

# Innovation and Productivity Outputs in Canadian Firms

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The main aim of this paper is to identify the effect of government programs on product innovation and process innovation at the firm level, and identify the effect of these two types of innovation on firm's productivity for the years 2009 and 2012. To conduct the analysis, we use information from the Canadian Survey of Innovation and Business Strategy (SIBS) from 2009 and 2012. We then build a two stages econometric model to test for the impact of different types of government support on innovation outputs, and then innovation outputs on firms' productivity. This paper aims to contribute to the discussion on innovation and productivity of Canadian firms for the period 2009-2012. Our discussion will focus on the role that public policy initiatives are playing in fostering innovation in Canadian firms. The results from this study can have important policy implications in terms of the interplay of public policy incentives, innovation output and productivity performance at the firm level.