

Eickelpasch, Alexander; Fritsch, Michael

**Working Paper**

## Contests for Cooperation: A New Approach in German Innovation Policy

Freiberger Arbeitspapiere, No. 2005/03

**Provided in Cooperation with:**

TU Bergakademie Freiberg, Faculty of Economics and Business Administration

*Suggested Citation:* Eickelpasch, Alexander; Fritsch, Michael (2005) : Contests for Cooperation: A New Approach in German Innovation Policy, Freiberger Arbeitspapiere, No. 2005/03, Technische Universität Bergakademie Freiberg, Fakultät für Wirtschaftswissenschaften, Freiberg

This Version is available at:

<https://hdl.handle.net/10419/22508>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

TECHNICAL UNIVERSITY BERGAKADEMIE FREIBERG  
TECHNISCHE UNIVERSITÄT BERGAKADEMIE FREIBERG

FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION  
FAKULTÄT FÜR WIRTSCHAFTSWISSENSCHAFTEN



Alexander Eickelpasch  
Michael Fritsch

Contests for Cooperation – A New  
Approach in German Innovation Policy

**FREIBERG WORKING PAPERS**  
**FREIBERGER ARBEITSPAPIERE**

**# 3**  
**2005**

The Faculty of Economics and Business Administration is an institution for teaching and research at the Technische Universität Bergakademie Freiberg (Saxony). For more detailed information about research and educational activities see our homepage in the World Wide Web (WWW): <http://www.wiwi.tu-freiberg.de/index.html>.

**Addresses for correspondence:**

Alexander Eickelpasch  
German Institute for Economic Research (DIW) Berlin  
Königin-Luise-Straße 5, D-14191 Berlin (Germany)  
Phone: ++49 / 030 / 897 89 - 680  
Fax: ++49 / 030 / 897 89 - 115  
E-mail: [aeickelpasch@diw.de](mailto:aeickelpasch@diw.de)

Prof. Dr. Michael Fritsch<sup>†</sup>  
Technical University of Freiberg  
Faculty of Economics and Business Administration  
Lessingstraße 45, D-09596 Freiberg (Germany)  
Phone: ++49 / 3731 / 39 24 39  
Fax: ++49 / 3731 / 39 36 90  
E-mail: [michael.fritsch@tu-freiberg.de](mailto:michael.fritsch@tu-freiberg.de)

<sup>†</sup> Technical University of Freiberg , German Institute for Economic Research (DIW) Berlin, and Max-Planck Institute for Research into Economic Systems, Jena, Germany.

We are indebted to Engelbert Beyer, Dirk Dohse, Gunnar Eliasson, Martina Kauffeld-Monz, Georg Licht, Phillip McCann, Michael Nippa and Dirk Schilder for helpful comments on earlier versions of this paper.

---

**ISSN 0949-9970**

The Freiberg Working Paper is a copyrighted publication. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, translating, or otherwise without prior permission of the publishers.

Coordinator: Prof. Dr. Michael Fritsch

All rights reserved.

---

## Contents

Abstract/Zusammenfassung.....	II
1. Introduction.....	1
2. Competition of concepts for innovative labor division: the basic approach .....	1
3. The programs under review: a selective overview .....	3
4. Theoretical foundations and justification of the new program type.....	7
4.1 Theories of innovation behavior .....	7
4.2 Specific problems of labor division in R&D .....	9
4.3 Variety and systems competition.....	10
5. Possible advantages of the cooperation-contest approach, critical issues and limitations .....	11
5.1 Possible advantages .....	12
5.2 Critical issues.....	16
5.3 Limitations of the approach .....	20
6. A closer look at the mobilization surplus: what have the losers done? .....	20
7. Conclusions.....	22
References.....	24

### **Abstract**

A new approach in German innovation policy organizes contests of proposals for developing innovation networks. Based on an overview of the different programs, we investigate the advantages, problems and limitations of such an approach. We find that this type of policy may have a relatively large impact and can, therefore, be regarded as a rather efficient instrument of innovation policy. Compared to conventional policies, administration of the program is a much more critical issue. The contest approach may stimulate learning effects on the side of the administration but may also require a high degree of flexibility. The main disadvantage is the additional time that is required for conducting the contest. As a distinct ‘picking the winner’ approach, the contest approach is not suited as a means for achieving a leveling-out of regional welfare levels.

JEL-classification: H32, O18, O38, R11

Keywords: Innovation policy, regional competition, innovation networks

### **Zusammenfassung**

*“Wettbewerbe für Kooperation – Ein neuer Ansatz in der deutschen Innovationspolitik”*

In einem neuen Ansatz der deutschen Innovationspolitik werden Wettbewerbe für Vorschläge zur Entwicklung von Innovationsnetzwerken organisiert. Ausgehend von einem Überblick über diese Programme diskutieren wir Vorteile, Nachteile und Grenzen dieses Ansatzes. Es zeigt sich, dass diese Art der Innovationsförderung große Wirkungen erzeugen kann und daher vermutlich effizienter ist, als andere Typen von Programmen. Im Vergleich zu konventionellen Formen der Innovationsförderung ist allerdings die Administration des Programms sehr viel anspruchsvoller. Der Wettbewerbs-Ansatz kann Lerneffekte der Administration stimulieren aber auch ein relativ hohes Maß an Flexibilität erfordern. Der wesentliche Nachteil ist die zusätzliche Zeit, die für die Durchführung des Wettbewerbs benötigt wird. Da ein Wettbewerb ein ausgesprochenes ‘Pick the Winner’-Verfahren darstellt, ist dieser Ansatz für eine ausgleichsorientierte Regionalpolitik kaum geeignet.

JEL-Klassifikation: H32, O18, O38, R11

Schlagworte: Innovationspolitik, Wettbewerb zwischen Regionen, Innovationsnetzwerke

## **1. Introduction**

A new approach has emerged in German innovation policy. The main novelty of this approach is that the allocation of public support is based on contests of initiatives for self-organized cooperation in Research and Development (R&D). In programs like BioRegio (Dohse, 2000, 2003; [www.bioregio.com](http://www.bioregio.com)), EXIST (Kulicke, 2003; [www.exist.de](http://www.exist.de)) and InnoRegio (Eickelpasch, Kauffeld and Pfeiffer, 2002; [www.innoregio.de](http://www.innoregio.de)), a Federal Ministry invites local groups or 'networks' of actors to submit proposals for cooperative R&D projects with the prospect of attaining support for implementation of the concept. Based on an evaluation of the submitted proposals, the most promising initiatives are selected for public support. In most of the programs, the actors of an initiative are supposed to be located in the same region. In these cases, the approach can be regarded as a form of a regionalized innovation policy.

This paper provides an overview and discussion of the new policy approach with its merits and demerits. Section 2 introduces the basic elements of the new cooperation-contest programs. An overview of the organization of contests and conditions is given in section 3. Section 4 deals with the economic rationale and justification of the new policy. The discussion of potential advantages, problems and limitations of allocating R&D subsidies by contests in section 5 is illustrated with some practical experience with this type of program made so far. Section 6 investigates in more detail what became of the 'losers' of the contest, i.e. those initiatives that were not selected for funding. This issue is of crucial importance for an assessment of this new approach to technology policy (section 7).

## **2. Competition of concepts for innovative labor division: the basic approach**

Since the mid-1990s German innovation policy has increasingly applied competitive elements, particularly for the promotion of cooperative R&D (BMBF, 2002). The common aim of these new programs is to stimulate the division of innovative labor and, thereby, to mobilize potentials for innovation

and creativity. This is done by conducting a contest of concepts for the organization of cooperation within 'networks'. In most of these programs the procedure consists of three stages:

- *Stage I:* Groups of actors are invited to submit a proposal for a concept to organize cooperative innovation activity with the prospect of gaining an assistance for realization. The proposal should include an outline of the expected future development of the respective technology, an estimation of its economic relevance in terms of expected market volume, an assessment of the abilities of the participants in the planned network and the expected chances of success. In those programs which are explicitly focused on a regional level, the strengths of the respective region in the particular technological field have to be explicated. This may include the quality of the labor market, the presence of innovation relevant services (e.g. in the fields of technical support and finance), the extent and nature of already existing private and public R&D in the region as well as the degree of clustering and interaction. Usually, only a rough outline of the concept is required at this first stage.
- *Stage II* is the selection of proposals for further elaboration and assistance. In most of the programs, the evaluation of concepts was mainly carried out by a jury of external experts, and in almost all cases the selection of concepts for final funding was organized in two rounds. In the first round, the outlines of concepts submitted in stage I are reviewed and a selection of these proposals is then invited to participate in a second round of the contest. There is no compensation for the effort of developing the initial first-stage proposal for those initiatives, which are not selected for further assistance. In the second round of the selection procedure, the initial concepts are elaborated further usually supported by advice and public funding. In this second round, the administration may provide 'custom-tailored' support that accounts for the specific requirements of the project and has the opportunity to steer the design of concepts in a certain direction. The applicants can also discuss their ideas with the administration before officially submitting their proposal. The final

selection is then made from the more elaborated concepts that resulted from the second round.

