THE ROLE OF INNOVATION AND SKILLS IN BOOSTING INVESTMENT ACTIVITY

Yuriy Gorodnichenko
UC Berkeley
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  Investment in human/physical capital falls
  Innovation declines
MISALLOCATION TO INNOVATION

Global Innovation Index
Knowledge & Technology Output

St. Deviation of Log Marginal Revenue Product of Capital
(EIB Investment Survey)
INNOVATION TO INVESTMENT

Global Innovation Index vs Knowledge & Technology Output

Investment to GDP ratio (Penn World Table)
SCOPE FOR IMPROVEMENT

St. Dev. of Log Marginal Revenue Product of Capital

DEES IT FRUK PL HUCZ NL FI SE ATRO SI BEB GDKHRCY SK PT EE LV IE LT LU ELMT
## Endowments or Institutions

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