

Discussion: The role of international and domestic R&D outsourcing for firm innovation

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Answer: National outsourcing enhances product (only for exporters) and process innovation, while international outsourcing enhances process innovation (only for exporters).
- ▶ **Methodology:** Different econometric specifications, controlling for unobserved firm characteristics and endogeneity. Rich panel database 2004-2010.

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- ▶ In conceptual terms, it is interesting to link this phenomenon with the broader trend of tertiarization (firms buy services outside).
- ▶ Many services became tradable and firms' import content is larger.
- ▶ R&D (for product) is part of the global value chain, where significant value is added. R&D targeted for processes links with technology progress.

Suggestions

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- ▶ If firm ID is available, cross with balance sheet data to incorporate other variables (e.g. sales or GVA as proxy for size).