UNIVERSITY OF CAMBRIDGE

Centre for Business Research

CBR

CBR ANNUAL REPORT

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Foreword

The CBR has continued to diversify its funding base, with several new projects beginning in 2008-9. We have in particular with significant support from the Judge Business School, engaged in a new joint venture with Imperial College Business School. This resulted in the launch in March 2009 of the UK Innovation Research Centre (UK~IRC). The UK~IRC is funded by the Economic and Social Research Council, the Department for Business Innovation and Skills, the National Endowment for Science, Technology and the Arts, and the Technology Strategy Board. It marks a significant extension of our work on innovation including a major investment in new forms of dissemination and policy and practice engagement through the creation of a knowledge hub. The Policy Evaluation Unit and the Survey and Database Unit completed significant reports for UK government departments on the financing of UK small businesses, the impact of third stream funding on university commercialisation and interaction practices, and the competitiveness of the design engineering sector. In 2008-9 a major governance project was completed on law, finance and development. This project received an 'outstanding' grade in the ESRC end-of-project evaluation. Work from the project was also acknowledged with the award of the European Corporate Governance Institute's best law working paper prize for 2009. The findings of this important project and of the governance programme were also disseminated to a wide range of users, including businesses, government departments and international organisations. The CBR also made a major contribution to the inaugural Cambridge Governance Symposium which took place in Judge Business School in June 2009. CBR work across the full range of projects appeared in core journals in economics, management, law and geography. I would like to record here my thanks to Andy Cosh and Simon Deakin as programme leaders and to all CBR research and administrative staff for their contribution to this successful year, and to Simon Deakin and Kate Hansen for their particular inputs into the collation and editing of this report.

Alan Hughes

Director, CBR

October 2009

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1. General Overview, Research and Dissemination Highlights

Introduction

The CBR 1994-2009

The CBR was established as an ESRC research centre within the University of Cambridge in October 1994. It received core ESRC centre funding until 2004 and is now an established university department with a diversified externally funded interdisciplinary research programme. It is currently housed on the sixth floor of the Judge Business School Building. CBR projects draw upon researchers from the Faculties of Economics, Law, and Social and Political Sciences; the Departments of Geography and Land Economy; the Manufacturing Engineering Group within the Department of Engineering; and the Judge Business School. The CBR does not make an RAE or REF submission in its own right. CBR outputs are credited to the university departments of the PIs and researchers concerned. In this way the Centre makes a direct contribution to the RAE/REF entries of departments within Cambridge and at other universities (as CBR-based researchers often go on to find employment elsewhere). The CBR is also making a significant contribution to raising the profile of UK-based social science research and in 2009 was selected by ESRC TSB NESTA and BIS to lead a joint venture with Imperial College to establish a UK Innovation Research Centre.

The CBR has a Director, Alan Hughes, and two Assistant Directors, Andy Cosh and Simon Deakin, who are all tenured academic members of staff of the University of Cambridge.

The Assistant directors are each responsible for a research programme. The first, led by Andy Cosh, focuses on *Enterprise and Innovation*, the second, led by Simon Deakin, focuses on *Corporate Governance*. These programmes are supported by the Survey and Database Unit (led by Cosh) which provides expertise for survey based work and is responsible for the highly regarded biennial surveys of the UK small business sector, and the Policy Evaluation Unit (led by Cosh and Hughes) which specialises in evidence based policy evaluation linked to the core research programmes.

Peer Group Evaluation of CBR research

The latest ESRC external evaluation panel for CBR found that *'The research on corporate governance has been excellent, and has had a significant and increasing international impact; the work on small and medium enterprises (SMEs), including the collection and analysis of longitudinal data, has been of very good quality and the Centre is a leading European authority in this area.'*

It also found that '*The work of the Survey and Database Unit in terms of methodological development and the collection and management of longitudinal datasets has been evaluated as first-class. The resulting datasets have provided the basis for many of the Centre's important academic and policy impacts. The quality of the SME Survey is widely recognised, as is the breadth of the Centre's approaches to the measurement of firms' growth and performance*'; in the words of one referee, *"the CBR has made a real virtue from blending the quantitative and the qualitative …this is essential because we can only make true progress in business research by doing both together"'.*

Finally it was noted that '*The Panel was impressed particularly by the Centre's interdisciplinary research on innovation issues. By combining inputs from geographers, economists, management scientists and others, the CBR has made an important contribution to the study of clusters of innovative SMEs. This interdisciplinary approach is now being expanded to encompass work on technology transfer from the University sector to high-tech firms, adding inputs from legal studies to provide coverage of intellectual property rights issues*.'

The economic and social impact of CBR research

In addition to publishing in academically-recognised outlets, the Centre seeks to disseminate its findings more generally with a view to maximising their potential economic and social impact. In 2007 the conclusions of a review by the ESRC of the CBR's dissemination practices and impact on policy users were published.1 This evaluation identified '*significant policy and practice impacts generated by the ESRC Centre for Business Research (CBR). These included, among others, contributions to the Law Reform Commission's deliberations on and codification of Director's Duties (for more effective corporate governance) and evidence of the positive effects of Government's new insolvency (personal bankruptcy) laws……the most outstanding impact was found in two areas of CBR's research. This was the Centre's sterling work in labour and employment relations and the collection of data on Small and Medium sized enterprises (SMEs)*.'

The report noted that:

> *'CBR research has had a significant influence on the definition and assessment of UK labour policy. The impact resulted from different and variously funded research projects involving several researchers of varying seniority, and disseminated and used through a variety of reinforcing channels. The main instances of impact include the introduction of the minimum wage and new rights for trade unions. Regarding minimum wage, CBR's studies helped assess the impact of the policy and confirm it had not had deleterious effects on competitiveness…The 1999 Employment Act was introduced at a time when significant changes were occurring in employment relations. There had been a shift towards a 'partnership' model in some industries in the mid-1990s, before the Act came into force. There was also a move towards greater flexibility and 'individualisation' of pay and terms and conditions, affecting unionized and non-unionised workplaces alike. Against this background, CBR's research concluded that the Act did not bring about an increase in union militancy, as some had feared, and showed that the Act supported the government's competitiveness-based agenda.'*

In addition, the report found that:

> *'The "National Small and Medium Sized Business Survey" consisting of more than 2000 SMEs is clearly one of the highest profile activities conducted by the CBR. The longitudinal data sets generated by these panel surveys have provided an extremely valuable resource for researchers in academia, government and the private industry. For instance, Government departments, such as the DTI and the Treasury used the data for confirming and informing policy on SMEs attitudes on the impact on Government policy and concerns over access to financial support. In particular, the data informed Government that SMEs required more support in management training than in financial assistance, the latter of which had been until then the main aim of Government. Private sector companies, such as banks, also used the SME panel data to crosscheck their internally generated data on SMEs and also to help inform their policies on credit support for smaller firms in various regions throughout the UK…Equally importantly, the SME data also provided the main basis for contract research assignments for public and private sector clients, which the CBR carried out during 1994-2004. These included commissioned work from the DTI, Joseph Rowntree Foundation, the TUC, DfES, the British Bankers' Association, the EU, the Office of National Statistics, and East of England*

[1] Jordi Molas-Gallart and Puay Tang, *Policy and Practice Impacts of ESRC Funded Research: Case Study of the ESRC Centre for Business Research* Report prepared for the Communications and Information Directorate Economic and Social Research Council (March 2007).

Development Agency. These studies were very important for engaging CBR in policy-relevant work and for further use by the non-academic community.'

Research Highlights 2008-9

In the course of the period 2008-9 the CBR extended its range of activity to include a major new infrastructure for innovation research. In collaboration with Imperial College Business School the CBR, strongly supported by the Judge Business School, successfully bid for the establishment of a new research centre. The UK Innovation Research Centre (UK~IRC) represents a major expansion of the work of the Enterprise and Innovation Programme. Alan Hughes combines the directorship of this new centre with the direction of the CBR. A report as its activities is included in this report in the Enterprise and Innovation Programme Section.

In the period 2008-9:

- CBR research was disseminated in 6 books, 26 refereed journal articles, 11 chapters in books, and 33 other significant publications including the CBR's own edited working paper series.
- CBR work appeared (or is forthcoming) in several core journals in economics, management, law and geography.
- CBR researchers made over 70 conference and workshop presentations worldwide.
- Research Fellows leaving the CBR went on to a number of significant positions in other universities and in professional practice.

Full details of research findings, with summaries of progress made on research and outputs, are contained in the individual project reports, in section 2, below. A full list of all research and dissemination outputs is contained in Section 3. and a selection of performance indicators summarizing funding, resources outputs and activities since 1994 is contained in Section 8. Sections 4. to 7. Set out respectively details of CBR staff, visiting fellows, research associates and the membership of the CBR Advisory Board and Committee of Management.

2. Project reports

The numbers in the tables indicate the location of the specific publications or activity as listed in Section 3 below

Enterprise and Innovation

This programme is concerned with enterprise and innovation and their links to productivity and firm growth. Amongst the principal objectives of this programme are the analysis of the innovative performance, financial and management characteristics, and location of smaller firms, and the design and evaluation of policies towards the SME sector. This analysis has involved close interdisciplinary collaboration between CBR researchers in economics, geography and sociology, and, in the case of the analysis of supply chain relationships, with lawyers in the projects carried on under the Corporate Governance programme.

This programme has established an international reputation among policy makers, practitioners and researchers as an authoritative source of analysis, information and evaluation of SME growth and survival. Particular emphasis has been placed on analyzing and charting developments in training, innovation, governance, and the impact of enterprise policy. Methodological advances have been made in the measurement and analysis of SME growth and performance, and in policy evaluation, and these have been incorporated into national and international data collection processes and policy development. An international and comparative dimension has been present throughout the life of the programme and this has been strengthened through numerous collaborations with other leading research groups.

An example of this collaboration this year was the establishment of the UK Innovation Research Centre as a joint venture with Imperial College. This Centre has the role to both engage in and to disseminate widely research in the area of innovation, with a particular emphasis on services. The work of the Centre will be reported separately, but the research projects carried out by the CBR within this Centre will form part of the CBR's Enterprise and Innovation programme.

A major intellectual contribution of the programme has been the creation of a longitudinal panel set of data for the UK SME sector based on a biennial survey of over 2000 independent businesses. The data generated has informed a range of academic debates and policy analyses in the UK and Europe. The programme has pioneered the use of sample selection methods of econometric modeling in relation to the evaluation of UK government policy initiatives, and in estimating the impact of training, business advice and business support policy on business performance.

Significant new funding has been received from the ESRC, the National Endowment for Science and Technology, the East of England Development Agency, the EPSRC and the Newton Trust for several new projects exploring the commercialisation of science and the role of HEIs. Details of current projects are provided below and completed projects may be found on the CBR's web page. The UK~IRC is funded by the ESRC, Technology Strategy Board (TSB), Department of Business, Innovation and Skills (BIS) and NESTA.

The research of the programme is intimately associated with the work of the Policy Evaluation Unit and the Survey and Database Unit.

1.1 International Innovation Benchmarking and the Determinants of Business Success

Project leader: Andy Cosh.

Other principal investigators: Alan Hughes, Richard Lester (MIT), Anna Bullock, Xiaolan Fu, Ana Siqueira, Isobel Milner. Visiting fellow: Bronwyn Hall

Funding: Cambridge-MIT Institute

Period: 2002-2008

Aims and objectives

The promotion of innovation is high on the policy agenda in Europe as attempts are made to close the perceived gap in productivity performance with the USA. In the UK a wide range of policy initiatives have been undertaken to promote the commercialisation of scientific and technical knowledge. In the UK and the rest of Europe the role that small entrepreneurial firms can play has also been the subject of intense debate, not least because of the perception that the recent renaissance in US productivity and economic growth performance is associated with a high level of technology based entrepreneurial activity. As a result of a major collaborative effort across the governments of the European Union an increasing amount is known about the comparative extent of innovative behaviour and the determinants of innovative success across member countries, and across size classes of firms. Within this project this was extended to a comparison between the UK and the USA carried out using new surveys. These involved a comparison of the level of innovative activities, the process by which innovation takes place and the barriers to innovation. The benchmarking exercise consisted of a comparative analysis of the inputs into and outcomes of innovative activity. It included an analysis of the extent and nature of collaborative strategies in both countries and of the extent and nature of interactions with the science base.

Although the richness of the dataset will permit a wide range of issues to be addressed in the econometric analysis we will focus on two issues, both of which are of particular interest in the analysis of small and medium sized enterprises, and where an analysis of them in relation to larger enterprises in a comparative international context will be made possible by the dataset created. The first of these is a link between networking, inter-firm collaboration, access to the science base and innovation performance. This has been a significant issue in the development of an enterprise based industrial policy in Europe and the UK, where the comparative performance of the USA is frequently alluded to as a role model. The second is the link between innovation performance management strategy and the financial and growth performance of the firm.

