

Airplanes and Innovation

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Abstract:

We study the aggregate impact of a large change in human mobility on innovation. In particular, the introduction of the jet engine to civil aviation in the late 1950s led to a decrease in travel time between US cities by around one third. We observe that citations between patents on average increase by 3% due to the travel time reductions, with the effect increasing to around 15% for city pairs located at least 2000km apart. Next, we plan to study the implications of this increase in knowledge flows on new innovation and economic growth.