

**The Research Centre of the School of Economics and Business,**  
in cooperation with **the Bank of Slovenia,**  
cordially invites you to a research seminar  
on **Tuesday, 30<sup>th</sup> November 2021, at 13:00 CET**  
via platform **Zoom**

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## **What 5 Billion Regressions Say About the Effects of Transaction Costs on Firm-Level Innovation?**

We examine the contribution of administrative and procedural transaction costs to patenting propensity using a large dataset from European Patent Office with 15,000 firms for the period 1995-2015. The results reveal that transaction costs matter greatly for firm-level patenting activity. However, not all transaction costs have equal effects. Higher administrative costs often encourage patent application and validation by solving adverse selection problem and short-run opportunism and other sources of asymmetric information. Effective administration of intellectual property law and low-cost enforcement are found to foster patenting activity considerably. The effects are robust to various mis-specification checks and do not disappear once country-level R&D infrastructure proxies are controlled for. The extreme bounds of administrative and procedural costs are computed across more than 5 billion regressions and confirm the sizeable impact of administration on patent application and validation outcomes.

Please register for the free seminar at <http://raziskave.ef.uni-lj.si/a/1264>  
by Monday, 29<sup>th</sup> November 2021.

Access details will be sent prior to the event to signed up users.

**We look forward to seeing you!**