Results and Dissemination

During 2004 we carried out surveys by telephone in both the UK and the US. The UK telephone survey resulted in 1,972 interviews and the US survey resulted in 1,518 interviews. The survey instruments included questions on the following topics: General characteristics of the company; Innovation and new technology; Principal products and competition; and Finance and capital expenditure - a total of 44 questions and 295 variables. The sectors were all manufacturing and the business services sectors, both sets being divided into high-tech and conventional sectors. Work has continued to explore the links between innovation and company performance and the differences between the two nations. The data have also been used to provide background information for the open innovation project due to start in October 2009.

1.2 The Role of 'Soft' Companies and Government R&D Contracts in the Development of SMEs

Project leaders: Alan Hughes, David Connell

Other Principal Investigator: Jocelyn Probert

Funding: EEDA and Newton Trust

Period: 2007-2009

Final Report

This research was designed to provide the East of England Science and Industry Council with a detailed analysis of the role of 'soft' companies and customer-funded R&D contracts in the region, and to identify policy actions which East of England Development Agency (EEDA) might take to support these firms and foster economic development. Policy thinking on innovation and exploitation of the UK science base by young technology firms has been dominated by the needs of early stage, venture capital backed companies that are established to convert new technologies into proprietary products and IP which they then sell or license.

We argue that another kind of R&D based business – the 'soft' company model – has been largely unrecognised, although such firms are responsible for the initial phases of many, and possibly even the majority, of the UK's most successful science and technology companies. Soft companies are companies whose funding and revenues come mainly from carrying out 'bespoke' R&D projects for customers, or which go through a 'soft' phase of development before hardening into standard product. This provides a means of exploiting a range of potential applications of their technology prior to focusing on the best opportunities, as well as a funding mechanism. The term 'soft' therefore is used to signal the much greater flexibility and wider choice of early customers for these firms, compared with the rather fixed strategy of 'hard' companies

Data were collected through 52 interviews with founders or senior managers of major firms operating some form of soft business model, and with various business intermediaries. To capture the dynamic element of the research, and recognising that older 'hard' firms may have operated a softer model in their younger days or emerged from a 'soft' parent company, we also investigated how business models evolved from the beginning of each firm's life. Our analysis reveals that there are many variants of the soft model because of the different development timescales, scientific complexity, capital requirements, industry structures and regulatory regimes that drive different industries. We also demonstrate how the business model can be used at different phases of development in a firm's life and show the significant direct and indirect contributions that soft companies make to the East of England economy.

In a second phase of data collection we conducted a small survey of government R&D grant winners in the EE region, with follow-up telephone interviews, to enable us to analyse the importance of R&D contracts compared with other sources of R&D funding among smaller, early stage technology firms. This analysis formed part of a broader consideration of government funding for R&D in firms, and revealed that there was little or no recent involvement in public sector-funded R&D contracts by any of the firms we interviewed, even though these had been important 20-30 years ago in laying the foundations for some of our soft model firms' later technology successes. We also found that there were few direct IP relationships between universities and our firms, except where survey firm founders were attempting to commercialise their own PhD research.

Our overall findings reveal that R&D contracts today derive almost entirely from the private sector and that there is little appetite among government agencies to engage with SMEs on a similar basis, let alone in the sustained way that US federal agencies procure technology from small firms through programmes such as the SBIR. We conclude that much of UK science and innovation policymaking rests on three mistaken assumptions: that university research is the key source of technology and innovation; that VC funding is the primary financial resource for technology-based start-ups; and that co-funding collaborative research is the best way to support technology development. We therefore recommend four fundamental adjustments to government innovation policies in order to support and encourage the development of soft companies with customer-funded R&D contracts: (i) enhance government technology procurement programmes; (ii) revise TSB collaborative R&D programmes to encourage bilateral contracts with lead customers; (iii) revisit the venture capital funding model; and (iv) establish focused, fixed-term intermediate R&D institutes to allow academics to advance their technology commercially whilst staying in research.

Outputs for The role of 'soft' companies and government R&D contracts in the development of SMEs			
Other publications	305	*Conferences/workshops attended*	216 217 218 219
Conference papers	167 168	*Training*	315
Conferences held	226		

1.3 The Cambridge Integrated Knowledge Centre (IKC)

Project leaders: Alan Hughes, David Connell.

Other Principal Investigator: Andrea Mina

Funding: EPSRC

Collaborating Faculties: Judge Business School, Engineering (CAPE and Institute for Manufacturing), Physics (Cavendish)

Period: 2007-2011

Background

A transformation is currently underway in a large range of computer and sensing technologies, displays and communication systems with the introduction of new low cost, flexible molecular and macromolecular materials. The new materials have a strong research base in the UK, are suitable for a wide range of commercial concerns, both large and small, and hence provide an important opportunity for UK plc. In order to capitalise on the strengths of UK's basic science, the EPSRC has funded a new molecular and macromolecular materials (MMM) Integrated Knowledge Centre (IKC) at Cambridge. This brings together the main research activities in the field at Cambridge, namely in the Electrical Engineering Division (in particular within the Centre for Advanced Electronics and Photonics, CAPE) and in the Cavendish Physics Department. The Centre combines applied technical research with commercialisation-oriented activities and commercialisation research. These involve the Centre for Business Research along with the Judge Business School and the Institute of Manufacturing.

Aims and Objectives

Within the overall IKC programme, the CBR's project has the following key components:

Module 1: Real time observation and analysis of IKC innovation processes

Module 2: Opportunity recognition/roadmapping, commercialisation facilitation and provision of 'venture capital thinking'

Module 3: International comparison of policy frameworks, business models and impact evaluation.

Progress update

The project has achieved important milestones over the last 12 months. The analysis of innovation processes has progressed through several new workshops and individual meetings with technical projects' PIs. A new round of interviews is planned over the period September-October 2009 to capture changes, outcomes and emerging prospects of the teams. Commercialisation facilitation activities have also produced positive results. In particular, through close interaction with the CBR team, plans for a spin-off company are taking shape. The international comparative work has progressed substantially. After investigation of research organisations in Belgium (IMEC) and Germany (IIS and IISB Fraunhofer Institutes), fieldwork was extended to Taiwan (ITRI) and South Korea (ETRI). The

next stages will involve Japan and the US. While further research will be necessary to achieve all the project's objectives, important results have already emerged and the writing of two new working papers is under way.

Outputs for The Cambridge Integrated Knowledge Centre (IKC)			
Chapters	20 24	*Collaboration*	243
Articles	38 54 55 66	*Conference papers given*	121 122 123 124 141 142 143
User contacts	258 259 260 261 262 263 264 265	*Conference/workshops attended*	196 214 215
Research students	282	*Visitors*	290 291 292
Other publications	305 306	*Conferences held*	121
Membership	293 294 295		

1.4 Start-up finance: A study of micro finance amongst soft and hard companies

Project leaders: Andy Cosh, David Connell.

NESTA Innovation Policy and Research Fellow: Samantha Sharpe

Collaborating Institutions: NW Brown Group and EEDA

Funding: National Endowment for Science, Technology and the Arts (NESTA)

Period: 2007-2008

Aims and objectives

The purpose of this NESTA Innovation Policy and Research Fellowship is to investigate the role of early-stage seed funding provided by Micro Funds in the Eastern Region. Micro Funds are small venture capital funds worth £30 million in total or less, investing less than £2 million in total (including follow-up investments) into each of their portfolio companies. Micro Funds are defined principally by their size, but they also typically have two other characteristics. First, a proportion of the fund comes from a government source. Second, they specialise in early stage investing, as a function of both their size and government sponsorship.

The research investigated Micro Funds from two perspectives: the recipient businesses; and the firms and organisations acting as Micro Fund managers. The research examined funding models and the factors that influence the choice between them. It also investigated the appropriate role for public sector funding and identifies alternative funding models to support businesses at this stage of technology transfer and development.

The research results were published in a NESTA report launched with a policy briefing in May 2009. Please see our project output webpage for a link to download the report (http://www.cbr.cam.ac.uk/pdf/CrCr_EconCrisis.pdf).

Major findings include:

- **The role of Micro Funds -** Micro Funds play a critical role in finance complex technology firms in their early stages, yet the returns on these investments are not in line with commercial expectations of investors in the light of the higher risk of this form of investment.

- **Government aims in sponsoring Micro Funds -** In sponsoring early stage funds government is seeking to encourage other activities beyond financial returns. It is also interested in non-financial results or 'spillovers' including the regional stimulation of pre-commercial investment activity in new technology, the development of serial entrepreneurs, the formation of business angel networks, the support for a new generation of fund managers and the provision of start-up business experience to entrepreneurs and managers.

- **Evaluation of government activity -** There is no clear definition or explicit expectation of these non-financial returns. Nor is there any mechanism to assess how different funds perform with respect to these activities. Public fund remuneration policy is also not aligned with the achievement of these nonfinancial returns. As a result, the 'spillover' experience of these Micro Fund-managed firms and the wider communities that surrounded them varies widely.

- **Refinement of the Micro Fund model –** The research highlighted a widespread sentiment of conflicting objectives between success for Micro Funds and the support and development of sumicro financestainable technology-based businesses. The success of the former does not guarantee the achievement of the latter. In fact, these two objectives are often incompatible. Micro Fund portfolio firms with the greatest potential for commercial success often require significant levels of follow-on investment that dilutes the return to the Micro Funds. On the other hand, those portfolio firms with lower, or slower, success remain in the portfolio.

Outputs for Start-up Finance – a study of micro finance amongst soft and hard companies			
Books	5	*Conference/workshop papers*	126 127
		Workshops/conferences attended	223

1.5 SME Performance and Policy

Project leaders: Alan Hughes and Andy Cosh

Other Principal Investigators and associates: Anna Bullock, Bob Bennett, Xiaolan Fu, Jaeho Lee, Vadim Grinevich, Ana Siqueira, Douglas Cumming (York University, Ontario), Isobel Milner, Fabrizio Trau (Italian Confederation of Industry)

Funding: ESRC; AIST, Japan; various other shorter term funds and contract research grants

Period: ongoing

Aims and objectives

This project is concerned with developing and testing models of small and medium sized enterprise (SME) performance and its determinants, with policy analysis and with methods of complex survey design and analysis necessary to investigate models of business performance. Performance includes innovative activity and export activity, as well as growth, profitability and survival. Determinants include internal management and organisational characteristics, the strategic behaviour of managers including strategies of co-operation and collaboration, as well as external environmental factors, including financial, labour and product market constraints. The project is concerned with policy evaluation and evaluation methodology, and with the comparison of the performance characteristics of different groups of firms including high-technology and conventional businesses. The project develops and utilises

appropriate databases for these purposes including, in particular, the complex panel survey data generated by the CBR biennial survey of SMEs. This survey is carried out by the project leaders and managed by Anna Bullock via the CBR Survey and Database Unit. The project is also concerned with the development of appropriate survey instruments for performance measurement and analysis. It also draws on the results of a complementary project on methods of missing data imputation (Missing Observations in Survey Data: An Experimental Approach) to enhance the usefulness of performance survey datasets. The econometric analysis undertaken is characterised by the development and use of appropriate multivariate techniques including sample selection modelling and robust regression methods. Careful account is taken of the extreme heterogeneity of SME performance and the endemic sample attrition and self-selection biases which can arise in complex panel data analysis. In addition the project produces rigorous but user friendly presentations of key survey results in the biennial publication of reports based on the CBR SME survey, as well as custom designed articles for practitioner journals. Use is also made of complementary case study and qualitative analytical techniques, and of interview based piloting of alternative survey instruments to assist in complex survey design.

Results and Dissemination

The members of this project have produced a series of working papers on clustering, networking, innovation, training and performance, and international trade. The work of the group continued to be heavily cited in a range of official policy documents and reports including publications by the DTI, the Bank of England, UK Trade and Investment and HM Treasury. Further details of this work can be found in the Survey and Database and Policy Evaluation Unit sections of this report.

The paper by Andy Cosh, Douglas Cumming and Alan Hughes entitled "Outside Entrepreneurial Capital" has been published in the Economic Journal and further work is progressing in this area. In another paper Siqueira and Cosh investigate the extent to which product innovation moderates the relationship between capabilities and competitive advantage among small and medium enterprises (SMEs). Using resource-based and capabilities theories, they examine capabilities as organizational routines, focusing on job rotation and multi-skilling.

With support from the Cambridge Endowment for Research in Finance, Andy Cosh, Anna Bullock, Isobel Milner and Alan Hughes carried out a survey of UK SMEs during the credit crunch. The findings have been published and attracted widespread interest.

Outputs for SME Performance and Policy			
Papers	82 83 86 87	*Membership of committees*	298 299
Conference/workshop papers	136 139		

1.6 University-Industry Knowledge Exchange: Demand Pull, Supply Push and the Public Space Role of Higher Education Institutions in the UK Regions

Project Leaders: Alan Hughes, Michael Kitson.

Other Principal Investigators: Maria Abreu, Vadim Grinevich, Philip Ternouth (Council for Industry and Higher Education)

Funding: ESRC

Period: 2007-2009

Aims and objectives

The objective of this research is to identify the factors that affect the incidence, form, effectiveness and regional impact of knowledge exchange activities between the business and higher education sectors in the UK. It will identify the way these interactions vary across UK regions and within those regions. Knowledge exchange includes the full range of ways in which the business community and the higher education sector interact and which may affect business and regional economic development. These interactions include educational and training activities, research publications and patenting, conferences, contracting and consulting activity, internships, joint research and development and licensing and new business formation.

