

## **Measuring the impact of international R&D cooperation: the case of Spanish firms participating in the EU Framework Programme**

**Authors: Ascensión Barajas (CDTI), Elena Huergo (UCM), Lourdes Moreno (UCM)**

The objective of this paper is to analyse the effects of international R&D cooperation on firms' economic performance. Specifically, our sample refers to those Spanish firms participating in consortia within the Framework Programme during the period 1995-2005. Prior studies have concluded that the FP has contributed to build and consolidate R&D networks within the European area (Breschi and Cusmano, 2006). Nevertheless, empirical evidence about the economic effects of the FP on participants is scarce.

One of the main issues that authors must face with trying to measure the impact of R&D cooperation is how to avoid the self-selection effect (Dekker and Kleinknecht, 2008). Most previous empirical works only use information about supported firms because they do not have a control sample containing information about firms which even do not apply for financial aid. Following Barajas & Huergo (2009), our empirical approach solves this problem taking into account that the cooperation within the FP is the result of two decisions. Firstly, firms have to decide if they engage or not in consortia. Secondly, the agency decides to approve or to reject the project after the evaluation.

In order to carry out the above mentioned analysis, we integrate two data sets. The first one, provided by the CDTI (the public organism in charge of monitoring the participation of Spanish firms within the FP), contains much relevant information about the FP projects (rejected and supported) and the participants. The second one is the SABI database, that consists of company accounts for over 1000 000 Spanish firms. The CDTI-SABI database could be considered an original and powerful instrument to measure the impact of the FP on economic performance for a period large enough to capture the long-term effect of the FP R&D projects.

Thus, we compile homogeneous samples containing information about more than 50.000 firms and for a long-term period. Available data allow us to consider variables related to the role of the firm within consortia (leadership, percentage of the total budget of the project allocated to the company, ...) and some control variables related to the type of project (technological area, number of foreign partners, ...). As output indicators we use some productivity and financial measures. We provide evidence about the positive impact of the cooperation within the FP on firms' performance.

## References:

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