The presentation aims to shed light on how institutions shape innovative capacity, by focusing on how regional government quality affects innovative performance in the regions of Europe. By exploiting new data on quality of government, we assess how government quality and its components (control of corruption, rule of law, government effectiveness and government accountability) shape patenting capacity across the regions of the European Union (EU). The results of the analysis – which are robust to controlling for the endogeneity of institutions – provide strong evidence of a causal link between the quality of government and the capacity of regions to innovate. In particular, ineffective and corrupt governments represent a fundamental barrier for the innovative capacity of the periphery of the EU, strongly undermining any potential effect of any other measures aimed at promoting greater innovation. The results have important implications for the definition of innovation strategies in EU regions.

Refreshments provided, all are welcome!

**Location:** A J Herbertson Room, School of Geography and the Environment, South Parks Road, Oxford OX1 3QY

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