Progress

The first stage of the research based on the results of semi-structured interviews with over 30 UK businesses showed that technology transfer is only one aspect of the knowledge exchange process; the very notion of exchange highlights the interdependent and evolutionary nature of interactions with others and particularly those in business. The research stresses that some of the greatest challenges in broadening the knowledge exchange policy agenda concern absorbing and embedding knowledge across businesses. This research was published in collaboration with the Council for Industry and Higher Education (CIHE) and was presented to policymakers and the business community at Microsoft, London in May 2008.

Progress to date

The second stage of the project involved the conduct of two large-scale UK-wide surveys, one of 2,500businesses and one with an achieved sample of around 22,000 UK-based academics. Preliminary findings indicate that, although there is significant interaction between the science base and business science, there is also significant 'hidden' knowledge exchange from a range of other academic disciplines - and it is not just about 'technology transfer' but a broader process that its best encapsulated as 'knowledge exchange'. Also interactions and not confined to the private sector – the public and third sectors are important as well: for instance, more that 75% of academics in health sciences collaborate with the public sector and nearly 60% collaborate or engage with the third sector. Very few academics are involved with creating spin-outs, licenses or patents, instead the most frequent forms of knowledge exchange involve informal advice, joint publications, consultancy and a wide range of people based activities (such as involvement in networks and employee training).

A report of the survey findings will be launched at a conference at NESTA in October 2009 and the full results from the research will be published in early 2010. Interim results have been presented to a wide range of academic public policy and events practitioner including RCUK, BIS, CST, The DRUID conference and the Scottish and Welsh devolved administrations.

Outputs for University-Industry Knowledge Exchange			
Books	1	*Membership of committees*	296
Students supervised	283 284	*Conference/workshop papers*	108 109 110 111 112 113 114 137 138 142 143 144 145 146 147 148 149
Media	303		

1.7 Funding Breakthrough Technology

Principle investigators: Andy Cosh, David Connell, Samantha Sharpe

Funding: Cambridge Integrated Knowledge Centre (CIKC) Commercialisation stream

Period: 2009-2010

Aims and Objectives:

Commercializing breakthrough technologies is a complex and time consuming process. It is also an essential part of creating value from our science base and contributing to continued economic development. These technologies have demanding funding requirements. Funding needs to cover not only extensive periods of R&D but also market exploration and business development. The aim of this project is to investigate the commercialization process for breakthrough technologies from science-base to viable commercial applications, using the lens of financing.

We define breakthrough technologies as novel and discontinuous innovations that result in significant and irreversible changes. These innovations are based on new, under or unexploited physical, chemical and biological phenomena, that allow order of magnitude improvement in the performance of existing products and/or the creation of entirely new ones. These novel innovations may entail the development of new 'technology platforms' with applications across a range of products and markets. Many of the resultant applications are not envisaged at the time of the initial innovation.

The research is part of the commercialisation stream of the Cambridge Integrated Knowledge Centre (CIKC) investigating macro molecular materials in Photonics and Electronics. The project contributes to the commercialisation work by providing evidence and informing commercialisation trajectories of breakthrough technologies. This will allow us to interpret the current emergence of molecular and macro molecular advances in Photonics and Electronics (the focus of CIKC technology work) within the recent history of breakthrough technology emergence. The focus on financing allows specific commentary and advice on key factors in commercialisation patterns and the role of finance and financers in the process, to be provided.

Research questions

- How do commercialisation patterns emerge for breakthrough technologies?
- What are the key factors in these commercialisation patterns for breakthrough technologies – both successful and unsuccessful commercialisations?
- How is the commercialisation pattern funded and by whom?
- What role does funding and financiers play in these commercialisation patterns?

Selected technologies

This research uses a case study methodology with selected technologies as the unit of analysis. This approach allows us to look back on a large number of the emergent applications from each of the 'case study' technologies. Historical analysis is used to trace the emergence of the selected technologies and is complemented by interview and patent data where available.

The technologies were identified through survey of scientists and industrialists involved in the CIKC and in Cambridge which asked participants to nominate breakthrough technologies of the last fifty or so years in two time periods (pre 1990 and post 1990). Fifteen historical cases were identified through this process. This list was refined down to seven

technology cases: Liquid Crystal Displays, Fibre Optics, Light Emitting Diodes, Photovoltaics, Inkjet Printing, Giant Magnetoresistance (GMR) and Microelectronic Mechanical Systems (MEMS).

Outputs for Funding Breakthrough Technology			
Papers	88 94 99 100 106	*Conference/workshops attended*	180
Students supervised	285 286 287	*Conference/workshop papers*	221 222

1.8 The UK Innovation Research Centre (UK~IRC)

Director: Alan Hughes

Research Director: Ammon Salter (Imperial)

Director of the Knowledge Hub: Michael Kitson

Other principle investigators: Andy Cosh, Bruce Tether (Imperial), Jonathan Haskel (Imperial), Martin Kilduff, Stan Metcalfe, Andrea Mina, Bill Martin, Tim Minshall, David Connell

Senior Research Fellow: Andrea Mina

Research Fellows: Cher Li, Joanne Zhang

Research Associates: Bob Rowthorn, Ken Coutts, Markus Perkmann (Imperial), Philip Ternouth (CIHE)

Funding: ESRC, TSB, BIS, NESTA

Period: 2009-2014

Aims and Objectives:

In January 2009 the Centre for Business Research at Judge Business School, University of Cambridge and Imperial College Business School established a new collaborative venture – the UK Innovation Research Centre (UK~IRC). The Centre will receive about £3 million over the next five years to carry out the highest quality research into how innovation can make businesses more competitive, improve public services delivery and help the UK meet the social, environmental and economic challenges it faces.

The Centre was set up in response to The Government's 'Innovation Nation' White Paper (March 2008) and jointly funded by four partners: the Economic and Social Research Council; the Department for Innovation, Universities and Skills; the National Endowment for Science, Technology and the Arts; and the Technology Strategy Board.

The UK~IRC will directly address three key challenges and will also shed significant light on a fourth challenge. The direct challenges addressed are:

- deepening and extending existing knowledge on the nature of open innovation and user-led innovation.
- innovation in services, in particular knowledge-intensive business services, and their impact on innovation and business performance in goods and services systems of innovation.
- innovation performance at a sector and business level and the human intellectual and organisational capital of businesses in selected sectors.

The results of the research programme addressing the above challenges will have direct implications for a fourth challenge:

- the economic, social and environmental effects of innovation by developing a better understanding of the relationships in innovation and productivity at the economy level and at the firm level.

In addition to these key challenges identified in the invitation to tender, we propose to carry out an initial research project with two objectives:

- to establish key UK innovation policy capability needs, including development and application of appropriate methods of policy appraisal.
- to establish international best practice in policy engagement on the basis of a short, but focused international comparison of current innovation policy development and design. This issue is an essential precursor to the effective design and development of the long-run policy focused programme.

Highlights

- UK~IRC logo and branding design in place
- First UK~IRC Knowledge Hub workshop held on university-industry links
- Links begun with distributed projects and responses made to other UK innovation researchers wanting to link new seminar series to Knowledge Hub
- Secured additional funding from BIS and QinetiQ for future Knowledge Hub events, including Innovation Summit
- Imperial and Cambridge research widely featured in Royal Society report on *Hidden Wealth*
- Two new research fellows appointed

Recently completed activities

- Completed the hiring of two UK~IRC research staff (Drs. Joanne Zhang and Cher Li). In total, we received close to 80 applications and interviewed 8 individuals. Dr Zhang will work on the open innovation project, whereas Dr Li will work on the services project. Both researchers have been appointed for three years.
- Held a two-day workshop on university-industry links at Cambridge, which was attended by 50 people, including representatives of industry, government, policy agencies, higher education institutions, TTOs and academics. The event supported a lively discussion of the changing role of the university and TTO, exploring the implications of these changes for corporate and government policy. The presentations and Podcasts of the summaries of speakers' presentations are available on the UK~IRC webpage on the CBR website and will made available on the UK~IRC website in the near future.
- Held a one day UK~IRC Research Conference at Imperial. The conference shared research results, and discussed overlaps and adjacencies in past research. We had 30 participants including representatives from TSB, ESRC and BIS. We plan to make this conference an annual event and sponsors will be welcome at all future events.
- Established close links with the NESTA Innovation Index project ,which is now underway (led by Jonathan Haskel (Imperial) and Tony Claydon (ONS)). Dr Zarife Gonca Gulserhas been appointed to work on this project be and will be simultaneously appointed to an associate UK~IRC Fellowship to cement the links. Early findings

from this project and related work point to a widespread under measurement of R&D in services, including a 10x undercounting of R&D activities in financial services.

In the interim period a number of important foundational activities were begun and events held.

Forthcoming Activities

- Workshop in London at NESTA on 20th October to present findings from the current CBR ESRC funded University-Industry Knowledge Exchange project. This will be combined with a separate event to meet researchers from the distributed projects in the Innovation Programme of which UK~IRC is the core investment and discuss future collaborations.
- A workshop on the role of the Technology Transfer Office function in the UK. This workshop will be organised in collaboration with Manchester Business School and be held in January 2010. UK~IRC has secured £10k additional funding from BIS for this event.
- First UK~IRC Innovation Summit. This event is scheduled for 10th December in London with sponsorship from Qinetiq and the Imperial College Innovation Productivity Grand Challenge project. It will be organized in collaboration with Science Business. The goal of the summit will be bring into the open recent innovation research and discuss its implications for public policy.
- Planning for DRUID 2010 in London has begun with Ammon Salter as a lead member of the scientific committee. DRUID is one of the world's premier academic conferences on innovation. The conference programme will contain tracks focused on UK~IRC research themes, including open innovation, innovation in services and innovation policy. UK~IRC will organise a plenary debate either on the role of universities or the usefulness of innovation research to innovation policy. The conference should attract over 400 scholars to London from June 16-18, 2010, including some of the thought leaders in the field. Sponsors are invited to attend this event and additional support for the event would be greatly welcomed.
- Planning an industry-focused evening discussion at Imperial is in progress, called *Innovating in the Crisis*, which will be focused on the response of design and engineering consulting firms to the economic crisis. This event will help support the development of the services project, led by Bruce Tether and Andrea Mina. This event is planned for early December or early January. Invited speakers will include Keith Clarke (CEO, WS Atkins), John Miles (Head of Consulting, Arup), Sunand Prasad (current President, RIBA and partner at Prenroye and Prasad), and Gerald Avison (TPP).
- Discussions have been held with Keith Smith (BIS) about organizing for BIS a series of one-hour lunchtime discussions on research topics at BIS and would be grateful for any help from the sponsors to facilitate this activity.
- UK~IRC website will go live in early October. At present, there is a holding website on CBR's current website.

In addition, the Hub has developed an events strategy and planning framework which will include four main UK~IRC funded events per year which will include a combination of research planning workshops, consensus and controversy conferences and an annual early-stage career workshop. The first workshop in 2009 was on open innovation and will help to inform the development of the UK~IRC research project on this theme. In addition, an annual innovation summit will be held towards the end of each calendar year, in collaboration with an external sponsor. Furthermore, the UK~IRC will seek to develop collaborations - including joint events - as opportunities arise – such as the Manchester Conference in November (see above) co-sponsored with BIS. An internal research seminar series will start at the beginning of the next academic year.

Brief biographies of new staff

Joanne Zhang – Dr Zhang completed doctorate in 2008 at the CASS Business School, working under the direction of Prof. Charles Baden-Fuller. Her work focuses on corporate venturing. She will be located at the CBR.

Cher Li – Dr Li completed her PhD in Economics at Glasgow University, under the supervision of Professor Richard Harris. She has published in a range of journals including *Research Policy*. Her previous work has explored the relationship between exports and innovation, using the UK CIS and other ONS datasets. Until she joined the UK~IRC, she had been working at the Strathclyde Business School. She will be located at Imperial.

Zarife Gonca Gulser – Dr Gulser holds a doctorate in Economics from Warwick University, where she worked closely with Professor Paul Stoneman. Her past research has explored the effects of the business cycle on patterns of mergers and acquisitions. She will be located at Imperial.

Survey and Database Unit

Project Leader: Andy Cosh.

Survey and Database Manager: Anna Bullock.

Survey and Database Assistant: Isobel Milner.

Funding: ESRC; various other shorter term funds and contract research grants

Period: ongoing

During the year 2008-09, the unit has been involved with a number of projects described below.

The 2008 CBR Survey of Small and Medium Sized Firms

During November and December 2008 the survey and database team carried out the latest in the series of the CBR SME postal surveys started in 1991. The 2008 survey focused on the financial crisis facing the sector and was sent to those respondents of the 2004 survey that were still trading and also still independent. There were 818 responses and this represented a 44% response rate. The results were presented at NESTA in London in March 2009.

