Copyright Strength and Growth in the Creative Industries

This paper examines the relationship between the strength of copyright and growth in creative industries for a panel data set of 122 countries for the period 1985 - 2007. The paper fills a gap in the literature on intellectual property rights (IPRs) and development by considering how copyright affects economic growth. The Agreement on Trade Related Aspects of Intellectual Property (TRIPS) has imposed much stronger IPRs in recent years, justified in part by the contention that stronger IPRs yield economic benefits. Although patents have been much examined for their role in economic outcomes, including economic growth, copyrights have been neglected. The creative industries, which arguably depend on copyright, are growing rapidly and contributing significantly to the economies of many countries. The study examines the factors that influence the output of the creative industries by employing a difference-in-differences strategy that exploits inter-industry variation to study the impact of changes in copyright strength over time.