

IMPACTS OF THE ECONOMIC SUBSIDIES PROGRAM TO INNOVATION: EVALUATION OF LONG-TERM EFFECTS ON THE BRAZILIAN ECONOMY

Topic: Welfare programs

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This thesis proposes to investigate the effectiveness of one of the public policy instruments to foster research, development and innovation (P, D & I) in Brazil, the economic subsidy to innovation. The practice of fiscal and financial incentives for innovation is commonly adopted by a number of countries with the aim of stimulating the private sector to expand its innovative efforts to increase competitiveness and contribute more forcefully to local economic growth. Empirical studies have tested the existence of the effectiveness of Brazilian policies in several ways and point to positive effects in terms of expanding the innovative effort of companies benefiting from some kind of legal program in relation to non-beneficiary companies. The objective of this work is to propose an alternative evaluation, testing by means of a computable general equilibrium model, how much the productive sectors of the Brazilian economy have benefited by the concession of the economic subsidies to the activities of technological innovation in the companies. In addition, in order to adequately characterize this group of beneficiary companies, multivariate analysis techniques will be used to capture the specific configurations that can generate a common profile of the target companies of the public policies related in this work.