University-Industry Knowledge Exchange: Demand Pull, Supply Push and the Public Space Role of Higher Education Institutions in the UK Regions

This project aims to identify the factors that affect the incidence, form, effectiveness and regional impact of knowledge exchange activities between the business and higher education sectors in the UK. There is a focus on the regional aspect of this, in terms of the way these interactions vary across UK regions and within those regions. The research aims to cover the full range of ways in which the business community and the higher education sector interact and which may affect business and regional economic development. The research will consider the objectives for taking part in these interactions and the evaluation of their success from both a business (or 'demand' side) perspective and from the academic (or 'supply' side) perspective. The research will be used to draw implications for public policy in the area of knowledge exchange.

The survey team managed the business side of this project. A postal survey was carried out during the summer and Autumn of 2008. Businesses with 5 or more employees were included in the survey, and a dataset has been created from the 2,530 respondents and an initial analysis was undertaken.

The team has also been involved in finalising the dataset of just under 22,500 responses from the web survey of UK based academics.

Other

Law, Finance and Development project

Preparation of project data to be made available for downloading from the project web page and advice to PI and other project team members on data analysis and presentation of results.

The project has now come to an end and 5 datasets have been archived with the UK Data Archive.

UK IRC – Balanced Economy Analysis for Services Project

Compiling data from published UK Balance of Payments accounts especially manufacturing and knowledge-based services to compare earlier CBR projections made for 1997-2007 with actual data.

General

Assisting with analysis for presentations.

Outputs for Survey and Database Unit			
Surveys Undertaken	227 228	*Conferences/workshops attended*	196 197 198 199
Datasets	233 234 235 236 237 238	*Datasets archived*	232
Other publications	307	*Conference papers*	119
Visitors – UK		*Students supervised*	277
Training	310 311 312		

Policy Evaluation Unit

Project leaders: Alan Hughes, Andy Cosh

Research Associates: Barry Moore (PACEC), Tomas Ulrichsen (PACEC), Graham Gudgin

Funding: ESRC HEFCE DETI (Ireland), various other shorter term funds and contract research grants

Period: 2001-2009

Overview

The Policy Evaluation Unit at the CBR exists to conduct short-term and long-term contract research in both the public and private sectors. The kinds of projects the Unit undertakes are: a range of evaluations and impact assessments of government initiatives; the evaluation of initiatives designed to provide direct financial support to firms; research on the supply of debt and equity finance for R&D; research on the needs of firms and barriers to R&D; policy development and advice to help shape government initiatives and R&D support; SME Performance and Policy - using appropriate databases to develop and test models of SME performance and its determinants with policy analysis and with methods of complex survey design and analysis necessary to investigate models of business performance. Details of previous projects may be found on the CBR web page.

SME finance and innovation in the current economic crisis

Project Leaders: Andy Cosh, Alan Hughes

Research Associates: Anna Bullock, Isobel Milner

As part of the launch of the UK~IRC, the Centre for Business Research at Cambridge University presented the latest findings from its long-running surveys of SMEs. The latest survey for 2008 produced new findings about how SMEs are coping with the credit crunch and recession. The report makes comparisons with earlier periods and, in particular, 2004 and the recession of the early 1990s. It also examines which types of firm have been most affected by the credit crunch and the consequences for R&D, capital expenditure and training, and SME policy.

We find that the recession at the end of 2008 was worse than in 1991 but, despite this, SME finances were holding up better. On the other hand growth prospect were much lower and the level of demand was seen by SMEs as their principal constraint. This constraint was felt more strongly by growth-oriented and innovative firms, but these groups were more optimistic about the outcomes of various policy initiatives. The report, which is available to download from the CBR web page, ends with a discussion of possible policy measures..

Evaluation of the Effectiveness and Role of HEFCE/OSI Third Stream Funding: Culture Change and Embedding the Capacity in the Higher Education Sector Towards Greater Economic Impact

Project Team: Alan Hughes, Anna Bullock, Isobel Milner, Barry Moore (PACEC), Tomas Ulrichsen (PACEC) and others

Funding: HEFCE

Period 2008-9 (extended to 2010)

Aims and objectives

This project is designed to assess of the extent to which HEFCE/OSI third stream funding has secured direct and indirect economic benefits, through embedding a culture and capacity within Higher Education Institutions (HEIs) that supports the transfer and exchange of knowledge between HEIs, business and the wider community.

Methods

The study adopted an innovations system framework for purposes of analysis. Within the innovation system, third stream policy operates at the interface between the science and engineering base, sources of new knowledge, networks and collaborative arrangements and firms' ability to absorb knowledge and technology. It may be seen as an attempt to address institutional failure reflected in the inability of the innovation system to adapt to changed patterns of behaviour and rules or norms affecting inter-agent transactions which arise from broad underlying technological and other changes in the innovation system.

The Evidence Base and Analysis

The evaluation was carried out during 2008. The programme of empirical research was set within a traditional evaluation framework analysing the relevant inputs, activities, outputs and the resulting impacts. In addition, cost-benefit balance sheets were produced which compare the inputs to the outputs of knowledge exchange where it quantifiably possible.

Both secondary and primary data are used in the analysis. Secondary data sources include the Higher Education Business and Community Interaction Survey (HEBCI), HESA and other HEFCE sources such as HEI funding bids and

annual monitoring reports. A primary data base was also assembled from case study research of 30 HEIs, survey responses from 1,157 academics and from 373 external organisations engaged in third stream activities with HEIs and from interviews with a range of stakeholders including Central Government Departments and the Regional Development Agencies.

The case studies were selected on the basis of a cluster analysis and six key clusters were identified, largely reflecting the scale of their research activity and ranged from the Top 6 HEIs, High Research HEIs, Medium Research HEIs, Low Research HEIs and Arts HEIs .

Selected Key Findings

The Full Report was published by HEFCE in 2009 (http://www.hefce.ac.uk/pubs/hefce/2009/09_15/)

- Total committed 3rd stream funding between2000/01 and 2010/11 amounted to £1 billion (at 2003 prices) and increased for all HEI clusters except the Top 6 where it declined by 13%
- There is now strong support for 3rd stream activities by senior HEI management and knowledge exchange is now a core strategic aim across all HEIs
- There is widespread recognition of the synergies between 3rd stream activities and teaching and research with relatively little displacement
- Government policy, a dedicated funding stream, leadership and financial pressures have been the main drivers of the increasing importance of the third stream mission
- SMEs are the most frequent target for 3rd stream activity but for Top 6 and high research HEIs large corporations and the public sector are important
- Knowledge exchange offices are becoming more professional and pro-active towards generating opportunities with external organisations, but most engagements are still initiated without the involvement of the KEO
- Knowledge exchange offices face a number of constraints on their growth namely their ability to attract suitably qualified staff, shortage of finance and negative attitude of academics
- Without HEIF many of the knowledge exchange facilities and infrastructure would not exist or would be of a smaller scale and quality.
- HEFCE third stream funding has played an important role in bringing about positive cultural and attitudinal within HEIs towards knowledge exchange activities
- There is a close alignment of academia and non-academic organisations on the importance of HEIs to the economy and society
- Both supply and demand side barriers constrain engagement between HEIs and external organisations
- Knowledge exchange activities of HEIs generated £1.94 billion in income in 2007 growing by approximately 12 percent per annum over the period 2001-2007
- Income from non-commercial organisations such as the public sector and charities constitutes the largest proportion of knowledge exchange income with income from SMEs generating the least income for HEIs

- Knowledge exchange income grew faster in the strong policy period compared with the weak policy period, for HEIs that initially received HEFCE third stream funding compared with those that did not, and for those that received relatively more funding over the period
- HEIs believe that between 28% and 41% of knowledge exchange income in 2007 can be attributed to HEFCE third stream funding
- Third stream funding has strengthened the link between the triad of teaching, research and knowledge exchange activities undertaken by HEIs
- Most HEIs collaborate to gain access to complementary capabilities
- The collaborative partnerships with large companies are beginning to go beyond the mere transactional towards a much more strategic partnership

Further Work

Following the completion of the original project HEFCE have funded PACEC/CBR to carry out follow on research to be completed by 2009-10. This work is intended to deepen understanding of the role of knowledge exchange within the overall set of universities, activities to explore the development of KEOs; provide selected international comparisons.

Design Study for a Survey of UK Management Practices

Project Team: Alan Hughes, Simon Learmount, Ben Hardy, Isobel Milner, Anna Bullock

Funding: ESRC

Duration: April – July 2009

Aims and Objectives

The ESRC commissioned the Centre for Business Research and the Judge Business School to examine the strategic and scientific case for conducting a survey of Management Practices in the UK, and to make recommendations on how such a survey might best be carried out.

Methods

The study had a short timeline of two months, and so an innovative research method using an expert panel was adopted. The panel comprised experts in a number of disciplinary fields who had three principal roles:

- To identify key literature on Management Practices in particular disciplinary areas
- To facilitate contact with other scholars and professionals with relevant knowledge of Management Practices using a snowball sampling technique
- To act as sounding boards for themes that emerged during the research

In addition to the information supplied by the expert panel and snowball sample other stakeholders were consulted using both questionnaires and interviews. This process was linked to an extensive review of extant literature on Management Practices, enabling us to draw some firm conclusions about the current state of knowledge in this area and thence, drawing on expertise from the Centre for Business Research's (CBR) Survey and Database Unit, to formulate three options for a large-scale survey of Management Practices.

Key Findings

Justification for a New Survey

- *Addressing the role of management practice in explaining perceived productivity gap between the UK and other nations*
- *Addressing the skewness of current research on Management Practices towards large firms*
- *Joining-up disparate extant research on different practices*
- *Creating a 'spine' of panel data for on-going research of both qualitative and quantitative kind* Which Management
- *Practices to Measure?*
- *Key practices were identified in seven domains, namely: Finance, HRM, Innovation, Marketing, Operations, Strategy and Values.*

Survey Design Options Proposed

- *Option 1: Combined Postal and Interview Survey.*
- *Option 2: Postal Survey*
- *Option 3: A Mixed Model to provide a core postal survey based panel element supplemented by in-depth interview based data gathering in selected firms.*

Output

Hardy, B., Hughes, A. Learmount, S., Bullock, A., Milner, I. (2009), Study for a Survey of UK Management Practices, Report to the ESRC by Centre for Business Research and Judge Business School, 12 June.

Building Economic Competitiveness- Lessons from Small Peripheral European States

Project team: Graham Gudgin, Niall MacKenzie

The key objectives of this research is as follows:

- To study policy initiatives relating to economic development, productivity growth and competitiveness in small open regional or national economies
- To do this in such away as to generate policy ideas of relevance to DETI's aim of raising labour productivity in the Northern Ireland economy.
- Subsidiary objectives are:
- To involve members of the DETI steering group in aspects of the research in order to maximise the value to the Department of the lessons learned.
- To produce an initial report outlining a short-list of countries or regions to be studied in greater depth and to discuss this list with the steering group in order to arrive at an agreed list of areas for study
- To investigate a range of policy areas to be studied in each of the agreed target countries or regions.
- An in-depth investigation of the factors under-pinning high GVA per head and high productivity in each selected country. This will involve a combination of desk-based analyses and direct contact with country experts including targeted visits to the countries. It is envisaged that DETI staff will accompany project members on country visits.
- To produce a final report which brings together all of the data on each country to form a coherent view on the critically important factors in each country, including relevant policy decisions, and to identify commonalities in approach across countries.

The final report will outline the potential relevance of the conclusions for the aim of raising productivity in Northern Ireland

Outputs for Policy Evaluation Unit			
Other publications	6 7 8 308	*Dataset*	231
Visitors UK			

Corporate Governance

The Corporate Governance Programme covers a range of projects in the general area of intra- and inter-firm governance and regulation. Issues covered include the relationship between corporate governance, corporate finance and investment; the links between ethics, governance and globalisation in developed and developing economies; social dialogue and corporate social responsibility in Europe and Japan; comparative research on labour market reforms and international competitiveness; new forms of reflexive governance in the EU; institutional investor accountability; the role of corporate law in promoting financial development; the relationship between insolvency and bankruptcy law and entrepreneurship; and the operation of the corporate governance principle of 'comply or explain' in Britain and Germany. Both qualitative (case-study) and quantitative methods are used. Funding comes from, inter alia, the ESRC, the EU and the UK government.

2.1 Corporate Governance and Investment: An International Research Network

Principal investigators: Andy Cosh, Alan Hughes, Paul Guest.

Research Associates: Ajit Singh (Faculty of Economics and Politics), Panos Desyllas (Manchester Business School), Dennis Mueller (University of Vienna), Klaus Gugler (University of Vienna), Burcin Yurtoglu (University of Vienna), Hiroyuki Odagiri (University of Tokyo).

Period: 1999-2009

Aims and objectives

Considerable concern has been expressed recently over slow growth, lagging productivity, and the loss of markets to foreign competition in Europe. One cause given is the quality of management decisions in particular with respect to investments in capital equipment, research and development, and mergers. This failing has been attributed to agency conflicts between owners and managers, which in turn are related to corporate governance structures. The project is examining these issues. The methodology has included comparative institutional analysis of corporate governance systems in Europe (building on work carried out previously under the executive pay and performance project), and the use of micro-econometric techniques to analyse the determinants of the tenure of top executives and executive pay levels. Work has continued on the influences on merger activity and its success.

