

002

by 002 002

Submission date: 27-May-2021 05:00PM (UTC-0700)

Submission ID: 1595616403

File name: question_2.docx (18.98K)

Word count: 436

Character count: 2524

Productivity and growth assignment

Name

Course

Institution

Professor

Date

Question 2

The modern global economy is dynamic, and such countries have to be innovative to develop new or improve existing sources of revenue. Essentially, research and development (R&D) aims to create new goods and technologies that give a country a competitive advantage over other world economy players. R&D is focused on developing new products and market ideas and improving existing products and income-generating ideas. A specific country's R&D has the objective of generating new concepts and information, applying these newly acquired concepts to the production process to increase revenue ultimately. There are three common types of R&D, including primary research, applied, and progression research. Primary research aims to gain more knowledge of the market environment but does not necessarily offer any concrete application. On the other hand, applied research builds on the primary research to propose ways of meeting a specific problem or market need. Developmental research employs the findings of the primary and applied research to design feasible prototypes and proposals. (Griliches. 2007) America leads the global R&D development with at least 2.84% of its GDP going into R&D

An industrial policy, IP, is a strategic plan or strategy to boost the expansion and development of all its economic aspects, focusing on its manufacturing economic sector. (Rodrik. 2008) Essentially, industrial policies aim to create an enabling and competitive environment for the private and public manufacturing sectors to realize their maximum potential. Economists have argued that industrial policies are interventive measures that a government imposes on a specific economic industry to promote growth and innovation. IP entails creating an enabling environment for new and struggling businesses to gain practical skills and technical know-how to compete at the national and international market levels. IP protects critical markets by implementing export subsidies and establishing export processing zones exempted from

QUESTION 2

3

several taxes and levies. Some financial analysts have praised the industrial policy as a practical tool for growing a country's economy and a necessity when unpredicted market failures and depression occur. In contrast, others have criticized the policy as a ploy to enrich a country's political elite and the rich. (Pack and Saggi. 2006). Also, critics have argued the practicability and feasibility of several IPs, such as import subsidy interventions that have failed elsewhere.

References

Griliches, Z. (2007). 2. *Issues in Assessing the Contribution of Research and Development to Productivity Growth* (pp. 17-46). University of Chicago Press.

Pack, H., & Saggi, K. (2006). *The case for industrial policy: a critical survey*. The World Bank.

Rodrik, D. (2008). 4. *Industrial Policy for the Twenty-first Century* (pp. 99-152). Princeton University Press.

ORIGINALITY REPORT

2%

SIMILARITY INDEX

2%

INTERNET SOURCES

0%

PUBLICATIONS

0%

STUDENT PAPERS

PRIMARY SOURCES

1

www.coursehero.com

Internet Source

2%

Exclude quotes On

Exclude matches Off

Exclude bibliography On