Journal Of Harmonized Research (JOHR)

Journal Of Harmonized Research in Management
4(3), 2018, 92-97

ISSN 2454-5384

Original Research Article

THE ROLE OF INTELLECTUAL PROPERTY RIGHTS IN SOCIO-ECONOMIC DEVELOPMENT

Rafiullah Ayoob

Department of Social Science
Sri Satya Sai University of Technology & Medical Sciences, Sehore

Abstract: During the time spent national financial changes, the appropriation and utilization of a powerful Intellectual property right that advances imaginative, inventive and innovative action is in certainty a sine qua non and in the bigger national intrigue. Expulsion of hindrances and opening up of the national economies of various creating nations, in the most recent decade and a half of the 21st century, has just brought about an extraordinary stream assets and speculations to such nations. The successful utilization of present day rising advances as a factor in advancement of financial improvement depends progressively on the abilities of the workforce. The advancement of information, instruction and learning is winding up progressively an imperative and certain part and fundamental aide of financial development and also of subjective aggressiveness. The fundamental target of Study of Intellectual property rights assurance is to support imaginative, creative and inventive movement in with respect to socio and financial advancement.

Keywords: *Intellectual Property Right, Economic and Social Development, TRIPS etc.*

Introduction: The Intellectual property right one of the foundations of current monetary approach at the national level and an impetus for improvement. It will progressively turn into an essential apparatus for supportable advancement of creating nations, particularly the slightest created nations, in the information based society of these thousand years. In this way, understanding the legitimate and monetary establishments of the appreciating its expanding significance and part in national methodologies for upgrading intensity and quickening financial Development.

Through its capacity to make and maintain selectiveness in the commercial center, yet for a constrained timeframe, protected innovation is progressively being perceived the world over as an imperative business resource and a main impetus for mechanical development and advance. It is a key part of the national foundation required for financial development, for creating national indigenous mechanical limit, and for producing send out circumstances

For Correspondence:
ravindra_78600@yahoo.co.in
Received on: April 2018
Accepted after revision: August 2018

through improvement of big business intensity. Solid and powerful licensed innovation assurance is a vital factor in encouraging innovation exchange and additionally in pulling in outside direct interest in specific parts of the economy that are indispensable for supportable advancement.

Since protected innovation comes about because of imaginative exertion using human keenness, each possible exertion must be made to support creative and imaginative movement. Compelling insurance of licensed innovation, through creation, utilize and requirement of selective lawful rights over it, gives the essential motivation to logical and mechanical innovativeness, encourages the dispersal and utilization of new specialized learning, and makes a helpful situation for the precise trade of protected innovation based merchandise and enterprises in the commercial center.

Intellectual Property as Social Relations: Customarily, genuine property rights have been viewed as never-ending and unfit; they don't naturally lapse inside a term of years and, generally, they were thought to propel private interests in self-governance, proficiency, and power, not open interests in group and human rights. Intellectual property rights, then again, were foundationally comprehended as constrained selective rights, and offered by the state not to compensate private people but rather to advance the general population enthusiasm for workmanship and science. Genuine property rights were thoughtfully total and private; protected innovation rights were qualified and open disapproved.

Review of Literature: Thompson and Rushing (1996) complete a comparative exercise for 112 nations and locate a positive, however measurably inconsequential, connection between the IPR insurance and monetary development. Both these examinations analyze the effect with no refinement between high salaries, upper center wage; bring down center pay and low pay nations. Thompson and Rushing (1999) broaden their past work for 55 created and creating nations and infer that the 'patent security' has a positive and huge effect on add up to consider profitability more propel nations. By utilizing Ginarte and Park (1997) record of IPR, Kanwar and Evenson (2003) inspect for a board of 32 nations and discover that the assurance of Intellectual propert rights has a positive and noteworthy effect on innovative work exercises in these nations. They likewise presume that more grounded insurance of IPR advances the development and mechanical advance that positively affects efficiency and monetary development. By utilizing the limit relapse procedures of Hansen (1996; 1999; 2000), Falvey et al. (2004a) enhance the 'single condition relapse investigations' for 80 created and creating nations and infer that the adequacy of IPR assurance relies on different phases of improvement and structure of the concerned economies. Maskus *et al.* (2005) inspect and demonstrate that the impact of IPR security on financial development relies upon the level of improvement in various nations. Different variables, animating the financial development, include: advancements, innovative improvement and learning sharing and market structure. Janjua and Samad (2007) evaluate an exact connection between insurance of IPR and monetary development for 10 center salary creating nations with adjusted and unequal informational index of 1960-2005 and 1970-74 separately. They reason that Intellectual property right does not really contribute in the monetary development in center pay nations because of absence of very much arranged foundation improvement with a specific end goal to acknowledge the test of IPR assurance.

