

Identifying Information

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Paper Information

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| Title: | Mind the Gap: Can We Reverse the Decline in Technology Diffusion? |
| Abstract: | Although the pace of innovation in the American economy has been strong and steady for decades, the diffusion of new technology from firms on the frontier to firms at middling levels of productivity has declined over the past decade or two. We review the economic literature explaining the growing productivity gap and consider law and policy reforms that could reduce the gap. Perhaps the gap is a durable new feature of the "winner-take-most" economy; or perhaps law and policy changes have slowed technology transfer, the mobility of knowledge workers, and the success rate of high-tech start-ups. We analyze the social welfare effect of reforms that could speed technological diffusion and focus particular attention on productivity, wage growth, and inequality. |