Results and dissemination

In the past year work by Andy Cosh and Alan Hughes examining the impact of Ajit Singh's seminal book 'Takeovers', (published in 1971), has been published. Cosh, Hughes and Guest also contributed a chapter on takeovers and governance to the Festschrift to honour Dennis Mueller. Paul Guest has in addition published a number of papers examining the determinants of board size and its consequence for firm value; and the impact of corporate acquisitions on executive pay. Finally, Hughes and Desyllas have published articles on the links between innovation and corporate acquisition of public and private businesses.

Outputs for Corporate Governance and Investment: An International Research Network			
Papers	81	*Conferences/workshops attended*	140
Articles	28 48 49 50 51 52 53 71 72	*Chapters*	11 12 17 19 26
Books	9	*Working Papers*	90 103 104 105
Other publications	308	*Conference/workshops papers*	183 184 185 186 187 188 189 190 191 192 193 194
User Contacts	275	*Conference/workshops attended*	223
Students supervised	287	*Collaboration*	256

2.2 Ethics, Regulation and Globalisation

Project leaders: Michael Pollitt (Judge Business School) and Ian Jones (Lincoln College, Oxford and Herriot Watt Business School).

Research Assistant: Aoife Brophy (EPRG)

Funding: ESRC (core grant to CBR)

Period: 1999-2009

Ian Jones and Michael Pollitt have continued with their work on multinationals' role in building social capital.

UK companies and climate change: the role of partnership in climate strategies

This project, in conjunction with the Electricity Policy Research Group (EPRG) examines the degree of commitment to tackling climate change in the UK retail sector and its relationship to the networks in which retailers participate. We examine data from 60 major UK retailers to construct a best practice index of commitment to climate change and energy related policies. We also use Jones and Pollitt's social network mapping methodology to construct an engagement score for each retailer. We then correlate the two measures controlling for company characteristics. We find that engagement and degree of commitment are significantly correlated, though there are some notable exceptions. John Lewis and Marks and Spencer emerge as the top performers.

In additional Pollitt wrote a paper on 'Green values in Communities' looking at the ethics behind the Stern Review on the Economics of Climate Change. This paper argued that the ethics of the Stern review were rather narrow and technically questionable. He pointed out that an ethical approach to climate change could usefully learn lessons from religious attitudes to 'stewardship' and the need for 'personal norm activation' and that much greater emphasis needed to be placed on changing individual behaviour and attitudes if ambitious carbon reduction targets were to be achieved.

How firms build social capital: the role of multinationals in building institutional, relational, moral and spiritual capital

We have now published our working paper examining the social capital contribution that multinational firms can make in host countries. We identify four distinct types of social capital in the literature: institutional, relational, moral and spiritual. The argues that multinationals that want to be leaders in the field of ethics have to support the development of each of these types of capital or else they are either failing to maximise their contribution to society or, at worst, acting to reduce the stock of such capital within the societies in which they operate.

Outputs for Ethics, Regulation and Globalisation			
Conference papers	150 151 152 153 165 166	*Conferences/workshops attended*	207 208 209 210 211 212
User Contacts	266 267 268 269 270 271 272	*Memberships*	300 301 302
Collaboration	244 245 246 247 248		

2.3 'Capright': Resources, Rights and Capabilities in Europe

Principal Investigators: Simon Deakin, Catherine Barnard and Frank Wilkinson

Research Fellow: Aristea Koukiadaki

Funding: European Union Sixth Framework Programme

Period: 2007 - 2011

Aims and objectives

This project is funded by the Sixth Research and Development Programme of the EU. It is coordinated by the IDHE-Cachan unit, based near Paris. The CBR is involved in collaboration with the Cachan unit together with teams from the Catholic University of Louvain and a number of other European universities in carrying out work on corporate restructuring.

Progress

The project began in January 2007 and the empirical phase of case studies is nearing completion. Simon Deakin and Aristea Koukiadaki have carried out interviews in the business, financial, chemical, construction, voluntary, retail and higher education sectors, Catherine Barnard has carried out case study work and legal analysis of local labour clauses in the EU single market, and Simon Deakin and Frank Wilkinson have carried out work on labour standards. In addition the members of the project team are working on theoretical aspects of the work, relating to capability theory.

A major focus on the work in its first year has been on the lessons to be drawn from the construction of the new Terminal 5 building at Heathrow airport, on which a detailed case study was completed. The project builds on a theoretical framework which stresses 'internalist' approaches to learning and governance based on the importance of communicative processes, dialogue and deliberation. Empirical work can provide a context in which to explore the feasibility of such approaches that emphasises the importance of engaging multiple stakeholders and promoting deliberation, self-evaluation and self-correction. Material drawn from the in-depth case study on the construction T5 was deployed to examine the development and impact of learning both within and between the subsystems of corporate governance, utilities regulation, multi-firm contracting and industrial relations in large construction projects. T5 took around 20 years to plan and build and started operations in March 2008, six years after construction started. Its opening was marked by confusion and controversy, but as a construction project, however, T5 was highly successful. It was based on a novel approach to risk-sharing between client and suppliers and it incorporated innovative mechanisms for dialogue and monitoring between the actors involved, that is, the client, BAA, the contractors on the construction and engineering sides of the project, and trade unions representing the groups of workers involved. There is evidence that these arrangements contributed positively to a number of successful project outcomes, above all the completion of the construction work on time and on budget, an above-industry health and safety record, and virtually no time lost to disputes.

The case of Terminal 5 demonstrates how attempts to build a 'systemic' approach to the project revolved around the interactions between a wide range of actors and processes and beyond the contractual arrangements. However, case shows that in the absence of mechanisms of structural coupling between different subsystems, the capacity for adaptation along the lines of a dynamic learning model is reduced. Although the difficulties surrounding the opening of T5 in March 2008 were unconnected to the construction of the new Terminal, the wider future of the institutional mechanism used to promote cooperation and risk-sharing in the construction project is in doubt, as the model it embodies has not been taken up for the 2012 London Olympics, as its sponsors had hoped.

Further, a set of case studies examines the role of employee consultation arrangements in corporate restructuring, as influenced by the implementation of the Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community. In light of the introduction of the Information and Consultation (I&C) Regulations 2004 that implement Directive 2002/14/EC in Britain, Simon Deakin and Aristea Koukiadaki adopted an in-depth qualitative case study approach to examine changes in companies where I&C arrangements were introduced or existing structures amended in light of the I&C Regulations. Case studies were conducted in companies operating in the financial services, business services, voluntary, chemical and retail sectors of the UK economy. The study involved data collection based on a combination of: semi-structured interviews with key actors (i.e. senior and human resource managers, employee representatives, and trade union representatives and officials); non-participant observation of meetings between management and labour (where possible) and; analysis of relevant documentary material, such as I&C agreements, minutes of meetings, documents disseminated to the workforce and trade union statements and communications. The objective was to highlight the influence of the form and content of the national implementing legislation on the development of effective social dialogue procedures in the event of restructuring within the theoretical context of the capability approach. The capability approach drew attention to the relation between the legal-institutional framework and the development of the 'opportunity' and 'process' aspects of the 'capability for voice' of the I&C arrangements. The 'opportunity' aspect is concerned with the equity and efficiency of the substantive opportunities available to collective actors and the 'process' aspect emphasises the need to define, *in situ*, the criteria for decision-making processes and collective choices. Apart from identifying problematic aspects of the institutional design of the legislation transposing the I&C Directive, this theoretical framework assists in the evaluation of the availability of other non-legal conversion factors for the development of a 'capability for voice'.

A preliminary analysis of the results suggests that the development of the 'capability for voice' of the I&C arrangements is significantly conditioned by the institutional design of the legislation transposing the I&C Directive. Prompted by the establishment/amendment of I&C structures in light of the legislation, opportunities have been made available for regular information and consultation of employees over a range of issues. As a result, interactions have been developed between the actors involved in the arrangements (i.e. management, employee representatives, the workforce and trade unions, where recognised). I&C arrangements engage meaningfully in developing a learning process for the integration of employee interest in decision making in cases where the relationships between the actors – mostly between management and the employee side, and between the employee representatives themselves – had been actively developed. Assisted by the operation of non-legal conversion factors, mainly management/organisational norms, the 'process' aspect of these arrangements has evolved, albeit to a varying degree. In that respect, the findings indicate an evolution away from the traditional joint regulation model of industrial relations in Britain towards a continental European model that stresses consultation and social dialogue. But, the analysis points also to the inadequacy of the institutional design of the legislation. In taking advantage of the flexibility provided in the I&C Regulations, management has promoted tailor-made arrangements that do not allow significant scope for influencing company decisions. Moreover, deprived of any formal role by the legislation and the company agreements, unions have abstained, in most cases, from coordinating their actions and interests with those of the I&C arrangements.

Work on local labour clauses has taken the form of an in-depth analysis of the Lindsey Oil Refinery dispute which took place in 2009 around the issue of the employment of local labour on large-scale constructions projects. Catherine

Barnard's paper provides a detailed account of the dispute which disentangles its various elements, highlighting the role played by the framework of EU law on the provision of services, and by the Posting of Workers Directive. In addition she analyses the conditions which would have to be met for agreements for the employment of local labour to be compatible with EU law on free movement.

Simon Deakin and Frank Wilkinson conducted a survey of literature on the effects of minimum wage laws and Simon Deakin edited a special edition of the British Journal of Industrial Relations on the centenary of the first major piece of minimum wage legislation in the UK, the Trade Boards Act 1909. Deakin and Wilkinson also worked on a paper concerned with labour markets and the financial crisis which will be presented at a Capright conference in Cambridge in September 2009. Simon Deakin also worked on editing (with Alain Supiot) a collection of legal and theoretical papers on the theme of law and the capability approach which was published in 2009, and on updating his treatise on British labour law (with Gillian Morris).

Outputs for Capright Project: Resources, Rights and Capabilities: in Search of Social Foundations for Europe			
Articles	35 45 46 58 60 62 63 58 59	*Books*	2 3
Chapters	14 15 18 22	*Conference/workshop papers*	132 133 134 157 158 159 160
Collaboration	250 251 252	*Training*	310 314
User contacts	273 274	*Conferences attended*	206 213

2.4 Law, Finance and Development

Principal Investigators: Simon Deakin, John Armour and Ajit Singh

Visiting Fellows: Prabirjit Sarkar

Research Fellows: Dominic Chai, Viviana Mollica, Gerhard Schnyder

Research Associates: Beth Ahlering (PA Economic Consulting), John Buchanan (CBR), Priya Lele (Ashursts LLP), Sonja Fagernäs (CBR), Mathias Siems (UEA). Project dates: 2005-09. Funding: ESRC; Newton Trust; Japanese Ministry of Education COE grant to ITEC, Doshisha University, Oxford-Man Institute of Quantitative Finance

Funding: ESRC; Newton Trust; Japanese Ministry of Education COE grant to ITEC, Doshisha University, Oxford-Man Institute of Quantitative Finance

Period: 2005 - 2009

Aims and objectives

This project aims to consider the mechanisms by which legal institutions shape national financial systems, so as to identify the implications of legal reform for economic development. It is based on an interdisciplinary proposal made to the ESRC's World Economy and Finance Programme. The proposal envisaged combining qualitative and quantitative research methodologies with the aim of yielding a uniquely complete set of empirical results. The research has been carried out by a team of economists, political scientists and lawyers working closely together. In addition to furthering understanding of key theoretical questions about the relationship between law and finance, the

project's results are of direct practical interest to policymakers in developing and transition economies and development agencies advising them. ESRC funding ended in January 2009. Additional coding work is continuing through to the autumn of 2009 with support from the Oxford-Man Institute of Quantitative Finance, and funding from the EU (via the project, 'Reflexive Governance in the Public Interest') is supporting further econometric analysis.

Progress

A longitudinal legal indexing method has been developed to create multi-country datasets quantifying legal change over time in the areas of shareholder, creditor and worker protection. Datasets have been produced on shareholder protection, creditor rights and labour regulation for 5 countries (UK, US, France, Germany, India) for the period 1970-2005. Indices on shareholder protection and creditor protection for 25 countries for the period 1995-2005 have also been constructed, using a reduced range of variables. An index covering labour regulation for 25 countries for the period 1995-2005 is under construction.

In the past year, the first substantive results from the analysis of the new datasets have become clear. In relation, firstly, to the panel data for 1970-2005, the shareholder protection index shows a considerable degree of convergence, as each of the five systems has increased its level of protection for shareholders, in particular since the mid-1990s (Lele and Siems, 2007). The second feature of this trend is that there is no clear distinction between common law and civil law systems. The two civil law systems, France and Germany, score as highly as Britain for much of the period, and more highly than the United States. This pattern is not, however, repeated for creditor protection, which shows continuing diversity and little evidence of convergence (Armour et al., 2008). Finally, the pattern for labour regulation shows the clearest evidence of divergence based on legal origin: scores are substantially higher in the French and German systems than in Britain or the USA, although India, a common law system, comes closer to the German score, overall, than to that of any other country (Deakin, Lele and Siems, 2007).