Munzer (2001:49), in his New Essays in the Legal and Political Theory of Property, recommends that property rights structure social relations. While a financial examination of property tailors law to expand singular delight or welfare, a social relations investigation of property looks for laws that structure better social relations, regarding the wellbeing and nobility surprisingly. Property as social relations

perceives that the state effectively structures certain social relations as it disperses and implements property rights.

Property rights intercede relations between the individual and group. Jennifer Nedelsky (1990) has been also worried that property rights should neither separate the individual nor reify the group. Nedelsky and Radin looked for property rights to empower one to constitute a stable, socially grounded, historicized, and self-ruling self on the planet. Social orders search for comparative dreams for protected innovation.

Madhavi Sunder (2006) thinks about that enhanced social relations, estimated by each individual's amplification of various good esteems, from flexibility to correspondence to wellbeing and effectiveness, are not unavoidable; they require the consideration and dynamic advancement of law. We should mindfully outline the legitimate and interchanges engineering as per the sorts of social relations society needs.

Objectives of the Study

- The principle study of Intellectual property rights insurance is to energize imaginative, creative and inventive action in with respect to socio and monetary improvement.

Research Methodology: The IPRs and financial development are emphatically and essentially connected with each other (Gould and Gruben, 1996) and this relationship is more in open and created economies when contrasted with shut and creating economies. The viability of IPR additionally relies on the physical foundation of concerned economies; and this effect ends up conspicuous when nations achieve a specific level of improvement that can be estimated as far as their underlying level of per capita GDP and factor blessings (Thompson and Rushing, 1996).

When all is said in done, different innovative work exercises and developments add to the supply of learning and help to acquire benefits either through the presentation of new items or by means of the updating of at present accessible items. In addition, each new item, which is delivered either through item licensing or potentially process protecting, builds the supply of information in this manner diminishing the cost of advancements in future through learning amassing. The amassing of information and IPR assurance cause to improve the advancement and monetary development in the short-keep running and additionally over the long haul in high pay created and low pay creating nations. A restricted writing is accessible in connection with Intellectual property rights, advancement and financial development for creating nations.

In observational examination, both the settled and arbitrary impact models close their result in an unexpected way. For the most part, for an adjusted board, one may expect that the settled impacts technique works better. Then again, when test contains predetermined number of perceptions then arbitrary impacts strategy would be more fitting. Amid the experimental examination, with a specific end goal to decide the legitimacy of settled and arbitrary impacts techniques we utilize Hausman test.

Data Analysis & Interpretation

Table 1: Intellectual Property Rights and Economic Growth (Balanced Panel and Fixed Effects)

Dependent Variable: Growth Rate of GDP Per Capita						
1	2	3	4	5	6	7
C	31.74 (7.34)**	20.94 (2.40)**	73.18 (13.66)**	105.50 (12.94)**	33.45 (2.68)*	14.26 (3.12)**
Log (INIGDPPC)	–4.56 (–7.38)**	–2.65 (–3.73)**	–9.86 (–10.25)**	–13.32 (–10.89)**	–4.47 (–2.50)*	–2.57 (–2.22)**
INF	–0.0005 (–1.57)*	–0.11 (–1.68)***	–0.001 (–5.07)**	–0.001 (–3.48)**	–0.05 (–0.97)	–0.03 (–5.37)**
IPR	0.79 (3.56)**	1.30 (3.10)**	0.80 (3.29)**	0.48 (1.51)*	0.54 (1.05)	0.47 (0.97)
GPOP	–0.45 (–2.78)**	0.67 (4.48)**	–0.28 (–0.43)	–0.34 (–0.50)	0.18 (0.39)	–0.84 (–1.08)
TRADEOPEN	–0.003 (–0.42)	0.0008 (0.35)	–0.012 (–1.60*)	0.04 (2.56)**	–0.02 (–1.95)**	0.006 (0.26)
INV	0.19 (8.65)**	20.94 (1.86)***	0.10 (1.96)**	0.18 (2.81)**	–0.02 (–0.47)	(0.26) 4.34**
R-squared	0.59	0.62	0.62	0.73	0.40	0.58
F-statistic	6.17**	7.97**	5.65**	6.87**	1.75**	4.20**
Hausman statistic	32.92	7.70	34.86	39.81	17.50	12.30

By and large the licenses are allowed over various developments, which force the attributes

of curiosity, imagination and modern applications. As needs be, different patent laws have been intended to licenses the creations for a specific day and age. The utility models create different measures being connected to various questions as an apparatus, which result in the enhanced usage of the items.

The TRIPS assertion expresses that every IP item should be ensured to win the profits for a specific day and age in the Member States. Because of contrasts in their patent laws crosswise over nations, two scales have been utilized to gauge the quality of patent.