- *Stage III* is the realization of the selected proposals with public support over a longer period of time. In some of the programs (e.g., EXIST, InnoRegio) some exchange of information about concepts and solutions between program participants had been organized as part of the complementary research.

In most of the contests that have been conducted so far only a rather small share of initial applications has been selected for funding (see section 3 for details). However, in several cases the administration that had organized the initial contest or another public body have launched follow-up programs – some of them again in the form of a contest – that were specifically designed for those initiatives that had not been selected in the initial competition, the ‘losers’. Therefore, one can well identify certain program ‘families’. These follow-up programs may be regarded a *stage IV* of the new approach.

### **3. The programs under review: a selective overview**

The programs under review have two special characteristics. First, they aim at stimulating cooperation or networks in order to strengthen the innovative potential of actors involved. Second, initiatives to be supported are selected by means of a contest. While some of the programs are focused on a certain technological field, others are of a more general character and have no such specific technological orientation. Most of the programs were initiated by the German Federal Ministry of Education and Research (BMBF). Some have also been launched by the Federal Ministry of Economics and Labor (BMWA).

The first program of this type in Germany was *BioRegio* (Cooke, 2002; Dohse, 2000, 2003). Its apparent success paved the way for other programs of this kind. The BioRegio program was launched by the BMBF in the year 1995 with the aim of strengthening German biotechnology industry and, thus, to catch up with the leading nations in this field, the US and the UK in particular.



At that time, the development of the German biotechnology industry was hindered by several obstacles, mainly the legal framework, the lack of sufficiently innovative companies, poor availability of venture capital as well as the low acceptance of innovation in this field by the German society. The BioRegio contest was designed to stimulate cooperation and division of innovative labor between private firms, universities, non-university research institutes, and venture capitalists in certain regions. Proposals for this program were required to outline the strengths of the regional biotechnology sector and to make propositions for its future development, particularly for research projects and cooperation between actors in the region. There were no restrictions with regard to the number of participants or the delineation of the respective region. An independent international jury with representatives from science, industry and labor unions selected four winning initiatives out of 17 proposals submitted according to a detailed list of criteria provided by the ministry.<sup>1</sup> The selection was completed in November 1996. These winning regions were given funding of about 90 million Euros for realizing their proposed projects.

Although there was no official complementary evaluative research for the BioRegio program, as of yet<sup>2</sup>, it was soon regarded rather successful in stimulating the biotechnology industry, not only in the supported regions but nationwide (Dohse 2000; Cooke, 2002). The widely acclaimed success of BioRegio paved the way for further programs aiming at stimulating R&D in the biotechnology field like *BioProfile*, *BioChance* and *BioFuture*. In these programs, losers of the *BioRegio* contest received a further chance for attaining public support. With the exception of *BioChance*, the follow-up programs were

---

<sup>1</sup> The main criteria by which the regions were selected was the economic and the scientific potential of private firms, universities and other public research facilities in the region, the intensity of intraregional interaction between the different firms and research institutes, availability of supporting services and the strategies for converting research results into new products including the support of innovative start-ups. See BMBF (1995).

<sup>2</sup> An official ex-post evaluation of the BioRegio program will start in the year 2005.

also based on a contest.<sup>3</sup> In the *BioFuture* program, several successive contests have been conducted.

Table 1: Selected contest oriented programs in support of regional R&D cooperation in Germany

Name	Objective	Support for	Type of support			Term of promotion	Budget (Euro)**	Number of submitted applications	Number of granted applications	Share of applications not granted (percent)
			Funding of innovation activity	Funding of network management	Professional advice					
BioRegio	Regional cooperation in biotechnology	Private firms and public research institutes	X	X		1995 - 2002	90 mill.	17	4	76
BioProfile	Regional cooperation in biotechnology	Private firms and public research institutes	X	X		1999 - 2006	50 mill.	30	3	90
BioFuture	Cooperation in biotechnology	National and international scientists at German research institutes	X			1998 - 2010	75 mill.	about 1000	51	95
EXIST	Regional cooperation	At least three partners thereof one university		X	X	1997 - 2005	50 mill.	109	5	95
EXIST Transfer	Regional networks of start-ups	At least three partners thereof one university		X	X	2002 - 2005	10 mill.	45	10	78
InnoRegio	Regional networks of a priori not specified innovations	Private firms, public research institutes, educational institutions	X	X	X	1999 - 2006	253 mill.	444	23	95
InnoNet*	Cooperation in R&D	Private SMEs and public research institutes	X			1999 - 2005	33 mill.	404	51	87
NEMO*	Cooperation in R&D	Private SMEs and public research institutes		X	X	2002 - 2006	3 mill.	209	55	73
Lernende Regionen	Regional networks in innovation	Private firms, schools, public research institutes etc.	X	X		2000 - 2006	118 mill.	350	72	79

\* Sponsored by the BMWA, all the others by the BMBF. \*\* Planned spending until end of 2006.

SME: small and medium-sized enterprises.

Source: Own compilation.

<sup>3</sup> For further information concerning the three programs see URL <http://www.bioregio.com>

The aim of the *EXIST* program introduced in December 1997 was to improve the knowledge transfer between universities and the commercial sector by promoting entrepreneurship and encouraging start-ups of students and academic personnel<sup>4</sup>. In its initial form, the *EXIST* program invited proposals of concepts to stimulate new firm formation out of universities by improving the climate for start-ups at universities and by motivating, training and supporting entrepreneurial personalities. These proposals were supposed to particularly entail cooperation in networks that consist of universities and at least two external partners like public research institutes, private enterprises or chambers of commerce and other business associations. The *EXIST* program provides support for establishing cooperative relationships between these actors and for stimulating entrepreneurship. Each network was funded with about 1 million Euros for three years. The selection of proposals for final funding was made by an independent jury in two rounds. In the initial *EXIST* program only five applications out of 105 were selected. However, the *EXIST* program was followed by the *EXIST-Transfer* program in which proposals that had been rejected in the initial contest could apply for assistance.

The *InnoRegio* program was launched by the BMBF in April 1999. The aim of the program was to strengthen innovative and economic competitiveness in East Germany, that part of the country that had been under a socialistic regime until 1990. The contest invited concepts for regional innovation networks consisting of private firms, universities and other public research institutes. The *InnoRegio* program was limited to East Germany but not to certain industries or technologies. Besides the restriction to East Germany, the spatial delineation of regions participating in the contest was not in any way pre-determined. There have been 444 initial proposals submitted. An independent jury chose those 25 concepts that were to be included into the second round of the selection procedure for further elaboration. Main criteria for this procedure were the relevance of the network for innovation processes

---

<sup>4</sup> For further information see Kulicke (2003) and [www.exist.de](http://www.exist.de).

and economic development in the respective region, complementarities of participants in the proposed network as well as the novelty and quality of the planned R&D. The initiatives selected for the second round of the contest were awarded up to approximately 153,400 Euro each for preparing a more detailed concept. In this second round, the initiatives were also provided immaterial support from the Ministry in form of moderators who monitored and helped to organize communication as well as with free consultancy on subject areas. The jury selected 23 concepts for final funding in the third stage. Activities eligible for funding are R&D projects as well as qualification measures and the management of the proposed network.<sup>5</sup> *InnoRegio* may be regarded as a prototype of programs that aimed at improving regional innovative networks such as *InnoNet*, *NEMO* and *Lernende Regionen* (Learning Region).

#### **4. Theoretical foundations and justification of the new program type**

Three strands of argument may provide a theoretical foundation and justification for the policies under inspection here. One main element of a theoretical foundation is given by recent approaches to explain innovation behavior, particularly in a regional context (section 4.1). A justification of public measures for promoting R&D cooperation can be based on uncertainty of innovative outcomes and transaction cost that can work as a severe impediment for establishing and maintaining such type of relationship (section 4.2). And finally, the pronounced heterogeneity of innovation processes and regional systems competition provide some rationale for the approach (section 4.3).