One of the core findings of the legal origin literature as developed by La Porta et al. has been to identify an effect which is constant across a range of different areas of law: shareholder and creditor rights, court procedure, and labour regulation, among others. With our new longitudinal data available, this result disappears: there are different results for shareholder rights (convergence), creditor protection (divergence with no reference to legal origin) and labour regulation (divergence with reference to legal origin). This implies that, at least for this period and these countries, the legal origin effect is not particularly strong; it can be outweighed, for example, by the powerful move towards convergence in shareholder protection, possibly driven by the increase in the global influence of institutional investors and the spread of corporate governance codes as a model for shareholder rights, legitimizing greater controls over managerial discretion.

The 25 country dataset for shareholder protection describes a similar picture in a slightly different way (Siems, 2008a; Armour et al., 2009). We have a shorter period, but a critical one, during which most of the convergence identified by the five-country dataset was taking place: 1995-2005. We also have a number of developing countries and transition systems in the picture, as well as other developed economies. The index for this extended dataset is weighted to capture those elements of shareholder protection law and practice which were changing most quickly in this period. There are three key results. Firstly, in this larger sample and for this particular period, and with the weighting method just referred to, common law systems have higher scores in the shareholder protection index than civilian ones (a different finding from the results for the 5-country study). Secondly, however, the civilian systems are catching up with the common law ones: the gap is narrowing, both for developed and less developed systems. Thirdly, certain variables are changing more quickly than others. Although values for almost all of them increased, those rising most rapidly were two of the core variables in the Anglo-American corporate governance systems, and in particular the British one: rules concerning the presence of the board of independent directors, which originate US practice in the 1980s and in the Cadbury Code in the UK; and the mandatory bid rule which originates in the City Code on Takeovers and Mergers.

Econometric analysis has been carried out on the relationship between the process of legal change revealed in both the 5-country and 20+ country shareholder protection indices, and measures of stock market development for which time series exist (stock market capitalisation as a % of GDP, the volume of stock trading, the stock market turnover ratio, and the number of listed companies). For both of the indices, we find no evidence of a long-run impact of legal change on stock market development. Possible explanations are that laws have been overly protective of shareholders, and that possible negative effects cancel out positive ones; transplanted laws have not worked as expected; and, more generally, the exogenous legal origin effect identified by La Porta et al. on the basis of cross-sectional analysis is not as strong as widely supposed when a time-series approach is taken (Armour et al., 2009).

In relation to the creditor protection index, we find that there is evidence of legal reforms enhancing the rights of secured creditors being linked to banking sector development in India (Deakin, Demetriades and James, 2008). Co-integration analysis is used to show that the strengthening of creditor rights in relation to the enforcement of security interests in the 1990s and 2000s led to an increase in bank credit. The analysis shows that the change in the law was not endogenous to trends in stock market development and GDP per capita, and that the direction of causation ran from legal reform to banking development, rather than the reverse. Time-series analysis of the labour regulation index covering the period from the 1970s to the mid-2000s in the four developed countries (France, Germany, UK, US) shows that the trend in working time regulation is positively correlated with growth in employment and productivity in France and Germany over this period, and that the trend in dismissal regulation is positively correlated with productivity growth in Germany. In the case of the US there is weak evidence that a strengthening of dismissal law negatively impacted on employment growth but also led to productivity gains. There is no correlation between labour law change and trends in employment and productivity growth in Britain. The period of study saw the share of wages in national income fall in all countries, but this was unrelated to changes in labour regulation (Deakin and Sarkar, 2008).

Case studies have been carried out in relation to legal reforms in the UK and US (Armour and Skeel, 2007), India (Armour and Lele, 2008), Japan (Buchanan and Deakin, 2008), Slovenia (Cankar, Deakin and Simoneti, 2008), France (Deakin and Rebérioux, 2008) and the Netherlands, Sweden and Switzerland (Schnyder, 2008, 2011). The case studies look in detail at the forces triggering legal change and at the process by which corporate governance norms are being transplanted. They illustrate the diversity of ways in which national systems are adjusting to global standards on corporate governance, and suggest that while there may be considerable convergence at the level of formal rules, these rules operate differently in different contexts, so that considerable variation of practice remains. Conversely, in some cases, a convergence of corporate practices can be observed, which cannot be explained by legal change, but seems rather to precede formal change.

The work has been presented to the EBRD and ILO and we have been in touch with World Bank/IFC officials about its policy relevance. It has also been widely disseminated to the research community, with over 60 presentations to workshops and conferences, and publications in leading journals in new institutional economics, law and economics, socio-legal studies, political science and comparative political economy.

The project was awarded an ‘outstanding’ grade in an ESRC evaluation in 2009 and the paper by Armour, Deakin, Sarkar, Siems and Singh, ‘Shareholder protection and stock market development: an empirical test of the legal origins hypothesis’ was awarded the Best Law Working Paper prize by the European Corporate Governance Institute in 2009 (see http://www.ecgi.org/wp/winners_2009.htm.).

Outputs for Law, Finance and Development			
Papers	74 75 78 79 80 84 85 91 92 93 94 95 96 100 101 102 104	*Conferences/workshops attended*	196
Articles	28 30 31 32 33 36 42 43 40 64 67 68 69 70	*Conference/workshop papers*	129 131 175 181 182 183
Chapters	10 16 17 19 23 25 22	*Research Students*	278 279 280 281
Media	304	*Datasets*	229 230 239 240 241 242

2.5 Reflexive Governance in the Public Interest

Principal Investigator: Simon Deakin

Visiting Fellow: Prabirjit Sarkar

Research Fellows: Dominic Chai, Gerhard Schnyder

Research Associates: John Armour (Oxford), Catherine Barnard (Faculty of Law), Jodie Kirshner (London Business School and CBR), Sue Konzelmann (Birkbeck College, London), John Paterson (University of Aberdeen), Steve Pratten (King's College, London), Frank Wilkinson (CBR)

Funding: European Union Sixth Research and Development Framework Programme.

Period: 2005 -2010

Aims and objectives

This is a five-year Integrated Project funded by the EU's Sixth Research and Development Framework Programme ('FP6'). The CBR is the coordinator a subnetwork on Corporate Governance which consists of four inter-related projects ('CGs 1-4'). The subnetwork is studying corporate governance practices at a number of levels. The first is that of corporate governance codes and related norms in the company law field. The aim here is to look at the evolution of corporate governance norms at a transnational level (in particular that of the EU) and in particular systems. Documentary and archival work is being carried out to build up a detailed picture of recent trends, and legal indices are being constructed, providing measures of legal change which can be used in quantitative analysis to explore economic impacts at a macro level (mainly that of individual countries) (CG1). A particular focus is on the impact of corporate governance rules on employment relations, for the purpose of which establishment-level data for Britain and France (based on the WERS and REPONSE surveys respectively) are being analysed, and trends in pension fund governance studied (CG2). A series of enterprise-level case studies is providing evidence on how firms are responding to change in the regulatory framework of corporate governance (CG3). Sectoral studies of developments in contractual governance and their impact on competitiveness, in particular among small and medium-sized enterprises, are also being conducted (CG4). The CBR is also part of a subnetwork on Fundamental Rights.

Results and dissemination: Corporate Governance Subnetwork

The work carried out by the Corporate Governance Subnetwork in 2008-9 consisted of a deepening of the empirical work of the project, the linking of the empirical findings to the theoretical framework of the REFGOV project, and applied policy analysis. The report below covers the work of the subnetwork as a whole, including the work of the

CBR and that of other members of the network (teams at the University of Bristol, the Central European University (Budapest), the European University Institute, the Catholic University of Louvain, the University of Liège, the University of Paris-X Nanterre, and the University of Trento).

The main empirical advances consisted of analysis of the development of transnational-level norms, on the European company statute and disclosure and reporting rules; case studies of the development of corporate governance codes and related aspects of company law in Belgium, Hungary, Germany, the US and France and the UK; the mapping of trends in shareholder, creditor and worker protection in a number of countries through the development of longitudinal legal indices; econometric analysis, using the legal indices just referred to, of the impact of corporate governance reforms on financial development and related outcome variables; econometric analysis of the relationship between human resource management and stock market listing in Britain and France; enterprise-level case studies focusing on the impact of corporate governance norms and changing ownership structure and hedge fund activism, both with specific reference to the utility sector and the relationship between governance structures and notions of the public interest; and sectoral case studies examining the evolution of network forms of organization in the wine sector and the television production sector, again focusing on public-interest issues.

A number of common themes are emerging from the empirical work. The first is the wide diversity of approaches to corporate governance which are to found at national level, and the barrier this poses to the transnational convergence of corporate governance practices. For example, the Hungarian case study stresses the importance of path-dependent factors, arising from the transition process, in limiting the degree of convergence with Anglo-American practice. The case study of the operation of the Belgian corporate governance code illustrates the lack of fit between norms designed for the liquid capital markets and dispersed ownership which characterize British and American practice, and the concentrated ownership structures of most Belgian listed companies.

A second theme is the lack of empirical support for the claim that corporate governance reforms stressing greater shareholder rights will lead to improved economic outcomes. The econometric work, which has been carried out using longitudinal legal indices, casts doubt on the widespread association of increased shareholder protection with more rapid financial development. This suggests that the process of transplanting corporate governance norms from the common law to civil law world, and from developed to transition and developing systems, may have been ineffective in many cases.

A third theme concerns the implications of the changes from state ownership to listed company status, and the related change in governance regimes, for conceptions of the public interest in the context of the utility sector. A study of the construction of the Terminal 5 building at London's Heathrow Airport demonstrates that risk-sharing in inter-firm contracting and a partnership approach to labour-management relations can develop in the UK context even against the background of strong shareholder pressure, but stresses at the same time the role that utility regulation can play in lengthening the time horizon for shareholder returns and creating the conditions for sustainable forms of inter-firm and labour-management cooperation. The study also, however, points to the limited degree to which the model used in the construction of T5 model has been taken up elsewhere, and highlights the contingent and uncertain nature of attempts to build enduring forms of workplace partnership in Britain. By contrast, a study of the operation of British and American activist hedge funds in Japan provides evidence of the obstacles placed in the way of a shareholder value approach in that context, where public policy constraints, a communitarian ethic within larger firms, and the relational approach taken by large shareholders to their investments, have combined to bring about strong managerial resistance to activist shareholder interventions.

A fourth theme is the complex relationship between transnational norms, on the one hand, and practices at national and sub-national level, on the other. The wine sector case study stresses the endogeneity of practices with regard to local conditions, which has led to markedly different forms of network relations emerging across the different countries studied, but also within them, as different regions exhibit divergent tendencies. Transnational norms

governing SMEs and network forms may nevertheless play a role in removing barriers to the emergence of effective forms of inter-firm contracting. Inter-firm networks in television production are not always assisted by the over-rigid application of competition law rules, at both national and EU level, which assume that atomistic competition between producers is the norm. In the company law field, the experience of the *Societas Europaea* suggests that the persistence of national diversity is likely to condition moves towards a more harmonized company law regime, and that some form of regulatory competition between states is a more likely outcome than a European company law regime based on uniform laws.

The empirical work referred to above has been linked to the wider theoretical frame of the REFGOV project. Several studies at the question of whether the 'comply or explain' approach to corporate governance is capable of generating a learning process. In practice, there is evidence of 'herding' and a tendency towards formal compliance at the expense of diversity and the generation of new solutions and forms. The T5 study makes use of the four-fold distinction developed by Lenoble and Maesschalck in the REFGOV Synthesis Reports 1 and 2, between new-institutionalist, relational, pragmatist and 'genetic' modes of reflexive governance. It is suggested that the incentive structures put in place by the contracts which were at the core of the T5 project, while containing new-institutionalist elements, were deliberately left incomplete in significant respects so as to allow room for relational and deliberative approaches to develop. The success of the project owes much to the resulting scope for learning and for the adjustment of the contractual framework in the light of experience as the project progressed. The Lenoble-Maesschalck model has also been applied to analysis of the recent financial crisis. The crisis, it is suggested, has revealed the rigidity inherent in incentive structures based on new-institutionalist conceptions of governance. This can be seen, for example, in the perverse incentive effects of bonus regimes and executive payment systems, and in the ineffectiveness of internal audit mechanisms. The crisis has also thrown doubt on claims that active monitoring by institutional shareholders would result in more accountable and efficient management.

The members of the sub-network have also been involved in applied policy work. This has taken the form, for example, of presentations of the research on inter-firm contracting to the Economic and Social Committee, and wine industry associations at national level; a research report on reflexive governance and stakeholder mapping prepared for E.on Hungary; a report of the econometric work on HRM and corporate governance in Britain and France to a workshop organized at the DARES research centre of the French Ministry of Labour; a submission made to the UK Financial Reporting Council's review of the Combined Code; and a presentation of econometric work from the analysis of legal indices to the EBRD.

The work of the sub-network has been extensively disseminated. There have been (or will be, in the case of forthcoming work) publications in a number of internationally-recognised, peer-reviewed journals. In addition, the work is being disseminated to non-academic users including corporations, civil society organizations, and policy makers. A Symposium was held with REFGOV support (co-sponsoring the event with the UK ESRC) at the Judge Business School in Cambridge in June 2009 in which over 100 participants took part. They included senior managers from leading global companies (Saint Gobain and McKinsey & Co.), senior academics in the corporate governance field (Professor Andrei Shleifer from Harvard University, who was the keynote speaker), and policy-makers who have had a major influence on the corporate governance field (Sir Adrian Cadbury).

