

DISCUSSION
**DOES TRADE LIBERALIZATION BOOST
INNOVATION? EVIDENCE FROM FRENCH
INDUSTRIAL SECTORS IN THE
19TH CENTURY (CARLA SALVO)**

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Question:

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 - 19th century Anglo-French trade agreement (Cobden-Chevalier Treaty)
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Findings:

- **Industries exposed to English competition adopted steam-power up to 60% more**
 - The effect was stronger in areas with higher market access (railways and closeness to London)

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- **Did less productive firms exit the market after the Treaty?**
 - Were they using less steam-power before?
 - *Composition effect vs. technology adoption.*
 - Change in the number of firms as a function of exposure and pre-treatment use of steam-power
 - Exploit trade data between France and other countries (non-England)

- **France was the technology-lagged country** (opposite to Dorn et al. and Bloom et al.)
 - Trade as an opportunity to learn best practices (or new technologies).
- Difficult to separate exposure to trade and knowledge diffusion.
 - Exploit different trade exposures among industries in a region.
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Additional comments

- Placebo testing of steam-power adoption before the Treaty (endogeneity)
- Weighted regressions by industry-location size

THANKS FOR YOUR ATTENTION