These sizes of estimation are distinctive in every nation in the sense either the patent must be applications based (date of documenting) or allow based (date of conceding). Crosswise over nations, for the most part the preparing time frame for giving a patent is 3 or 4 years. The nations in which if creations are ensured for a long time or more, acquire an estimation of 1. However, the individuals who give here and now insurance on their developments may get a partial estimation of 20 years. For instance, if a nation is giving 15 years of assurance, it gets an estimation of 0.75. On the off chance that a patent is allowed on "concede based" terms, at that point the length of insurance moves toward becoming 17 years.

Results & Discussion: The viability of protected innovation rights on financial development depends on the qualities of concerned economies, regardless of whether they are inventive or potentially imitative. For the most part, different R&D and inventive exercises happen in high pay created nations and the assurance of protected innovation rights encourages in financial development and advancement in these nations. Then again, not very many creations are delivered in low wage creating nations and because of weaker security of Intellectual property rights, a large portion of enterprises depend on pilfered and imitated advancements in these nations. Likewise, among high and center wage nations, it is watched that the previous are more creative than last mentioned and as needs be have distinctive rates of financial development over some stretch of time. It has likewise been watched that in upper center wage nations the effect of IPR on financial development is altogether more prominent than that of lower center salary nations, proposing that in upper center wage nations the IP rights are all around secured than in bring down center pay nations.

Conclusion: With a specific end goal to get benefits for the profitability and financial development, the concession to Trade Related parts of Intellectual Property Rights (TRIPS) may empower for the advancements in created and creating nations through setting a few gauges for the security and implementation of Intellectual property rights. It ought to likewise abandon some space for circumspection so as to accomplish diverse objectives and targets with respect to assurance of protected innovation rights for creating nations. Normal distributions in connection with licenses must be empowered in creating nations, which will help in learning gathering and advancements over some undefined time frame. Along these lines, in future, the TRIPS models will grow among the exchanging accomplices for their innovative improvement and monetary thriving. In addition, the national protected innovation enactment ought to be refreshed for universal aggressiveness.

Improvement includes financial as well as social, social, and political measurements of national prosperity, a more think thought of these more up to date ideas being developed financial aspects could enhance licensed innovation's uneven accentuation on unadulterated riches or utility-amplification. In the exchange setting of TRIPS, this accentuation tends to support nations with settled protected innovation businesses and intensifies an inclination towards estimating the improvement impacts of licensed innovation exclusively through monetary development. The net outcome, it appropriately contended, is a licensed innovation adjust that has turned out to

be progressively unbalanced for maker interests, perhaps to the drawback of general worldwide social welfare and plainly to the hindrance of the most powerless populaces.

References:

- Aghion, P. and P. Howitt (1992), A model of growth through creative destruction. *Econometrica*, Volume 60(2), pp. 323-351.
- Backus, David K., Patrick J. Kehoe and Timothy J. Kehoe (1992), In search of scale effects in trade and growth. *Journal of Economic Theory*, Volume 58(2), pp. 377-409.
- Barro, Robert J. (1991), Economic growth in a cross section of countries. *TheQuarterly Journal of Economics*, Volume 106(2), pp. 407-443.
- Barro, Robert J. and Xavier Sala i Martin (1990), Economic growth and convergence across the United States. National Bureau of Economic Research Working Paper # 3419.
- Benhabib, J. and M. M. Spiegel (1994), The role of human capital in economic development: Evidence from aggregate cross -country data. *Journal ofMonetary Economics*, Volume 34(2), pp. 143-173.
- Branstetter, L. G., R. Fisman and C. F. Foley (2004), Do stronger intellectual property rights increase international technology transfer? Empirical evidence from U.S. firm-level panel data. *World Bank Policy Research Working PaperNo*. 3305. Washington, DC: The World Bank.
- Chen, Y. and T. Puttitanun (2005), Intellectual property rights and innovation in developing countries. *Journal of Development Economics*, Volume 78(2), pp. 474-493.
- Chin, J. C. and G. M. Grossman (1990), Intellectual property rights and north-south trade. In R. W. Jones and A. O. Krueger (eds.), *The Political Economy ofInternational Trade*, pp. 90-107. Cambridge, MA: Basil Blackwell.
- Cohen, W. M. and D. A. Levinthal (1989), Innovation and learning: The two faces of R&D. *The Economic Journal*, Volume 99(397), pp. 569-596.
- De Long, J. Bradford (1988), Productivity growth, convergence and welfare:
- Comment. *The American Economic Review*, Volume 78(5), pp. 1138-1154.
- Deardorff, A. V. (1992), Welfare effects of global patent protection. *Economica*, Volume 59(233), pp. 35-51.
- Diwan, I. and D. Rodrik (1991), Patents, appropriate technology, and North-South trade. *Journal of International Economics*, Volume 30, pp. 27-47.
- Eaton, J. and S. Kortum (1996), Trade in ideas: Patenting and productivity in the OECD. *Journal of International Economics*, Volume 40, pp. 251-278.
- Falvey, R., N. Foster and D. Greenaway (2006), Intellectual property rights and economic growth. *Review of Development Economics*, Volume 10(4), pp. 700-719.
- Feldstein, Martin and Charles Horioka (1980), Domestic saving and international capital flows. *The Economic Journal*, Volume 90(358), pp. 314-329.
- Ferrantino, M. J. (1993), The effect of intellectual property rights on international trade and investment. *Weltwirtschaftliches Archiv*, Volume 129(2), pp. 300-331.
- Gilbert, R. J. and D. Newey (1982), Preemptive patenting and the persistence of monopoly. *The American Economic Review*, Volume 72, pp. 514-526.
- Ginarte, J. C. and W. G. Park (1997), Determinants of patent rights: A cross-national study. *Research Policy*, Volume 26(3), pp. 283-301.
- Glass, A. J. and K. Sagi (2002), Intellectual property rights and foreign direct investment. *Journal of International Economics*, Volume 56(2), pp. 387-410.
- Gould, D. M. and W. C. Gruben (1996), The role of intellectual property rights in

