
Monopoly Capital and Innovation: An Assessment of R&D Effectiveness

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Résumé

This research note performs some limited empirical assessments of the Baran and Sweezy (1966) contention that most research and development (R&D) efforts in the US are "wasted" at the macroeconomic level in that as R&D succeeds by absorbing a little of the excess economic surplus generated by a capitalist system, it still fails to generate a lot of innovation of a transformative nature. At an aggregate level, greater R&D efforts are correlated with higher worker productivity and standards of living, which is to be expected according to mainstream economic theory and literature. Yet, R&D efforts regarding job creation, new firm creation, and net business investment show either mixed results or even negative connections. There is some preliminary empirical support in this paper for many aspects of the Baran and Sweezy point of view on R&D, and these findings also hint that R&D is used in a monopoly capital system to further monopolization. The findings of this note also may help to explain how productivity gains and innovation over the last few decades may not be benefitting the typical worker or the creation of small businesses as well.

Mots-Clés: big business, corporations, entrepreneurship, innovation, monopoly capital, research and development

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