Results and dissemination: Fundamental Rights

The CBR organised a Work Package within the Fundamental Rights subnetwork with three aims: to identify the existing forms of new modes of reflexive governance in the area of fundamental social rights; to locate their strengths and weaknesses; and to explore ways through which a more developed open method of coordinating member states' policies could produce beneficial effects, or what risks it could entail. The research has focused on the implications for reflexive governance and social rights of the decisions of the European Court of Justice in *Viking* and *Laval*, and in subsequent case law interpreting *Laval* (*Rüffert* and *Luxembourg*). At the workshop held in Cambridge in September

2008 these decisions were explored in detail with a group consisting of academics, legal practitioners, senior judicial officials, and employee representatives (employer representatives were invited but were unable to attend). A number of hypotheses concerning the impact of the Court's case law on the balance between social rights and freedom of movement and regulatory competition were presented. An American perspective stressed a limited interpretation of *Laval*, seeing it as giving expression to a compromise between the position of high-cost and low-cost member states which was implicit in the Posted Workers' Directive, and noting the sense in which that Directive could be seen as offering a resolution to the issue of how to coordinate the different approaches of the member states to conflicts of laws in the social policy field. The impact of *Viking* and *Laval* on the practical operation of the right to strike in member states was discussed, with particular reference to case law arising in the British context. Other contributions focused on the relationship between economic and social rights after Laval; the implications for the UK law on the posting of workers; the likely impact on UK industrial relations and trade unions; the impact on German industrial relations; and the implications for low pay and labour migration. After the workshop the main presentations were published in the *Cambridge Yearbook of European Legal Studies* and further work was carried out on a comparative analysis of federalism and pre-emption rules in the US and European contexts.

The research from this Work Package shows that, in the current state of the law and practice, social rights (at both national and Community level) are not an effective counterweight to pressures for market integration, and are not playing an effective role in channelling regulatory competition. The Court's expansionary approach to free movement jurisprudence, coupled with its pre-emptive reading of social policy directives, threatens to undermine member state autonomy and diversity in the labour law field, putting into question the conditions for effective regulatory learning.

Outputs for Reflexive Governance in the Public Interest			
Papers	74 75 76 79 84 92 93 94 95 102 89 91 107	*Conferences/workshops attended*	201 202 203
Articles	30 31 32 34 37 39 41 42 43 44 40 69 70 73	*Conference/workshop papers*	115 116 120 125 128 129 130 131 135 154 176 183
Chapters	16 25	*Collaboration*	

2.6 Soft Regulation: Conforming with the Principle of 'Comply or Explain'

Project Leaders: John Roberts, Paul Sanderson and David Seidl (University of Munich).

Funding: ESRC

Period: 2006-8

Aims and objectives

Rationale and method

To encourage innovation and economic growth, governments advocate flexible proportionate risk-based approaches to regulation with minimal state intervention, where the level of monitoring and control is determined by the extent to which regulatees pose a risk. The success of such regimes depends not only on the ability of regulators to correctly identify levels of risk but also on regulatees' attitudes to compliance. Understanding compliance practices and what drives them is of particular importance in assessing likely outcomes from voluntaristic forms of regulation such as national codes of corporate governance. One of the principal means by which regulatees can exercise a degree of flexibility in determining how they comply with regulations is by use of the comply-or-explain mechanism. This allows

regulatees to either fully comply with a rule or explain why compliance is not possible or not optimal. The most prominent use of comply-or-explain is within codes of corporate governance. Yet while flexible approaches to regulation, particularly risk-based regulation, have been examined in some detail there has been little research on the actual practice of comply or explain.

To address this we set out to investigate the way directors of large listed companies perceive the choices they have to make regarding complying, or explaining deviations. Both comply *and* explain, are essentially compliant in that not to comply is equally acceptable under the code as long as an acceptable explanation is given. We studied decision-makers' perceptions of the requirement to comply or explain in two countries, the UK and Germany - countries with broadly similar codes of corporate governance but contrasting political, legal and capital market structures and traditions. The differences between the two countries affect approaches to regulation, and in particular, the regulation of corporate behaviour. It is not just that UK directors are more familiar with self regulation than their German counterparts but rather that self-regulation itself is understood rather differently in the two countries. In the UK, each layer of control is separate. The state has responsibility for both general statutes and specific corporate law but delegates responsibility for control of areas unsuitable for hard law to appropriate organisations. However, in the German corporatist tradition, responsibility is jointly shared rather than divided. Control is thus coproduced using a form of co-regulation.

The empirical part of the project was carried out during 2007 and 2008. We employed a two phase qualitative research design consisting of (i) document analysis and (ii) substantive interviews, split between the UK and Germany. Our initial analysis of the corporate governance statements of the largest FTSE 100 and DAX 30 companies showed a degree of homogeneity so the number of statements analysed was increased to cover the largest 130 listed companies in both countries. The interviews had a different focus in the two countries, reflecting their different experiences of corporate governance codes. The UK interviews addressed how the code conditioned the work of the board, while in Germany they provided more detailed information on the code development process. The analysis and writing up occurred during 2008 and 2009.

Results

Phase 1. Analysis of Corporate Governance Statements.

Compliance rates. The declared compliance rates in our study differ considerably. While over 50% of the UK companies analyzed were fully compliant, the respective number in Germany was less than 15%. In both countries compliance levels dropped as company size decreased.

Justified deviations. Consistent with the best practice logic underpinning comply-or-explain one might expect to find justifiable explanations are primarily company specific but this is not the case. Such explanations account for just 50% of declared deviations in the UK and only 20% in Germany. Of these, transitional justifications from new entrants were fairly frequent in the UK where overseas listings are fairly common. In Germany, by contrast, the most common company specific explanation was board size.

Unjustified and poorly justified deviations. A large number of explanations were clearly not consistent with the principles underpinning comply-or-explain. Of these some were pure disclosures where non-conformance was stated without any obvious reason being given. While these amounted to just below 15% of deviations in the UK the respective figure for Germany was almost 40%. Both in the UK and Germany almost 10% of explanations were "empty," or disingenuous. Taken together almost 25% of UK deviations, and almost 50% of German deviations were not properly justified.

Developmental deviations. A further interesting finding concerns what we referred to as a "principled justification" against the content of a particular code provision. A principled justification is an implicit criticism of the code drafters. For example, in Germany a number of companies stated they would not, as a matter of principle, impose a 'reasonable' deductible (personal excess) on their directors' D&O (Directors and Officers' negligence) insurance, partly because the Cromme commission would not clarify what was meant by reasonable.

Size effects. In general, there appeared to be significant differences in explanations amongst the different indices or size bands (top 30 companies, middle 50 and bottom 50). While evident in both countries these differences were more prominent in Germany. Smaller companies have less resources and some code provisions are of less relevance to them, while larger companies are more exposed to public scrutiny.

Phase 2. Analysis of Corporate Governance Interviews.

Sense of 'ownership'. Most UK directors and company secretaries perceive the Combined code as embodying best practice as Cadbury intended, and as a consequence exhibit a sense of ownership of the code. This sense of ownership is rarely found amongst German directors.

The importance of monitoring. The dominance of institutional investors in the UK ensures interested and powerful monitors in what was always conceived of as a form of 'market regulation' whereas there are more family owned companies in Germany and bank finance plays a far greater role in the German capital market.

Pressure to conform. Both sets of interviewees felt considerable pressure to be fully conformant rather than engage with comply-or-explain. This was depicted often as a response to the costs of non-conformance, in terms of both resources and reputation, but is also related to the length of time the two codes have been in force and the extent to which they are considered to articulate best practice. Interestingly, the pressure interviewees felt on them to fully conform may be more perceived than real.

Comply-or-explain: reality-or-illusion? Although there was more enthusiasm for the comply-or-explain approach from UK interviewees than their German counterparts, in practice usage was greater in Germany. In the UK comply-or-explain seemed almost to serve as a security blanket – providing directors with reassurance that control over the governance of their companies had not been lost. In both countries many interviewees spoke of key rules as unbreakable, akin to hard law, which in Germany may well be true. Deviation is simply not acceptable. These rules form the bedrock of the code. A second smaller stratum of rules may have been or become sub-optimal and following substantial deviation may be amended and amalgamated into the first lower stratum. The final thin top layer consists of a very small number of rules such as board independence where temporary deviation may be unavoidable from time to time and it is these, and these only, where a valid explanation is deemed entirely acceptable.

Outputs for 'Soft Regulation': Conforming with the Principle of 'Comply or Explain'			
Papers	94	*Conferences/workshops held*	226
Conference/workshop papers	169 170 171 172 173 174 177 178 179	*Collaboration*	253 254 255 256
		User Contacts	275

2.7 Addressing Gender Inequality through Corporate Governance

Project Leader: Simon Deakin

Research Associates: Jude Browne, Colm McLaughlin

Funding: ESRC Gender Network

Period: 2007-10

Aims and objectives

The three aims are this project, funded by the ESRC's Gender Network ('GeNet') are: to examine the role of mechanisms of corporate governance and corporate social responsibility in promoting gender equality and diversity; to compare the effects of shareholder engagement and internal audit processes with the impact of 'hard' regulation (in particular, equal treatment legislation) and to relate the empirical findings to wider debates about the future of equality legislation. We are carrying out in-depth case studies of a range of organisations, using interviews with managers and workers (producing mainly qualitative data, some quantitative). We are also undertaking a policy analysis, tracking the evolution of regulatory policy over time. In addition we are examining the discourse of human rights in a range of institutional settings.

Team changes

In July 2007 Jude Browne went on maternity leave and in October 2007 she left the CBR to take up an Associate Professorship at the University of Warwick. In the summer of 2008 she returned to Cambridge to take up the post of Director of the Frankopan Centre for Gender Studies. She remains a co-investigator on this project. Colm McLauglin joined the project in July 2007. He and Simon Deakin began the empirical phase of the research and carried out several interviews with employers, policy making bodies, pension funds, private equity firms and other relevant parties. Colm McLaughlin left the CBR in November 2007 to take up a lectureship at University College, Dublin, but continues to be involved in the project as a co-investigator. The project is due to be completed in March 2010.*Progress*

Progress

The original focus of the work was to have been the Kingsmill Review, which recommended the use of corporate governance mechanisms as a substitute for hard law in achieving pay equality. In the period between the awarding of the GeNet grant and the start of the empirical phase of the project, it has become clear that the mechanism of shareholder activism envisaged by Kingsmill is not going to have a great deal of impact on equality of pay or on the related issue of diversity within organizations. Some other changes have occurred since the project was first conceived. There has been a very substantial rise in the number of equal pay claims, and several controversial judgments. Some solicitors' firms have specialized in bringing new types of claims against unions for failing to implement the equality principle fully in their dealings with employers. It is also possible that the practice of pay audits, which are *de facto* obligatory in the public sector but still voluntary in the private sector, is having an impact. The third major development involves the current review of discrimination law. This rejects hard law measures and once more emphasizes the desirability of 'reflexive' approaches to the regulation of equal pay. However, it makes no mention of the corporate governance mechanisms favoured by Kingsmill. The review raises a number of issues about the effectiveness of the current legal framework in meeting the objectives of the equal treatment principle.

In the light of these changes, we have varied the original project brief. We are no longer focusing solely on shareholder activism, although understanding the barriers to activism, and to SRI, are part of the work. To this end we have been interviewing pension funds, fund managers and pension lawyers to get a better idea of how this aspect of the corporate governance system is working. In addition, we are interviewing organisations with different ownership

structures to see how corporate governance form impacts on HRM in general and the management of diversity and equal pay in particular. This means looking at organisations to see whether, for example, being a listed company, or being owned by a private equity firm, makes a difference to HRM policy. We are also comparing the public and private sectors. One of the things we are focusing on here is the role of audit and disclosure rules in generating learning about organisational responses to the equal pay issue. We will be conducting interviews in around 20 organisations. We will supplement this with a quantitative analysis, using WERS 2004, of the relationship between organisational form (that is, whether an organisation is in the public or private sector, or is a listed company, private company, mutual, cooperative or charity) and gender equity outcomes at establishment level. We are also interviewing policy makers and various representative bodies to get their views on the wider question of the future development of discrimination law. We are interviewing trade unions and legal practitioners to get their view on how collective bargaining is working in this area, alongside equal pay law. Thus the project is moving in the direction of addressing the question of which regulatory techniques ('hard' or 'soft' law; collective bargaining; shareholder activism) work well in this area, and to what extent they may be complementary. The corporate governance focus remains but is now part of a wider study of equality law in practice.

Outputs for Addressing Gender Inequality through Corporate Governance			
Articles	65	*Conference/workshop papers*	162 163 164

2.8 Pension Fund Governance and Socially Responsible Investment

Project Leader: Simon Deakin.