##### **4.1 Theories of innovation behavior**

Innovation activity is characterized by a division of labor, which tends to be shaped by geography (Fritsch, 2005). One indication for the importance of

---

<sup>5</sup> For further information see [www.unternehmen-region.de](http://www.unternehmen-region.de) and [www.diw.de/innoregio](http://www.diw.de/innoregio)

location is the clustering of innovation activity found in many empirical studies.<sup>6</sup> Clustering suggests that there are agglomeration advantages at work that stimulate R&D (Enright, 2003; Porter, 1998). Among the most important of these agglomeration advantages are a relatively high potential for face-to-face contacts within clusters, the presence of positive external effects, easy access to research institutions as well as to differentiated input markets such as the labor market and the market for specialized services. All of these factors may facilitate the generation and the transfer (spillover) of knowledge, which constitutes the key element of innovation activity. Another indication for a significant role of location for R&D is the evidence found in many empirical studies that the diffusion of new knowledge tends to be heavily concentrated around its source. Obviously, spatial proximity is of significant importance for such knowledge flows and, therefore, is conducive for a division of innovative labor that necessitates knowledge transfers between the parties involved.

The pronounced regional dimension of innovation processes implies that the quality of regional innovation systems may differ considerably. Recent approaches to a theory of regional innovation<sup>7</sup> share the common hypothesis that the main factor for explaining the quality of regional innovation activity is not size or endowment<sup>8</sup> but rather the level and the quality of interaction within and between regional innovation systems. Such interaction constitutes an important vehicle for the diffusion of knowledge that is a necessary precondition for a division of innovative labor. Therefore, stimulating the

---

<sup>6</sup> For empirical evidence see Audretsch and Feldman (1996a), Cooke (2002, 130-156) and Baptista and Swann (1998).

<sup>7</sup> These recent approaches are the notion of regional innovation systems (cf. Cooke, Uranga and Etxebarria, 1997; Cooke, 2004; Edquist, 1997), the concept of industrial districts (cf. Porter 1998 and the contributions in Pyke, Beccatini and Sengenberger, 1990), the network approach (cf. Camagni, 1991; Grabher, 1993), and the concept of “innovative milieux” (Crevoisier and Maillat, 1991; Ratti, Bramanti and Gordon, 1997). See Cooke (2005) for a review of recent developments.

<sup>8</sup> There are numerous empirical examples of highly effective clusters in remote, sparsely populated areas which have fewer employees than there are inhabitants in a small town (Porter, 1998; van der Linde, 2003). This suggests that only a fraction of the differences in the efficiency and the success of R&D can be attributed to the sheer size of an agglomeration or cluster.

division of innovative labor could be a promising starting point for a policy that aims at promoting regional R&D activity.

#### **4.2 Specific problems of labor division in R&D**

The recognition that differences in the performance of innovation systems may well be explained by the intensity of R&D cooperation and division of innovative labor is only a first step in justifying the cooperation-contest type of program. In the second step, it should be shown that interaction for a mutually beneficial division of innovative labor may be difficult to establish. There are, indeed, a number of hurdles for the establishment and maintenance of interaction in the field of R&D (see Fritsch 2001 for an overview).

One of these special problems is that relationships in R&D processes can not be completely specified since the outcome of an innovation process is unknown in advance. Because such incomplete contracts include the danger of the exchange partners behaving in an opportunistic way, establishing such relationships requires some trust. This implies that actors must be 'linked' (Kranton and Minehart, 2001), i.e. they have to spend some actor-specific transaction cost. This cost may be incurred while identifying a suitable transaction partner, when establishing an appropriate interface for the exchange relationship or by building up some reputation and trust in order to reduce the danger of opportunistic behavior to a reasonable level. Another reason why a division of innovative labor may necessitate investment in actor-specific transaction cost is that the required inputs are often highly specialized and not commonly traded on large markets. Indeed, markets for skills and resources that are important for innovation activity may well be rather 'thin' with only very few suppliers available and transactions taking place rather infrequently. For this reason, an immense amount of search costs might be necessary for

identifying a suitable transaction partner and negotiations about the conditions of an exchange may be rather costly.<sup>9</sup>

Because for these reasons, mutually beneficial modes of labor division in the field of R&D do not emerge more or less automatically, a policy that stimulates such relationship may achieve considerable improvements of innovative capacity and the efficiency of innovation systems. This pertains to formalized relationship as well as to rather informal types of interaction.

### **4.3 Variety and systems competition**

Innovation processes in different technological fields, industries and regions can have rather specialized characteristics that require specific solutions (see Tödting and Tripl, 2005). For this reason, policy programs should be designed in a way that they provide sufficient room for different solutions to emerge. Variety of approaches allows for learning from experience with different ways of problem solving and to identify superior solutions. It is also a basic precondition for competition because if all submitted concepts were identical a contest would not make sense. Competition between alternative approaches of organizing a division of innovative labor may be regarded an effective means of stimulating the search for better solutions and their diffusion. This is a key argument in the theory of federalism or, more generally, systems competition (Frey and Eichenberger, 1999; Vanberg and Kerber, 1994).

By inviting propositions for organizing the division of innovative labor according to the needs of the respective project, the cooperation-contest

---

<sup>9</sup> If such a cooperative relationship comes about, it may involve even more advantages than intensified division of innovative labor and increased efficiency of R&D processes. One such further advantage of R&D cooperation is that the relationships could involve relatively 'open' exchange of information that may be stimulating for R&D activity (Axelsson, 1992; Lundvall, 1993; Powell, 1990). Therefore, cooperative relationships in R&D may work as an important medium for knowledge spillovers. Not only formalized cooperative relationships like joint ventures or contract research, but also informal relationships like 'information trading' are often important for such knowledge spillovers to emerge and may play a significant role for stimulating innovation activity (e.g., von Hippel, 1987).

approach allows for a high degree of variety and systems competition. Because the concepts are developed ‘bottom-up’ by the potential participants of the proposed innovation network, it is in the very nature of this type of program that solutions can be custom-tailored and innovative. Moreover, competition for public assistance creates incentives for developing concepts that are of high quality. Hence, the competition-contest approach can work as a laboratory for discovering and diffusing superior ways to organize a division of innovative labor. For these reasons, innovation policy programs, which allow for a variety of solutions and allocate assistance by means of competition are probably more appropriate and efficient than a completely centralized one-size-fits-all approach (Tödting and Trippel, 2005) that provides only one type of assistance.

In summarizing the arguments that were briefly reviewed in this section, there are good grounds to suggest a decentralized approach to innovation policy that tries to stimulate the diverse kinds of innovative labor division. Such policy measures may be particularly justified because mutual beneficial cooperation in the field of R&D may not emerge automatically. There are strong reasons to expect that competition between different solutions will help to find a superior alternative. Competition may also stimulate diffusion of such superior solutions.

## **5. Possible advantages of the cooperation-contest approach, critical issues and limitations**

The cooperation-contest type programs, which are under review, can have a number of important advantages compared to a conventional innovation assistance program that provides the same type of solution to all applicants. These possible merits of the new approach are explicated in section 5.1. The following two sections then deal with critical issues (section 5.2) and limitations (section 5.3). In this discussion we bring in some available



empirical evidence from the new types of program.<sup>10</sup> Our point of reference for assessing the merits and demerits of the new approach is the common practice of a policy operated at the central state level that allocates only one kind of assistance. If such one-size-fits-all programs (Toedtling and Tripl, 2005) include discretionary decisions about public assistance, these decisions are typically made successively case-by-case and are based on a common set of criteria. In contrast, decisions in a contest are based on a simultaneous comparison and ranking of all submitted applications at a certain point of time.

### **5.1 Possible advantages**

Compared to the standard procedure of allocating identical forms of R&D support successively on a case-by-case basis, the cooperation-contest type of program provides a number of advantages. While some of these advantages result from the contest mode of allocation, other advantages are a consequence of the self-organization and the variety of solutions that is allowed.

*Quality of submitted concepts:* The general expectation that competition generates incentives for a high level of performance may also hold for the quality of concepts submitted in a contest for public assistance. Not only the competition between concepts, but also interaction with the administration and the support that firms experience when they elaborate their concept during the selection process may lead to significant quality improvements. Generally, the selection procedure can produce learning effects for applicants that can be relatively pronounced if the feedback that they receive is rich and profound. Such learning effects may be relevant for all kinds of applicants, for the winners which are selected for assistance and for the losers whose applications are rejected. The intensity and the quality of the feedback depend critically on the administrative implementation and management of the contest.

---

<sup>10</sup> The available evidence on the effects of the programs is still rather limited, mainly, because most of the programs are still in operation.

