Cross-border Acquisitions and Technological Spillover: Evidence from European Regional Clusters

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Abstract

Relying on the M&A transaction-level dataset and adopting a more region-specific approach with a focus on industry-region pairs, this paper examines how cross-border acquisitions have an effect, in terms of technological spillover and collaboration, on European industrial clusters. Adopting an industry-regions pairs approach, the study is based on a quantitative analysis of 3039 regional clusters belonging to 262 European regions and 25 patenting industries. Invention performance at the regional cluster level is defined throughout two sets of different

measurements to assess the impact of CBAs on invention quantity performance and internal and external technological collaboration, respectively. Our results reveal that CBAs have a positive and significant impact on the number of patents as well as the number of internal and external technological collaborations and this effect is persistent over time. Furthermore, in exploring the inter-industry technological spillover effect of CBAs registered in the same region of the cluster but outside the cluster, we found that CBAs in a regional cluster are inclined to produce technological spillovers within the cluster and no significant effects in the other industries of the region. The paper is an attempt to empirically explore CBAs and technological spillover in European regional clusters. Therefore, it contributes to the debate thanks to the use of an industry-regions pairs approach.