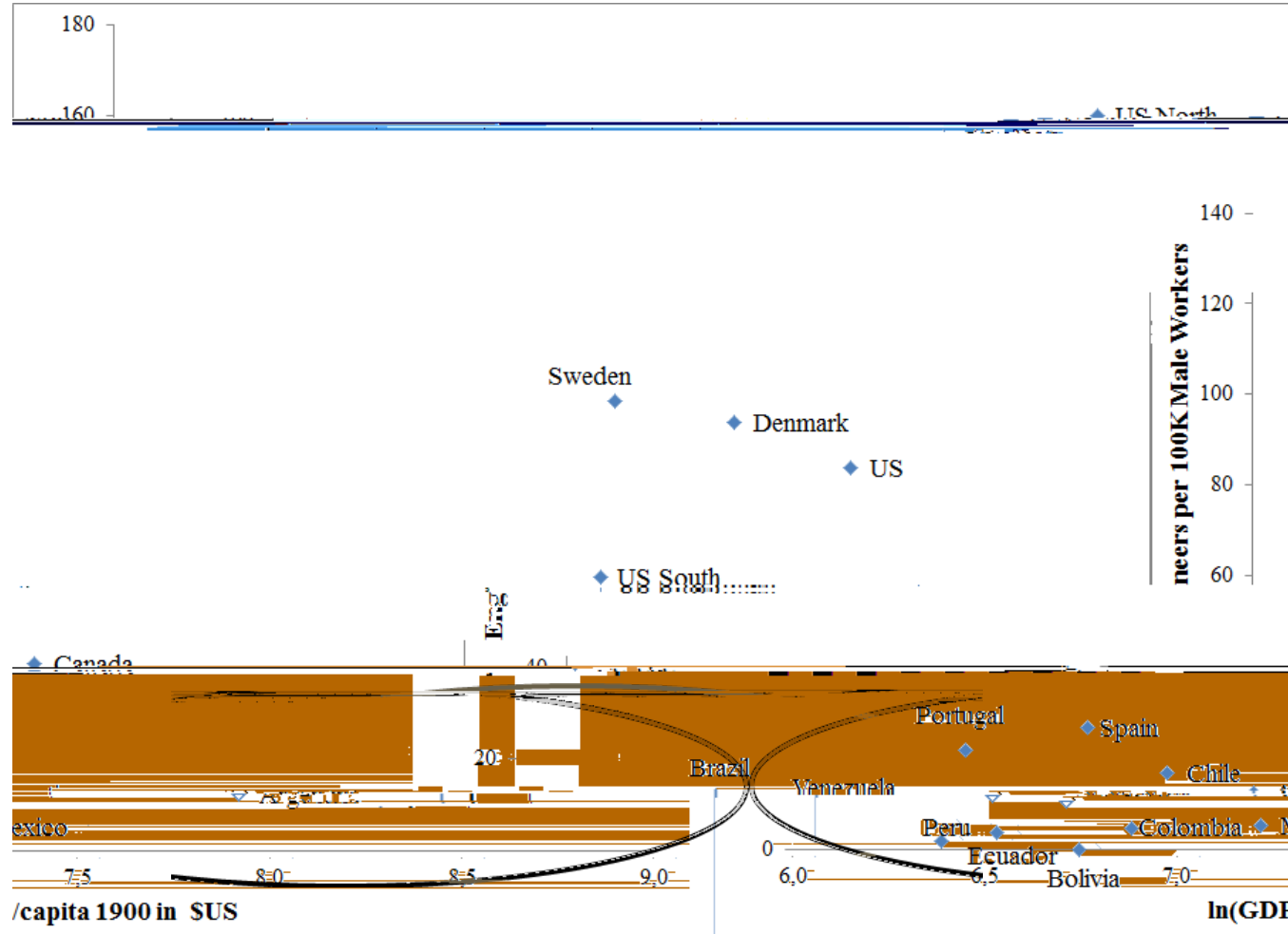
World Bank





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

Engineering Density 1900



Maloney and Valencia, 2014

Thanks

# 1. Entrepreneurship and Management Quality: Another Historical Mystery

Table 9. Relative Contribution to Industrialization of Local vs. Imported Goods

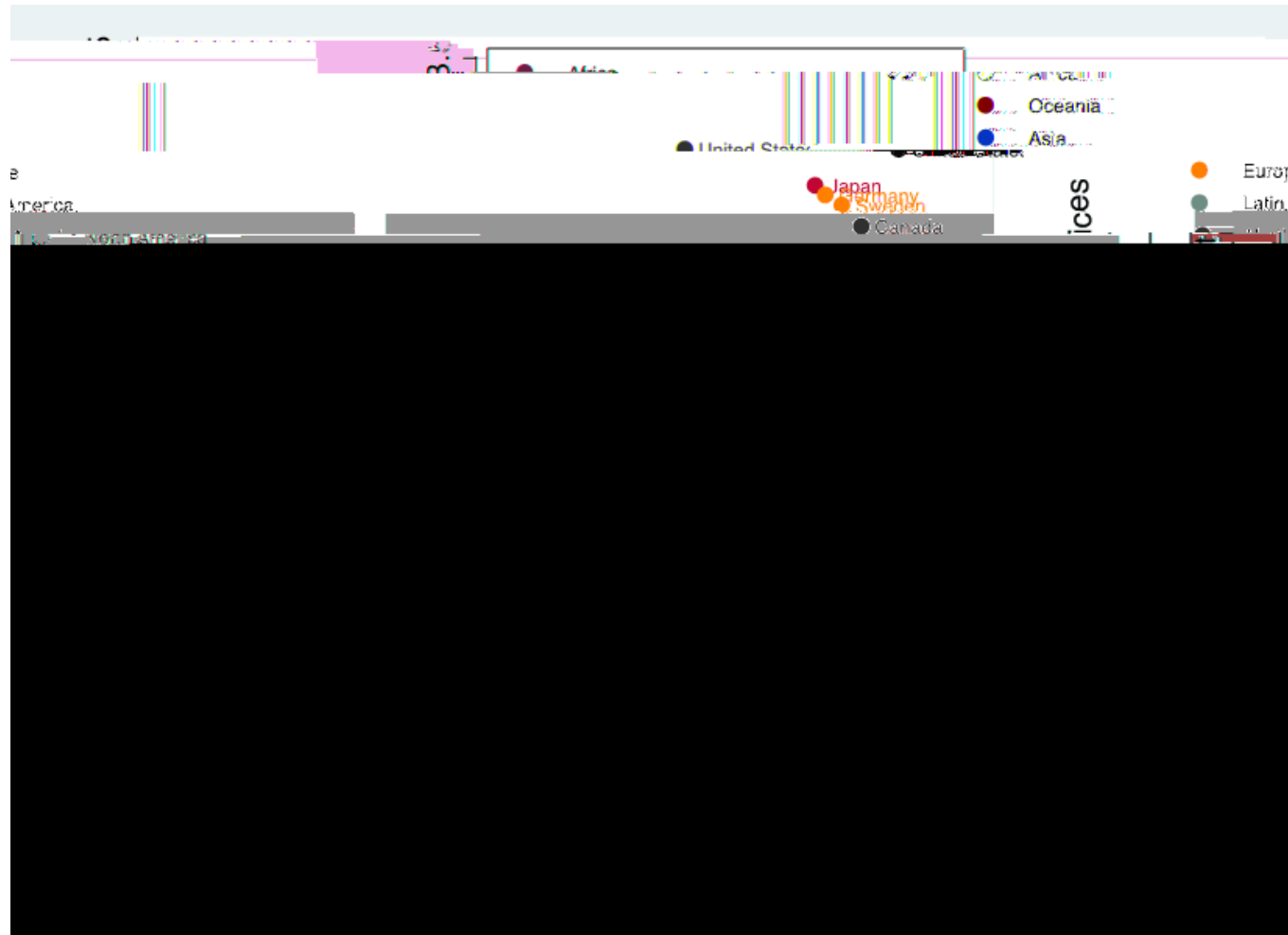
Year	Private	Government	Year	% Government
1870	80	30	1900	2.7
1880	16	5	1910	1.3
1890	16	5	1920	3.0
1900	16	5	1930	3.6
1910	16	5	1940	11.5
1920	16	5	1950	2.4
1930	16	5	1960	1.2
1940	16	5	1970	7.4
1950	16	5	1980	11.2
1960	16	5	1990	11.9
1970	16	5	2000	11.6
1980	16	5	2010	11.3
1990	16	5	2020	11.3
2000	16	5		11.3
2010	16	5		11.3
2020	16	5		11.3

Country	Year	% Government
Argentina	1900	2.7
Brazil (São Paulo)	1920-1950	1.2
Brazil (Minas Gerais)	1920-1950	1.2
Colombia (Antioquia)	1900	1.3
Colombia (Santander)	1880	1.3

Business climate? Property rights?

# Managerial Practices and Development



Bloom et. al. (2015)

- Macro issues broad consensus
- 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.





# 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.