*Quality of project selection:* The contest mode of selection is to decide about assistance at a time when all alternative applications are known and can be simultaneously taken into consideration. Therefore, selection decisions can be based on more relevant information and be of higher quality than in the conventional approach that is characterized by successive case-by-case decisions. In the conventional approach, the administration decides whether to provide assistance or not when an application has been submitted. At the time when such a decision is made, the administration does not know if later applications will be of higher or lower quality than the one which has to be decided on. Incomplete information about the relevant alternatives, hence, limits the possibilities of selecting the most promising projects considerably. If decisions are made by an independent jury of experts, as it has been the case in nearly all of the programs under review, the quality of the selection may also be higher as compared to decisions that are made by a public administration. Moreover, since contests may be addressed to a wider group of potential applicants than conventional programs they may gain more attention, publicity and public awareness than conventional programs. Hence, the pressure for justification of decisions is higher and may induce a more transparent design of the decision procedure. However, this publicity may also be regarded as a disadvantage and induce attempts to conceal details of the decision process (see section 5.3).

*Self-organizing the division of innovative labor:* It can be regarded as a great advantage of the approach that applicants have considerable degrees of freedom in choosing the organizational form of innovative labor division that corresponds to their specific problems and needs. Because solutions are developed bottom-up by the potential participants of the proposed innovation network, they can be expected to be more suitable than in a program that provides a uniform type of assistance to all applicants. Moreover, policy makers largely avoid the pretence of knowledge-problem, i.e. to a priori assume a certain type of assistance or project design appropriate. By designing the relevant network, applicants also give a definition of its extent, e.g. the relevant regional scope. Therefore, no predetermined delineation according to administrative criteria is necessary, as would be the case in a program in which

the availability of funds is limited to certain assisted areas that may be too small to include all relevant actors or sources of knowledge spillovers. Hence, artificial discrimination against certain potential members of the network due to administrative criteria can be avoided.<sup>11</sup>

*Mobilization of innovative activity:* A further important advantage of the cooperation-contest approach is that it provides incentives for self-organization. When initiatives submit their proposal to the administration they have already made the first important step towards self-organizing their future division of labor and building an innovation network. Therefore, this type of program can generate relatively strong mobilization effects for innovative activity by stimulating the division of innovative labor. It can induce actors to establish new contacts, deepen existing relationships and create new innovation networks that have not existed, yet. The competition approach, therefore, is more likely to fuel creativity, the generation of new ideas and the division of innovative labor than conventional assistance policy. This is particularly relevant in regions with a low level of innovation activity where conventional R&D promotion programs find few occasions for funding and, therefore, can have only a limited effect.

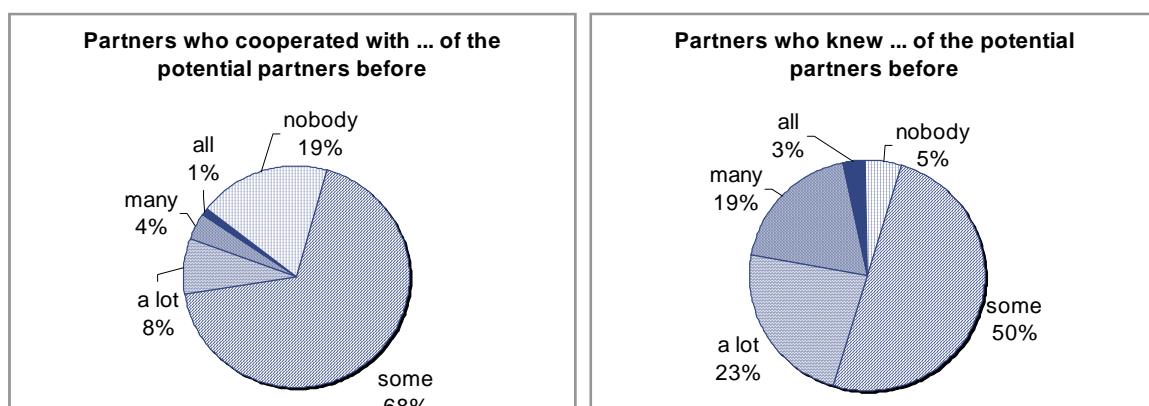
Information about the incentives for self-organization of innovation activity is available from the complementary research for the InnoRegio program (see Eickelpasch, Pfeiffer and Pfirrmann, 2004). Members of those InnoRegio initiatives that have been selected for funding in the final stage of the program have been asked by a postal inquiry whether they knew their InnoRegio partners previous to participating in the contest, and whether they maintained cooperative relationship with these actors before the application procedure. About half of the respondents acknowledged that they knew only some of their future partners before the initiation of the InnoRegio project and

---

<sup>11</sup> However, some spatial restrictions may apply. In most of these programs partners located far away from the network-‘core’ were not eligible for funding. In the InnoRegio program, for example, funding was limited to actors located in East Germany. And as a general restriction of German innovation policy, financial support is not granted to actors located abroad.

five percent stated that they knew none of them. Only three percent of respondents were acquainted with all their InnoRegio partners before they began. With regard to cooperative relationship with their InnoRegio partners, it was found that only one percent of the participants had cooperative relationship with all of the partners before the contest and four percent had cooperative relationship with “many” of them (figure 1). Nearly one fifth of the respondents (19 percent) did not cooperate with any of their InnoRegio partners before (category “nobody”) and 68 percent already had cooperative relationship with only “some” of them. According to these figures, there can be no doubt that the InnoRegio contest had a considerable mobilizing effect for the self-organization of innovative networks.

Figure 1: Relationship of InnoRegio partners before participation in the contest (percentages)



Source: DIW Berlin, Survey in 2000, N=727.

*Benefits of losers, mobilization surplus, and the impact of public funds:*

The mobilization of innovative potential that is induced by the cooperation-contest-type programs is closely connected with benefits of the losers, i.e. those firms that did not succeed to be selected for funding in the contest. One important benefit for losers can be that in developing their concept they have established contact to other actors that may be helpful later on. In particular, they still have their concept for a certain form of innovative labor division and may at least partly realize this concept without public support or in the framework of other programs. These benefits of losers constitute a main

difference between the cooperation-contest type of program and conventional R&D subsidies. Moreover, support that was received in developing the concept and feedback on the submitted concept by the public administration may prove to be of considerable future value. The benefits of the loser may result in a 'mobilization surplus' that manifests in those rejected applications, which are further pursued (see section 6). Hence, programs of the cooperation-contest type may have a considerably higher impact than conventional programs of comparable budget size and may spend public resources more effectively.

The review of contest programs (section 3, table 1) showed that in most of these programs the share of non-selected applications was well above eighty percent. This rejection rate is much higher than what can be found for many of the conventional R&D promotion programs.

*Learning effects for policy makers and public administration:* It is the very nature of a contest approach, that applicants have considerable degrees of freedom for expressing their specific needs and desires in the design of a proposal. Policy makers and the public administrators have, therefore, the opportunity to learn from the proposals as from evaluation of realized concepts for a more appropriate design of future programs. Such learning effects of the administration are well reflected in the follow-up programs of BioRegio, EXIST and InnoRegio (cf. section 3 and table 1) that benefited from the experiences that have been made with earlier programs of the cooperation-contest type.

As a discovery procedure, a cooperation-contest for assistance may stimulate the division of innovative labor, the knowledge of how to organize and manage an innovative network as well as the ability of policy of dealing with cooperative R&D.

## **5.2 Critical issues**

One problematic issue of the contest approach as compared to conventional policy measures is the *relatively large organizational effort for the*

*administration of the program:* Conducting a contest may well require more time and resources on the side of the public administration than is needed for a conventional program, especially if a jury of experts is involved in the selection procedure. Not only the public administration, but also *applicants may have higher effort of participating in a contest* as compared to a program with successive case-by-case selection. The above mentioned quality enhancing effect of competition may require more resources for preparing a promising application than in case of a conventional R&D subsidy. This may particularly hold if the application has to include not only the design of a certain R&D project but also a concept for organizing the division of innovative labor in a network of actors, as is the case in many of the contest-type programs (see section 5). Developing a concept for joint R&D requires identification and selection of potential partners as well as the ex-ante coordination of the project. If, however, only a rough outline is necessary for the first round of the selection procedure, the effort of application may be even less than that in a conventional program.

