

Supplementary Material

Table S1: Descriptive statistics

Variable	Mean	Std. Dev.	Min	Max
Explained variables				
<i>innovation index</i>	0.047	1.938	-5.273	7.058
<i>Patent_invention</i>	3.859	2.277	-6.908	10.343
<i>Patent_total</i>	6.468	1.843	0.694	12.311
Core explanatory variable				
<i>Policy</i>	0.114	0.321	0	1
Control variables				
<i>Industry_sec</i>	0.473	0.113	0.028	0.908
<i>n + g+δ</i>	2.282	0.515	-2.997	3.825
<i>R&D_exp</i>	9.371	1.843	3.872	15.528
<i>H_cap</i>	4.474	1.118	-0.525	7.179
<i>Finan</i>	16.778	1.238	13.353	21.183
<i>C_profit</i>	5.503	0.999	1.984	8.424
<i>Commu</i>	13.328	1.556	6.568	17.758
<i>Open</i>	9.303	2.608	-6.908	14.153
<i>Trans</i>	8.445	0.997	0.406	12.567
Instrumental variable				
<i>Slope</i>	7.979	1.266	4.378	10.081
<i>Elevation</i>	13.052	1.401	9.596	15.658
Other variable				
<i>R&D_talent</i>	8.298	1.077	4.602	13.603

Table S2: Hausman test

X^2	57.66
P-value	0.0012

Table S3: Heteroskedasticity and autocorrelation tests

Heteroscedasticity	
X^2	12768.18
P-value	0.0000
Wooldridge test for Autocorrelation in panel data	
F-value	122.993
P-value	0.0000