Data Documentation

The data used in this paper is taken from several different sources. The main data is the Mannheim Innovation Panel (MIP) a firm-level data set. The sample used for the article consists of firms in the manufacturing sector in the period 1992-2000. This information has been linked to information on direct R&D project funding by the Federal Ministry of Education and Research (BMBF), patent data from the German Patent and Trade Mark Office and firm age and creditworthiness from the database of Creditreform.

The sample can be accessed at ZEW.
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Variable names and definitions of variables used for the article can be found below.

Variable Definitions
(for further information see article)

Variable name	description
fdm	Amount of subsidies
ost	Dummy for East Germany
fueabt	Dummy for own R&D department
patstock	Patent stock per employee
pat2	(Patent stock per employee)^2
alt	Firm age
alt2	Firm age^2
pfo	Dummy for public subsidies
b1-b14	Industry dummies (see next table for more information)
j1-j9	Year dummies
auslm	Dummy for being part of a firm group with a foreign head
exd	Dummy for export activities
lnb	Log(employees)
lnb2	Log(employees)^2
ag	Dummy for capital company
exint	Export intensity = export sales/ total sales
lnalt	Log(firm age)
bon1-bon5	Creditworthiness by quintiles of firm size
brumum	Market share
fueint	R&D intensity = net R&D expenditure / employees
lnpint	Log(past subsidy intensity) = log(amount of subsidies/ number of subsidized projects)
lnpint2	Log(past subsidy intensity)^2
lnmn	Log(new poduct sales)

Industry classification

Table 3: Classification of Industry Dummies

Dummy	Description	NACE
ind1	Food, beverage and tobacco	15
ind2	Textile, clothes and leather goods	17, 18, 19
ind3	Wood, paper, publishing, printing, furniture, jewellery, musical and sport instruments, toys and others	20, 21, 22, 36
ind4	Fuels and chemicals	23, 24
ind5	Rubber and plastic products	25
ind6	Non-metallic mineral products	26
ind7	Basic metals	27
ind8	Fabricated metals	28
ind9	Machinery and equipment	29
ind10	Electrical machinery and components	31
ind11	Office, data processing and communication equipment	30, 32
ind12	Medical, optical instruments and watches	33
ind13	Motor vehicles and components	34
ind14	Other transports	35