*Need of time for the contest:* Conducting a contest may take more time between the initial application and the final funding decision than what is required for a conventional program. This may slow down innovation processes considerably and endanger the benefits such as first-mover advantages. One possible reason for the additional time that is required might be the larger administrative effort that is necessary for carrying out such a contest. Second, decisions cannot be made immediately upon receipt of a proposal but only when a certain deadline has been reached, after which no further application is considered in the selection process. It is, therefore, important that the bid-time for submitting proposals is short, and that selection decisions are made promptly. In the BioRegio and the EXIST program, for example, the time between the start of the contest until final selection was about one year. In EXIST Transfer about five months were required. In InnoRegio the time for the whole contest amounted to 20 months. In an inquiry of the winners and loser of the BioRegio contest, the respondents qualified the interregional competition as an appropriate selection mode but criticized the amount of time needed (Dohse 2000). Also participants of the InnoRegio

contest complained about the complex and long lasting decision procedure (Eickelpasch, Kauffeld and Pfeiffer 2002). Especially those participants who planned to realize high-tech projects were afraid to lose important first-mover advantages due to the long-lasting selection process.

*Discouragement and discrimination of losers:* We have already emphasized (section 4.1) that even the losers of a cooperation-contest may gain considerable benefits from participating in terms of contacts, concepts and feedback to their ideas. They could, however, also feel as if they were being ‘punished’ for three reasons. First, although they may have learned something from the application process, at least a part of their effort for the application procedure was in vain. Second, losers in the contest may suffer from a bad reputation of not being selected. And third, because the ‘winners’ in the contest get public support for their R&D, those firms that are not rewarded have a competitive disadvantage (Dohse, 2000). This effect, that is also relevant for conventional assistance schemes, would be particularly discriminating if the difference in the quality of concepts was not very significant. If there are promising concepts among those applications that have not been selected in the initial contest, it may be reasonable for policy to provide some assistance also for these proposals. Such a support for losers of the contest is, however, a rather sensitive issue. Aftercare should provide considerably less assistance than is given to the winners of the initial contest because otherwise it would distort the incentive to compete.

*Relatively high administrative flexibility required:* It constitutes a basic requirement of any contest that the participants have some degree of freedom in the design of their concepts. The search for concepts constitutes a discovery procedure from which results can not be predicted. As already mentioned, this may lead to learning processes on the side of the administration (section 4.1), but implementation of a winning concept may also require new modes of support or administrative innovation and flexibility. Another disadvantage in the view of the administration can be a *relatively high public and political pressure*. It is, for example, quite likely that political representatives of regions participate in a contest campaign in favor of their clientele. Such political

pressure may distort the selection process. Dealing with public and political pressure, therefore, is an important issue for designing and administrating this type of program.

There can be no doubt that the *quality of the selection decisions* is of critical importance for the effectiveness of this program-type. The decision procedure should identify and select the most promising projects with a high degree or reliability. Trust in an unbiased quality oriented selection procedure is decisive for the motivation of applicants to develop and submit a proposal. So far, there have been no serious complaints with regards to the quality of the selection procedure. Complementary research showed that participants in contest-type programs, winners as well as losers, evaluated the selection as fair (Dohse, 2000; Belitz, Pfirmann and Eschenbach, 2002). At least, there is no indication at all that the quality of decision is lower than in conventional case-by-case decision programs.

All these issues may constitute severe problems or disadvantages of the contest approach. They can, however, be lowered or even eliminated by an appropriate implementation and administration of the policy. We can conclude from the mentioned problems that

- effort for applicants should be limited to a plausible level,
- bid-times should be short and decisions made rather quickly,
- feedback on proposals should be helpful and encouraging even for the losers of the contest,
- administrating the program may require a relatively high degree of flexibility, and that
- ways should be found to deal with public and political pressure induced by the contest.

Moreover, it may be desirable to devote some care to the losers of the contest in order to not discourage but stimulate their innovative potentials. In



Germany, this has been quite often done by means of follow-up programs in which those initiatives could apply for assistance that have not been selected in the initial contest (see section 3).

### **5.3 Limitations of the approach**

The contest approach is, by its very nature, a ‘picking the winner’ procedure and is, therefore, not well suited for policies aiming at leveling-out regional welfare levels. The competition is organized in order to select the most promising concepts and not those alternatives that have been submitted by the poorest or most needy applicants. Any attempt to account for distributional ‘justice’ in the selection procedure would endanger the quality of the selection.

Limiting the competition to certain types of applicants or to part of the country which are economically backwards (like the InnoRegio program that was limited to East Germany) does in no way change this bias towards supporting the most promising initiatives. With a quality-oriented selection mechanism, nothing favors proposals that come from the most needy applicant or most lagging region. For the support of the less favored initiatives or regions, other measures of a more enabling character should be applied.

## **6. A closer look at the mobilization surplus: what have the losers done?**

We have argued that programs of the cooperation-contest type may create considerable benefits even for the losers of the contest that are not selected for funding. This effect may be quite relevant given the large share of rejected applications that in many of the programs amount to more than 80 percent (table 1). This advantage of the programs under review may, however, be contradicted if the losers are discouraged by not being selected. It is, therefore, of special interest what those applicants do, which were not selected in the program.

In order to shed some light on this issue, postal questionnaires were sent out to the 419 rejected applicants of the InnoRegio contest (see DIW, 2005).

The inquiry was carried out in early 2005, more than five years after the selection of projects in the contest and resulted in usable information from about 178 of the rejected initiatives.<sup>12</sup> In 42 percent of these cases (74 applicants) the project idea had been abandoned immediately after the rejection in the InnoRegio contest. In 18 percent of the cases (32 applicants) the project was pursued for a while but then given up. About 40 percent of the respondents (72 cases) realized their idea despite the rejection in the InnoRegio program and in most of these cases this process is still under way. Among those cases in which the project idea was not abandoned, 61 percent received some public funding in the framework of other programs (44 out of 72 projects), whereas 39 percent of these projects (28 cases) were set up without any significant public assistance. At that point of time, 22 winners of the InnoRegio contest were still active<sup>13</sup> realizing their project with assistance of the program. This means that for each initiative funded in the InnoRegio program there were more than three rejected initiatives of which we know for sure that they are or have been realized in one or another way. About 1.7 projects per assisted InnoRegio case have been put into practice without public funding in the framework of other programs. It should be noted that these figures give the lower limit of the mobilization effect since there may be some more projects that have been implemented among those initiative which did not respond to our inquiry. We can conclude that the overall mobilization of innovative potential that resulted from the InnoRegio program has considerably exceeded the amount of activity that is funded by the program.

This conclusion is confirmed in a study by Krantz, Lilischkis and Wessels (2000) who investigated the development of 47 out of the 104 rejected concepts that have been submitted to the initial EXIST contest.<sup>14</sup> The inquiry

---

<sup>12</sup> 94 of the questionnaires could not be delivered and 147 applicants did not react, refused to answer or were for other reasons unable to provide the required information.

<sup>13</sup> One initiative selected for funding in the InnoRegio program was abandoned.

<sup>14</sup> See section 2 for a brief description of this program. The selection of these cases is not entirely clear and it can not be completely excluded that particularly the relatively promising initiatives have been included in the sample.

was carried out three years after the selection for funding was made. In 37 cases, the contest-losers that had been included in the study were realizing their project, often in a reduced form. In 67 percent of these cases, the realization of the project was based on the universities' own funds or by the respective Federal State (Land). In 44 percent of the cases private resources were raised. Given that only five initiatives had been selected for funding in this contest, the relation of realized projects over projects selected is much higher than in the case of InnoRegio. In both cases one may well presume that the mobilization surplus is at least as important as the funding of the winners.

## **7. Conclusions**

The cooperation-contest approach to R&D incentives has a number of important advantages over conventional programs that allocate support on the basis of successive case-by-case decisions. One main advantage of this program type is that applicants have a high degree of freedom in the design of their project so that assistance can be custom-tailored and much better suited than in a one-size-fits-all approach. Hence, pretence-of-knowledge problems are largely avoided. Not only, that it is well suited for stimulating the division of innovative labor, which is a critical issue for the efficiency of innovation systems. The programs can also generate relatively strong mobilization effects and, in so doing, achieve a high impact of public funds. Moreover, this type of policy can be a valuable means for the administration to learn about demands and bottlenecks of innovative actors helping to design appropriate policy measures. However, the cooperation-context programs are rather demanding with regards to implementation and administration. Proper implementation of the policy is a crucial issue for the advantages of the approach to become effective and to keep the problems of the approach within reasonable limits. As a 'picking the winner'-approach, contests are not suited as a means of a leveling-out policy that is aiming at economic cohesion.

A number of important questions remain unanswered and should be subject of further research. It is not clear from a conceptual point of view as to how far the policy should care for the losers of the contest. We have argued

that even the losers may benefit from participating in the contest because they may receive valuable feedback on their concept during the selection procedure, and that they could try to implement their ideas without further assistance.

Supporting the loser could be particularly regarded an option if the quality of the winning and the losing proposals is very close so that funding of winners could result in a considerable distortion of competition on the output market.

