

## **Innovation activities by manufacturing firms in a more open developing economy: the case of Argentina in the 1990s**

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### Abstract

Relying on detailed information on endogenous innovation activities and imported technology inputs at enterprise level, it is shown that more than half of the large firms (and especially foreign owned) made innovation expenditures as part of the reaction to the new competitive conditions. Although 27 per cent of the SMEs registered innovation efforts, the intensity of these efforts was higher than in large firms. At the same time, innovative firms had a better performance than non innovative ones and than those firms that had only relied on imported intangible inputs. It is surprising to find that most innovative firms were self reliant, though a sizeable number of firms combined imported and domestic inputs in their innovative activities. While these findings are in line with an evolutionary framework what is at odds with such an approach is the fact that Argentine firms relied very little on other domestic agents and institutions for their innovation activities.

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