economic growth. *Journal of Development Economics*, Volume 48(2), pp. 323-

- Grossman, Gene M. and Elhanan Helpman (1991), *Innovation and Growth in theGlobal Economy*. Cambridge, MA: MIT Press.
- Helpman, E. (1993), Innovation, imitation, and intellectual property rights. *Econometrica*, Volume 61(6), pp. 1247-1280.
- Janjua, Pervez Z. and Ghulam Samad (2007), Intellectual property rights and economic growth: The case of middle income developing countries. *ThePakistan Development Review*, Volume 46(4), Part II (Winter), pp. 711-722.
- Kanwar, S. and R. Evenson (2003), Does intellectual property protection spur technological change? *Oxford Economic Papers*, Volume 55(2), pp. 235-264.
- Mansfield, E. (1986), Patents and innovation: An empirical study. *ManagementScience*, Volume 32(2), pp. 173-181.
- Mansfield, E. (1995), Intellectual property protection, direct investment and technology transfer: Germany, Japan and the United States. *IFC Discussion*
- *Paper No.* 27. Washington, DC: The World Bank and International FinanceCorporation.
- Mansfield, E., J. Rapoport, A. Romeo, S. Wagner and G. Beardsley (1977), Social and private rates of return from industrial innovations. *The Quarterly Journalof Economics*, Volume 91(2), pp. 221-240.
- Maskus, K. E. (2000a), *Intellectual Property Rights in the Global Economy*.
- Washington, DC: Institute for International Economics.
- Maskus, K. E. and M. Penubarti (1995), How trade-related are intellectual property rights? *Journal of International Economics*, Volume 39, pp. 227-248.
- McCalman, P. (2002), National patents, innovation and international agreements. *Journal of International Trade and Economic Development*, Volume 11(1), pp.1-14.
- Park, W. G. and J. C. Ginarte (1997), Intellectual property rights and economic growth. *Contemporary Economic Policy*, Volume 15(3), pp. 51-61.
- Rafiquzzaman, M. (2002), The impact of patent rights on international trade: Evidence from Canada. *Canadian Journal of Economics*, Volume 35(2), pp. 307-330.
- Rapp, R. T. and R. P. Rozek (1990), Benefits and costs of intellectual property protection in developing countries. *Journal of World Trade*, Volume 24(5), pp. 75-102.
- Schneider, P. H. (2005), International trade, economic growth and intellectual property rights: A panel data study of developed and developing countries. *Journal of Development Economics*, Volume 78(2), pp. 529-547.
- Segerstrom, Paul S. (1991), Innovation, imitation, and economic growth. *Journal ofPolitical Economy*, Volume 99(4), pp. 807-827.
- Smith, P. J. (1999), Are weak patent rights a barrier to U.S. exports? *Journal ofInternational Economics*, Volume 48(1), pp. 151-177.
- Smith, P. J. (2001), How do foreign patent rights affect U.S. exports, affiliate sales, and licenses? *Journal of International Economics*, Volume 55(2), pp. 411-439.
- Taylor, M. S. (1993), TRIPS, trade, and technology transfer. *Canadian Journal ofEconomics*, Volume 26(3), pp. 625-637.
- Thompson, M. A. and F. W. Rushing (1996), An empirical analysis of the impact of patent protection on economic growth. *Journal of Economic Development*, Volume 21(2), pp. 61-79.
- Xu, B. and E. P. Chiang (2005), Trade, patents and international technology diffusion. *Journal of International Trade and Economic Development*, Volume 14(1), pp. 115-135.