In the future, contests will probably be of growing importance for German innovation policy, as official statements indicate (Blum 2001, BMBF 2002). Further research will be needed to investigate thoroughly the effectiveness of contests for innovation policy. A main focus of this research should be on the implementation of the programs because this issue appears to be of crucial importance for the advantages of the approach to become effective. In addition, special attention should be paid to the quality and the development of the cooperative networks, particularly their persistence over time. Are networks that have been stimulated by policy of about the same effectiveness as cooperative relationship that emerged without public intervention and are they as robust? Last but not least, the involvement of different administrative levels could be an interesting issue. To what extent is it appropriate to involve local political bodies in the selection and finance of such a cooperation-contest?

## References

- Audretsch, D.B., Feldman, M., 1996. Knowledge spillovers and the geography of innovation and production. *American Economic Review* 86, 630-640.
- Axelsson, B., 1992. Corporate Strategy Models and Networks - Diverging Perspectives. In: Axelsson, B., Easton, G. (Eds.), *Industrial Networks: A New View of Reality*. London: Routledge, pp. 184-204.
- Baptista, R., Swann, P., 1999. A comparison of clustering dynamics in the US and UK computer industries. *Journal of Evolutionary Economics*, 9, 373-399.
- Belitz, H., Pfirrmann, O., Eschenbach, R., 2002. Wirkungsanalyse zur Maßnahme "Förderung von innovativen Netzwerken – InnoNet" – Funktionsfähigkeit des Förderinstruments, Report to the Federal Ministry for Education and Research. Berlin: DIW (mimeo).
- Blum, U., 2001. Endbericht der Kommission "Systemevaluation der Wirtschaftsintegrierenden Forschungsförderung". Berlin: Federal Ministry for Education and Research.
- BMBF (Bundesministerium für Bildung und Forschung), 1995. Bekanntmachung über die Förderung BioRegio-Wettbewerb. Bonn: Federal Ministry for Education and Research.
- BMBF, 2002. Facts and Figures Research 2002. Berlin: Federal Ministry for Education and Research.
- Camagni, R. (ed.), 1991. *Innovation Networks: Spatial Perspectives*, London: Bellhaven.
- Cooke, P., 2002. *Knowledge Economies – Clusters, learning and cooperative advantage*. London: Routledge.
- Cooke, P., 2004. Introduction: Regional innovation systems – an evolutionary approach. In: Cooke, P., Heidenreich, M., Braczyk, H.-J. (Eds.), *Regional Innovation Systems – the role of governance in a globalized world*. 2<sup>nd</sup> edition, London: Routledge, pp. 1- 18.
- Cooke, P., 2005. Regionally Asymmetric Knowledge Capabilities and Open Innovation: Exploring 'Globalisation 2' - a New Model of Industry Organisation. *Research Policy* 34 (in this issue).
- Crevoisier, O., Maillat, D., 1991. Milieu, Industrial Organization and Territorial Production System – Towards a New Theory of Spatial Development. In: Camagni, R. (Ed.), *Innovation Networks: Spatial Perspectives*. London: Bellhaven, pp. 13-34.

- DIW Berlin (Deutsches Institut für Wirtschaftsforschung), 2005. Results of Complementary Research to the Inno-Regio Program. Berlin (mimeo).
- Dohse, D., 2000. Technology Policy and the Regions: The Case of the BioRegio Contest. *Research Policy* 29, 1111-1133.
- Dohse, D., 2003. Taking Regions seriously: Recent Innovations in German Technology Policy. In: Bröcker, J., Dohse, D., Soltwedel, R., (Eds.), *Innovation Clusters and Interregional Competition*. Heidelberg: Springer.
- Edquist, C., 1997. Systems of Innovation Approaches – Their Emergence and Characteristics. In: Edquist, C. (Ed), *Systems of Innovation – Technologies, Institutions and Organizations*. London: Pinter, pp. 1-40.
- Eickelpasch, A., Kauffeld, M., Pfeiffer, I., 2002. The InnoRegio-Program: Implementing the Promotion and Developing the Networks. *Economic Bulletin* 39, 281-289.
- Eickelpasch, A., Pfeiffer, I., Pfirrmann, O., 2004. Zur Evaluierung der Förderung regionaler Innovationsnetzwerke – Ansatz und Erfahrungen am Beispiel des InnoRegio-Programms. *Zeitschrift für Evaluation* 3, 181-198.
- Enright, M., 2003. Regional Clusters: What We Know and What We Should Know. In: Bröcker, J., Dohse, D., Soltwedel, R., (Eds.), *Innovation Clusters and Interregional Competition*. Berlin: Springer, pp. 99-129.
- Frey, B., Eichenberger, R., 1999. *The new democratic federalism for Europe: functional, overlapping and competing jurisdictions*. Cheltenham: Elgar.
- Fritsch, M., 2001. Innovation by Networking: An Economic Perspective. In: Koschatzky, K., Kulicke, M., Zenker, A., (Eds.), *Innovation Networks – Concepts and Challenges in the European Perspective*. Heidelberg: Physica, pp. 25-34.
- Fritsch, M., 2005. Do Regional Systems of Innovation Matter? In: Huebner, K. (Ed.), *The New Economy in Transatlantic Perspective - Spaces of Innovation*, London: Routledge. 187-203.
- Grabher, G., 1993. Rediscovering the social in the economics of interfirm relations, in: Gernot Grabher (ed.), *The embedded firm – On the socioeconomics of industrial networks*, London: Routledge, 1-31.
- Kranton, R.E., Minehart, D.F., 2001. A Theory of Buyer-Seller Networks. *American Economic Review* 91, 485-508.
- Krantz, H., Lilischkis, S., Wessels, J., 2000. Der Wettbewerb EXIST – Impulse für die Hochschulen. Eine Analyse 47 ausgewählter Netzwerkkonzepte sowie der Lehrangebote für Unternehmensgründer. Bonn: BmBF.

- Kulicke, M. 2003. Stärkung der Starken – Öffentliche Förderung spezifischer Aspekte im Innovationsprozess durch regionale fokussierte Netzwerke. In: Koschatzky, K. (Ed.), *Innovative Impulse für die Region – Aktuelle Tendenzen und Entwicklungsstrategien*. Karlsruhe.
- Lundvall, B.-A., 1992. User-Producer Relationships, National Systems of Innovation and Internationalization. In: Lundvall, B.-A. (Ed.), *National Systems of Innovation: Towards a Theory of Innovation and Interactive Learning*. London: Pinter, pp. 45-67.
- Porter, M., 1998. Clusters and the new economics of competition. *Harvard Business Review*, November-December, 77-90.
- Powell, W.W., 1990. Neither Market Nor Hierarchy: Network Forms of Organization. *Research in Organizational Behavior* 12, 295-336.
- Pyke, F., Becattini, G., Sengenberger, W. (Eds.), 1990. *Industrial districts and inter-firm cooperation in Italy*. Geneva: International Institute for Labor Studies.
- Ratti, R., Bramanti, A., Gordon, R., 1997. *The dynamics of innovative regions: the GREMI approach*. Aldershot: Ashgate.
- Toedtling, F., Trippel, M., 2005. One size fits all? Towards a differentiated policy approach with respect to regional innovation systems. *Research Policy* 34 (in this issue).
- Vanberg, V., Kerber, W., 1994. Institutional Competition among Jurisdictions. *Constitutional Political Economy* 5, 193-219.
- van der Linde, C., 2003. The Demography of Clusters – Findings from the Cluster Meta-Study. In: Bröcker, J., Dohse, D., Soltwedel, R., (Eds.), *Innovation Clusters and Interregional Competition*. Berlin: Springer, pp. 130-149.
- von Hippel, E., 1987. Cooperation between Rivals: Informal Know how Trading. *Research Policy* 16, 291-302.

**List of Working Papers of the Faculty of Economics and Business Administration,  
Technische Universität Bergakademie Freiberg.**

**2000**

- 00/1 Michael Nippa, Kerstin Petzold, Ökonomische Erklärungs- und Gestaltungsbeiträge des Realoptionen-Ansatzes, Januar.
- 00/2 Dieter Jacob, Aktuelle baubetriebliche Themen – Sommer 1999, Januar.
- 00/3 Egon P. Franck, Gegen die Mythen der Hochschulreformdiskussion – Wie Selektionsorientierung, Nonprofit-Verfassungen und klassische Professorenbeschäftigungsverhältnisse im amerikanischen Hochschulwesen zusammenpassen, erscheint in: *Zeitschrift für Betriebswirtschaft (ZfB)*, 70. (2000).
- 00/4 Jan Körnert, Unternehmensgeschichtliche Aspekte der Krisen des Bankhauses Barings 1890 und 1995, in: *Zeitschrift für Unternehmensgeschichte*, München, 45 (2000), 205 – 224.
- 00/5 Egon P. Franck, Jens Christian Müller, Die Fußball-Aktie: Zwischen strukturellen Problemen und First-Mover-Vorteilen, *Die Bank*, Heft 3/2000, 152 – 157.
- 00/6 Obeng Mireku, Culture and the South African Constitution: An Overview, Februar.
- 00/7 Gerhard Ring, Stephan Oliver Pfaff, CombiCar: Rechtliche Voraussetzungen und rechtliche Ausgestaltung eines entsprechenden Angebots für private und gewerbliche Nutzer, Februar.
- 00/8 Michael Nippa, Kerstin Petzold, Jamina Bartusch, Neugestaltung von Entgeltsystemen, Besondere Fragestellungen von Unternehmen in den Neuen Bundesländern – Ein Beitrag für die Praxis, Februar.
- 00/9 Dieter Welz, Non-Disclosure and Wrongful Birth , Avenues of Liability in Medical Malpractice Law, März.
- 00/10 Jan Körnert, Karl Lohmann, Zinsstrukturbasierte Margenkalkulation, Anwendungen in der Marktzinsmethode und bei der Analyse von Investitionsprojekten, März.
- 00/11 Michael Fritsch, Christian Schwirten, R&D cooperation between public research institutions - magnitude, motives and spatial dimension, in: Ludwig Schätzl und Javier Revilla Diez (eds.), *Technological Change and Regional Development in Europe*, Heidelberg/New York 2002: Physica, 199 – 210.
- 00/12 Diana Grosse, Eine Diskussion der Mitbestimmungsgesetze unter den Aspekten der Effizienz und der Gerechtigkeit, März.
- 00/13 Michael Fritsch, Interregional differences in R&D activities – an empirical investigation, in: *European Planning Studies*, 8 (2000), 409 – 427.
- 00/14 Egon Franck, Christian Opitz, Anreizsysteme für Professoren in den USA und in Deutschland – Konsequenzen für Reputationsbewirtschaftung, Talentallokation und die Aussagekraft akademischer Signale, in: *Zeitschrift Führung + Organisation (zfo)*, 69 (2000), 234 – 240.
- 00/15 Egon Franck, Torsten Pudack, Die Ökonomie der Zertifizierung von Managemententscheidungen durch Unternehmensberatungen, April.
- 00/16 Carola Jungwirth, Inkompatible, aber dennoch verzahnte Märkte: Lichtblicke im angespannten Verhältnis von Organisationswissenschaft und Praxis, Mai.
- 00/17 Horst Brezinski, Der Stand der wirtschaftlichen Transformation zehn Jahre nach der Wende, in: Georg Brunner (Hrsg.), *Politische und ökonomische Transformation in Osteuropa*, 3. Aufl., Berlin 2000, 153 – 180.
- 00/18 Jan Körnert, Die Maximalbelastungstheorie Stützens als Beitrag zur einzelwirtschaftlichen Analyse von Dominoeffekten im Bankensystem, in: Eberhart Ketzler, Stefan Prigge u. Hartmut Schmidt (Hrsg.), *Wolfgang Stützel – Moderne Konzepte für Finanzmärkte, Beschäftigung und Wirtschaftsverfassung*, Verlag J. C. B. Mohr (Paul Siebeck), Tübingen 2001, 81 – 103.
- 00/19 Cornelia Wolf, Probleme unterschiedlicher Organisationskulturen in organisationalen Subsystemen als mögliche Ursache des Konflikts zwischen Ingenieuren und Marketingexperten, Juli.
- 00/20 Egon Franck, Christian Opitz, Internet-Start-ups – Ein neuer Wettbewerber unter den „Filteranlagen“ für Humankapital, erscheint in: *Zeitschrift für Betriebswirtschaft (ZfB)*, 70 (2001).



- 00/21 Egon Franck, Jens Christian Müller, Zur Fernsehvermarktung von Sportligen: Ökonomische Überlegungen am Beispiel der Fußball-Bundesliga, erscheint in: Arnold Hermanns und Florian Riedmüller (Hrsg.), *Management-Handbuch Sportmarketing*, München 2001.
- 00/22 Michael Nippa, Kerstin Petzold, Gestaltungsansätze zur Optimierung der Mitarbeiter-Bindung in der IT-Industrie - eine differenzierende betriebswirtschaftliche Betrachtung -, September.
- 00/23 Egon Franck, Antje Musil, Qualitätsmanagement für ärztliche Dienstleistungen – Vom Fremd- zum Selbstmonitoring, September.
- 00/24 David B. Audretsch, Michael Fritsch, Growth Regimes over Time and Space, *Regional Studies*, 36 (2002), 113 – 124.
- 00/25 Michael Fritsch, Grit Franke, Innovation, Regional Knowledge Spillovers and R&D Cooperation, *Research Policy*, 33 (2004), 245-255.
- 00/26 Dieter Slaby, Kalkulation von Verrechnungspreisen und Betriebsmittelmieten für mobile Technik als Grundlage innerbetrieblicher Leistungs- und Kostenrechnung im Bergbau und in der Bauindustrie, Oktober.
- 00/27 Egon Franck, Warum gibt es Stars? – Drei Erklärungsansätze und ihre Anwendung auf verschiedene Segmente des Unterhaltungsmarktes, *Wirtschaftsdienst – Zeitschrift für Wirtschaftspolitik*, 81 (2001), 59 – 64.
- 00/28 Dieter Jacob, Christop Winter, Aktuelle baubetriebliche Themen – Winter 1999/2000, Oktober.
- 00/29 Michael Nippa, Stefan Dirlich, Global Markets for Resources and Energy – The 1999 Perspective - , Oktober.
- 00/30 Birgit Plewka, Management mobiler Gerätetechnik im Bergbau: Gestaltung von Zeitfondsgliederung und Ableitung von Kennziffern der Auslastung und Verfügbarkeit, Oktober.
- 00/31 Michael Nippa, Jan Hachenberger, Ein informationsökonomisch fundierter Überblick über den Einfluss des Internets auf den Schutz Intellektuellen Eigentums, Oktober.
- 00/32 Egon Franck, The Other Side of the League Organization – Efficiency-Aspects of Basic Organizational Structures in American Pro Team Sports, Oktober.
- 00/33 Jan Körnert, Cornelia Wolf, Branding on the Internet, Umbrella-Brand and Multiple-Brand Strategies of Internet Banks in Britain and Germany, erschienen in Deutsch: *Die Bank*, o. Jg. (2000), 744 – 747.
- 00/34 Andreas Knabe, Karl Lohmann, Ursula Walther, Kryptographie – ein Beispiel für die Anwendung mathematischer Grundlagenforschung in den Wirtschaftswissenschaften, November.
- 00/35 Gunther Wobser, Internetbasierte Kooperation bei der Produktentwicklung, Dezember.
- 00/36 Margit Enke, Anja Geigenmüller, Aktuelle Tendenzen in der Werbung, Dezember.
- 2001**
- 01/1 Michael Nippa, Strategic Decision Making: Nothing Else Than Mere Decision Making? Januar.
- 01/2 Michael Fritsch, Measuring the Quality of Regional Innovation Systems – A Knowledge Production Function Approach, *International Regional Science Review*, 25 (2002), 86-101.
- 01/3 Bruno Schönfelder, Two Lectures on the Legacy of Hayek and the Economics of Transition, Januar.
- 01/4 Michael Fritsch, R&D-Cooperation and the Efficiency of Regional Innovation Activities, *Cambridge Journal of Economics*, 28 (2004), 829-846.
- 01/5 Jana Eberlein, Ursula Walther, Änderungen der Ausschüttungspolitik von Aktiengesellschaften im Lichte der Unternehmenssteuerreform, *Betriebswirtschaftliche Forschung und Praxis*, 53 (2001), 464 - 475.
- 01/6 Egon Franck, Christian Opitz, Karriereverläufe von Topmanagern in den USA, Frankreich und Deutschland – Elitenbildung und die Filterleistung von Hochschulsystemen, *Schmalenbachs Zeitschrift für betriebswirtschaftliche Forschung (zbf)*, (2002).
- 01/7 Margit Enke, Anja Geigenmüller, Entwicklungstendenzen deutscher Unternehmensberatungen, März.

- 01/8 Jan Körnert, The Barings Crises of 1890 and 1995: Causes, Courses, Consequences and the Danger of Domino Effects, *Journal of International Financial Markets, Institutions & Money*, 13 (2003), 187 – 209.
- 01/9 Michael Nippa, David Finegold, Deriving Economic Policies Using the High-Technology Ecosystems Approach: A Study of the Biotech Sector in the United States and Germany, April.
- 01/10 Michael Nippa, Kerstin Petzold, Functions and roles of management consulting firms – an integrative theoretical framework, April.
- 01/11 Horst Brezinski, Zum Zusammenhang zwischen Transformation und Einkommensverteilung, Mai.
- 01/12 Michael Fritsch, Reinhold Grotz, Udo Brixy, Michael Niese, Anne Otto, Gründungen in Deutschland: Datenquellen, Niveau und räumlich-sektorale Struktur, in: Jürgen Schmude und Robert Leiner (Hrsg.), *Unternehmensgründungen - Interdisziplinäre Beiträge zum Entrepreneurship Research*, Heidelberg 2002: Physica, 1 – 31.
- 01/13 Jan Körnert, Oliver Gaschler, Die Banken Krisen in Nordeuropa zu Beginn der 1990er Jahre - Eine Sequenz aus Deregulierung, Krise und Staatseingriff in Norwegen, Schweden und Finnland, *Kredit und Kapital*, 35 (2002), 280 – 314.
- 01/14 Bruno Schönfelder, The Underworld Revisited: Looting in Transition Countries, Juli.
- 01/15 Gert Ziener, Die Erdölwirtschaft Russlands: Gegenwärtiger Zustand und Zukunftsaussichten, September.
- 01/16 Margit Enke, Michael J. Schäfer, Die Bedeutung der Determinante Zeit in Kaufentscheidungsprozessen, September.
- 01/17 Horst Brezinski, 10 Years of German Unification – Success or Failure? September.
- 01/18 Diana Grosse, Stand und Entwicklungschancen des Innovationspotentials in Sachsen in 2000/2001, September.
- 2002**
- 02/1 Jan Körnert, Cornelia Wolf, Das Ombudsmannverfahren des Bundesverbandes deutscher Banken im Lichte von Kundenzufriedenheit und Kundenbindung, in: *Bank und Markt*, 31 (2002), Heft 6, 19 – 22.
- 02/2 Michael Nippa, The Economic Reality of the New Economy – A Fairytale by Illusionists and Opportunists, Januar.
- 02/3 Michael B. Hinner, Tessa Rülke, Intercultural Communication in Business Ventures Illustrated by Two Case Studies, Januar.
- 02/4 Michael Fritsch, Does R&D-Cooperation Behavior Differ between Regions? *Industry and Innovation*, 10 (2003), 25-39.
- 02/5 Michael Fritsch, How and Why does the Efficiency of Regional Innovation Systems Differ? in Johannes Bröcker, Dirk Dohse and Rüdiger Soltwedel (eds.), *Innovation Clusters and Interregional Competition*, Berlin 2003: Springer, 79-96.
- 02/6 Horst Brezinski, Peter Seidelmann, Unternehmen und regionale Entwicklung im ostdeutschen Transformationsprozess: Erkenntnisse aus einer Fallstudie, März.
- 02/7 Diana Grosse, Ansätze zur Lösung von Arbeitskonflikten – das philosophisch und psychologisch fundierte Konzept von Mary Parker Follett, Juni.
- 02/8 Ursula Walther, Das Äquivalenzprinzip der Finanzmathematik, Juli.
- 02/9 Bastian Heinecke, Involvement of Small and Medium Sized Enterprises in the Private Realisation of Public Buildings, Juli.
- 02/10 Fabiana Rossaro, Der Kreditwucher in Italien – Eine ökonomische Analyse der rechtlichen Handhabung, September.
- 02/11 Michael Fritsch, Oliver Falck, New Firm Formation by Industry over Space and Time: A Multi-Level Analysis, Oktober.

- 02/12 Ursula Walther, Strategische Asset Allokation aus Sicht des privaten Kapitalanlegers, September.
- 02/13 Michael B. Hinner, Communication Science: An Integral Part of Business and Business Studies? Dezember.

### 2003

- 03/1 Bruno Schönfelder, Death or Survival. Post Communist Bankruptcy Law in Action. A Survey, Januar.
- 03/2 Christine Pieper, Kai Handel, Auf der Suche nach der nationalen Innovationskultur Deutschlands – die Etablierung der Verfahrenstechnik in der BRD/DDR seit 1950, März.
- 03/3 Michael Fritsch, Do Regional Systems of Innovation Matter? März.
- 03/4 Michael Fritsch, Zum Zusammenhang zwischen Gründungen und Wirtschaftsentwicklung, in Michael Fritsch und Reinhold Grotz (Hrsg.), *Empirische Analysen des Gründungsgeschehens in Deutschland*, Heidelberg 2004: Physica 199-211.
- 03/5 Tessa Rülke, Erfolg auf dem amerikanischen Markt
- 03/6 Michael Fritsch, Von der innovationsorientierten Regionalförderung zur regionalisierten Innovationspolitik, in Michael Fritsch (Hrsg.): *Marktdynamik und Innovation – Zum Gedenken an Hans-Jürgen Ewers*, Berlin 2004: Duncker & Humblot, 105-127.
- 03/7 Isabel Opitz, Michael B. Hinner (Editor), Good Internal Communication Increases Productivity, Juli.
- 03/8 Margit Enke, Martin Reimann, Kulturell bedingtes Investorenverhalten – Ausgewählte Probleme des Kommunikations- und Informationsprozesses der Investor Relations, September.
- 03/9 Dieter Jacob, Christoph Winter, Constanze Stuhr, PPP bei Schulbauten – Leitfaden Wirtschaftlichkeitsvergleich, Oktober.
- 03/10 Ulrike Pohl, Das Studium Generale an der Technischen Universität Bergakademie Freiberg im Vergleich zu Hochschulen anderer Bundesländer (Niedersachsen, Mecklenburg-Vorpommern) – Ergebnisse einer vergleichenden Studie, November.

### 2004

- 04/1 Michael Fritsch, Pamela Müller, The Effects of New Firm Formation on Regional Development over Time, *Regional Studies*, 38 (2004), 961-975.
- 04/2 Michael B. Hinner, Mirjam Dreisörner, Antje Felich, Manja Otto, Business and Intercultural Communication Issues – Three Contributions to Various Aspects of Business Communication, Januar.
- 04/3 Michael Fritsch, Andreas Stephan, Measuring Performance Heterogeneity within Groups – A Two-Dimensional Approach, Januar.
- 04/4 Michael Fritsch, Udo Brixy, Oliver Falck, The Effect of Industry, Region and Time on New Business Survival – A Multi-Dimensional Analysis, Januar.
- 04/5 Michael Fritsch, Antje Weyh, How Large are the Direct Employment Effects of New Businesses? – An Empirical Investigation, März.
- 04/6 Michael Fritsch, Pamela Müller, Regional Growth Regimes Revisited – The Case of West Germany, März.
- 04/7 Dieter Jacob, Constanze Stuhr, Aktuelle baubetriebliche Themen – 2002/2003, Mai.
- 04/8 Michael Fritsch, Technologietransfer durch Unternehmensgründungen – Was man tun und realistischlicherweise erwarten kann, Juni.
- 04/9 Michael Fritsch, Entrepreneurship, Entry and Performance of New Businesses – Compared in two Growth Regimes: East and West Germany, Juli.
- 04/10 Michael Fritsch, Pamela Müller, Antje Weyh, Direct and Indirect Effects of New Business Formation on Regional Employment, Juli.

- 04/11 Jan Körnert, Fabiana Rossaro, Der Eigenkapitalbeitrag in der Marktinzsmethode, August.
- 04/12 Michael Fritsch, Andreas Stephan, The Distribution and Heterogeneity of Technical Efficiency within Industries – An Empirical Assessment, August.
- 04/13 Michael Fritsch, Andreas Stephan, What Causes Cross-industry Differences of Technical Efficiency? – An Empirical Investigation, November.
- 04/14 Petra Runger, Ursula Walther, Die Behandlung der operationellen Risiken nach Basel II - ein Anreiz zur Verbesserung des Risikomanagements?, Dezember.

## **2005**

- 05/1 Michael Fritsch, Pamela Muller, The Persistence of Regional New Business Formation-Activity over Time – Assessing the Potential of Policy Promotion Programs; Januar.
- 05/2 Dieter Jacob, Tilo Uhlig, Constanze Stuhr, Bewertung der Immobilien von Akutkrankenhusern der Regelversorgung unter Beachtung des neuen DRG-orientierten Vergutungs-systems fur stationare Leistungen, Januar.