Research Associates: John Buchanan (CBR), Andrew Johnston (Faculty of Law, University of Cambridge) Sue Konzelmann (Department of Management, Birkbeck College, London), Wanjiru Njoya (Faculty of Law, University of Oxford)

Funding: Belspo (Belgian Science Foundation); additional funding from the Japanese Ministry of Education COE grant to ITEC, Doshisha University, and the CBR

Period: 2007-11

Aims and objectives

The issue of the 'fiduciary duties' of the board of directors and executive managers, as well as of mutual funds and pension fund managers, have become central to current debates on corporate governance. There is a growing tension between the mainstream 'shareholder conception' – which has made of 'shareholder value' the unique benchmark for the determination and evaluation of the fiduciary duties and some conception –, a conception which itself includes a number of variants such as the 'stakeholder approach' or the 'enlightened shareholder value approach' (in which the long term interest of the shareholders are taken more explicitly into consideration) on the one hand, and on the other hand, a growing recognition that interests other than those of shareholders interest have to be taken into account for the effective operation of the firm. In addition to that, the traditional legal regulation has been supplemented and to some extent challenged by a growing recourse to self-regulation (in the form of 'codes of conduct' or other 'soft law' instruments). There is a significant but contentious move towards a broadened conception of fiduciary duties asserting the obligation of pension funds trustees to take into account social, ethical or environmental factors when taking investment decisions.

This project, funded by the Belgian Science Foundation (Belspo), will look at issues of pension fund governance and socially responsible investment or SRI in a comparative perspective, with the CBR working with teams from the

Catholic University of Louvain and the University of Liège. The work began in 2007. A number of interviews have been carried out by John Buchanan and Simon Deakin with pension fund managers, legal experts, activist hedge funds, and companies affected by these corporate governance developments in Britain and Japan. The Japanese part of the work is funded by the grant provided to the CBR by the Japanese Ministry of Education through the collaboration agreement between the CBR and ITEC, Doshisha University. Eku Koybayashi has joined the project as a research assistant in to carry out background research on interventions by British and American-based activist hedge funds in Japan.

Progress and findings

The main contribution of the CBR in the past year has been to develop the empirical research on pension fund governance and SRI, on the one hand, and on specific aspects of the drivers of corporate governance, which ultimately shape the companies in which pension funds and other entities invest, on the other. For the former research we have looked at the UK. For the latter research we have concentrated on Japan because, as explained below, we consider that it offers a valuable demonstration of how two distinct views on the purpose of the firm have recently clashed, with implications for those investors which have hitherto tended to promote a lean financial model for corporate activity that the current financial crisis is now leading many to question.

On pension fund governance, John Buchanan and Simon Deakin have continued to work on their paper on the evolution of the trust model in UK pension fund governance. This paper considers the evolution of trustee-focused governance for occupational pension funds in Britain from its early twentieth century beginnings, up to the more recent emergence of pension protection legislation. The changing role of the trustees, and in particular the trend towards the independence of trustees from the sponsor company, is explored. A number of case studies, which have thrown the role of trustees into sharp relief in the context of takeover bids and other corporate restructurings, are discussed.

On drivers of corporate governance, John Buchanan, Dominic Chai and Simon Deakin have been carrying out empirical work on the impact of hedge fund activism in Japan and the ways in which it has demonstrated both the conceptual underpinnings of Japanese corporate governance and ways that it functions in practice. A working paper, in progress, first of all explains the nature of activist hedge funds as a sub-set of the larger category of hedge funds in general, and then describes recent interventions by British and US activist hedge funds in Japanese listed companies. The Japanese cases are particularly interesting for the opportunity they provide to study the clash between the financially-driven, shareholder value orientation of the British and American hedge funds – whose formal views are conceptually an extension of those held hitherto by most American and European institutional investors - and the stakeholder or communitarian ethic of many of the Japanese firms in which they invest. The paper draws on quantitative evidence of global trends in hedge fund interventions and on interviews with hedge funds, their targets, regulators, and policy makers, carried out between 2006 and 2008. We show that while a first phase of activist interventions appears to have been successful in generating above-market rates of return for the hedge funds, in a second phase the funds were less successful, as the result of resistance from target managers, limited support from other shareholders (including many non-Japanese investors), and widespread approval, in but also beyond government, for a communitarian ethic in corporate governance. Although, in recent months, the financial crisis has led several hedge funds to reduce their investments in Japanese companies, we argue that even prior to this disinvestment, they were facing significant obstacles, and that withdrawal would have been the most likely outcome in any event in the medium term.

Other contributions in the year include work by Andrew Johnston on takeover regulation and the economics of law; by John Buchanan and Simon Deakin on general trends in corporate governance in Japan; by Simon Deakin and

Wanjiru Njoya on the legal framework of employment relations and corporate governance; by Wanjiru Njoya on legal implications of the rise in shareholder activism for stakeholder relations, and on the significance for legal policy of new evidence on the effects of takeover bids on restructuring; and by Sue Konzelmann, Simon Deakin and other colleagues on the interface between corporate governance and HRM practices at firm level. We are also working on the more theoretical aspects of the project, linking our empirical and policy-orientated work to the theory of reflexive governance, and in particular the issue of collective learning in the context of corporate governance. Our emerging conclusion here is that there is that the preconditions for collective learning in the corporate governance field are lacking in large part because of the sharp divergences of perspective which exist between different actors and the lack of consensus on the aims and objectives of investor activism. We will be working further on this theme.

We have also used our hedge fund data to provide presentations to two major Japanese companies which we visited. These companies spoke to us in detail, at a senior level, regarding their experiences with hedge fund activists, on condition of anonymity, and we believe that our ability to give these presentations greatly increased our credibility and enabled us to obtain valuable information.

Outputs for Pension Fund Governance and Socially Responsible Investment			
Papers	76 77	*Chapters*	13 21
Articles	56 57	*Conference/workshop papers*	117 118 155 156

3. Outputs

(*forthcoming)

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105. Singh, A. (2008) 'The Past, Present and Future of Industrial Policy in India: Adapting to the Changing Domestic and International Environment', Cambridge CBR Working Paper No. 376, December.

106. Thompson, J. (2009) Inkjet Printing case report, Funding Breakthrough Technology Project, CBR

107. Turner, S. (2009) 'Networks of learning in the English wine industry: communitarian, distanciated, organisational and redundant' CBR Working Paper No. 386.

Conference and Workshop Presentations

108. Abreu, M, Grinevich, V, Hughes, A and Kitson, M, 'University-Industry Knowledge Exchange in the UK: Preliminary Results from Surveys of Businesses and Academics, 'European Regional Science Association (ERSA) conference in Liverpool, 27-31 August 2008
109. Abreu, M, Grinevich, V, Hughes, A and Kitson, M, 'University-Industry Knowledge Exchange in the UK: Preliminary Results from Surveys of Businesses and Academics', North American Regional Science Council (NARSC) conference, New York, 20-22 November 2008
110. Abreu, M, Grinevich, V, Hughes, A and Kitson, M, 'Universities in the Innovation Ecosystem' Going Global 3: New frontiers of knowledge production and the changing role of universities, London, 5 December 2008
111. Abreu, M, Grinevich, V, Hughes, A and Kitson, M, 'Knowledge Exchange Between Universities And The Business, Public And Third Sectors: Preliminary Results From Surveys Of Businesses And Academics', Higher Education – Making A Difference To Economies And Communities, Belfast, 28th January 2009
112. Abreu, M, Grinevich, V, Hughes, A and Kitson, M, 'Knowledge Exchange Between Universities And The Business, Public And Third Sectors: Preliminary Results From Surveys Of Businesses And Academics' Higher Education, Knowledge Exchange and the Economy Seminar, Edinburgh, 10th March 2009
113. Abreu, M, Grinevich, V, Hughes, A and Kitson, M, 'University-business knowledge exchange: evidence from the UK', Triple Helix Conference, Strathclyde,17-19 June 2009
114. Abreu, M, Grinevich, V, Hughes, A and Kitson, M, 'Knowledge Exchange Between Universities and the Business, Public and Third Sector', Triple Helix Conference, Strathclyde, 17-19 June 2009
115. Barnard, C. (2008) 'Viking and Laval: an introduction', presentation to Cambridge REFGOV workshop, 'Reflexive Governance and Free Movement: the cases of *Viking*, *Laval* and *Rüffert*', September 2008.
116. Buchanan, J. Chai, D. and Deakin, S. (2009) 'The causes and consequences of hedge fund activism in Japanese listed companies', presentation to REFGOV CG workshop, 24-25 Cambridge, June 2009.
117. Buchanan, J. and Deakin, S. (2009) 'Foreign activism in Japan', presentation to managers in listed Japanese companies in Tokyo, January.
118. Buchanan, J. Chai, D. and Deakin, S. (2009) 'The causes and consequences of hedge fund activism in Japanese listed companies', presentation to REFGOV CG workshop, 24-25 Cambridge, June 2009.
119. Bullock, A (2009) SME Finance and innovation in the current economic crisis at the launch of the Innovation Research Centre at NESTA, London, 4 March, 2009
120. Chai, D., Deakin, S., Sarkar, P. and Singh, A. (2009) 'Product market competition, corporate governance and legal origin' presentation to REFGOV CG workshop, Cambridge, 24-25 June 2009.
121. Connell, D (2008) organised and gave two talks at high level 2 day policy symposium on 'Novel Electronic and Photonic Device Technologies: Policies to Maximise the Benefits to UK plc' 6 and 7 November 2008, with participation by senior officials from DIUS, TSB, EPSRC,MOD, Royal Society, IMEC (Belgium), Fraunhofer Microelectronic Institute (Germany) and UK technology companies.
122. Connell, D (2009) talk given to TSB management on soft and hard companies and collaborative R&D cf Contract R&D 5 January 2009.
123. Connell, D (2009) presented paper at *Workshop on Pre-competitive Procurement* organised by European Commission 16 June 2009 and made policy proposals
124. Connell, D (2009) Chaired and gave talk at Cambridge Network event on SBRI (21 July 2009)

125. Conway, N., Deakin, S., Petit, H., Rebérioux, A., Konzelmann, S. and Wilkinson, F. (2008) 'The influence of stock market listing on human resource management: evidence for France and Britain' presented to WERS-REPONSE workshop, DARES, Paris, 11 September 2008.

126. Cosh, A., Sharpe, S., Connell, D. and H. Parnell (2009) 'Start-up Finance: The role of micro funds in the financing of new technology based businesses – Launch presentation'. Policy workshop at NESTA to launch Start-up Finance report. NESTA offices, London, 19th May 2009.

127. Cosh, A (2009) 'Start-up Finance: The role of micro funds in the financing of new technology based businesses' IRC Workshop held at Imperial College, 11th June 2009.

128. Deakin, S. (2008) 'Regulatory competition after Laval' presentation to seminar at Columbia Law School, August 2008 and to Cambridge REFGOV workshop, 'Reflexive Governance and Free Movement: the cases of *Viking*, *Laval* and *Rüffert*', September 2008.

129. Deakin, S. (2009) presentation of 'The legal origins hypothesis: what we are learning from time series evidence', presentation to EBRD, London, January 2009, legal origins conference at Brigham Young University, February 2009, corporate governance seminar, University of Auckland, April 2009, and conference at Birmingham Business School, July 2009.

130. Deakin, S. (2009) 'Regulatory competition: comparing EU and US approaches', presentation to workshop on Cartesio, EUI, January 2009.

131. Deakin, S. (2009) 'Corporate governance, finance and growth: unravelling the relationship', inaugural Mike Larkin Memorial Lecture, University of Cape Town, March 2009.

132. Deakin, S. and Koukiadaki, A. (2008) 'Information and consultation rights and corporate restructuring : preliminary evidence from the UK', Capright Project meeting, SOFI, Goettingen, 24-25 September.

133. Deakin, S. and Koukiadaki, A. (2008) 'Les procédures d'information-consultation des salariés face aux restructurations en Grande-Bretagne', Colloque sur les restructurations industrielles entre politiques, droit et relations professionnelles, IDHE (Institutions et Dynamiques Historiques de l'Economie), Paris, October 2008.

134. Deakin, S. and Koukiadaki, A. (2009) 'Information and consultation rights and corporate restructuring : evidence from the UK', Capright Project meeting, University of National and World Economy, Sofia, 25 March.

135. Deakin, S. and Koukiadaki, A. (2009) 'Systemic deliberation and contractual governance: the case of T5' presentation prepared for REFGOV CG workshop, Cambridge, 24-25 June 2009.

136. Hughes, A. (2008) 'Impact of Small Business Support Policy and Innovation Policy: Some Reflections based on two Decades of Performance in the Small Business Sector in the UK', 6th ESRC and SBS Seminar: Entrepreneurship & Small Business Policy, 12 September.

137. Hughes, A. (2008) 'University-Industry Links: new results and new directions', *DIME Research Network Meeting*, Imperial College London, 8 December.

138. Hughes, A. and Kitson, M. (2008) 'University-Industry Knowledge Exchange in the UK: Preliminary Results from Surveys of Businesses and Academics', Presentation to DIUS, London, 5 December 2008.

139. Hughes, A. (2009), 'Finance and Innovation in the Current Economic Crisis', Launch of the UK Innovation Research Centre (UK~IRC), NESTA, 1 Plough Place, London, 4 March.

140. Hughes, A. (2009) 'Takeovers, Institutional Investment and the Evolution of Corporate Control in the UK', *Corporate Ownership and Control: Economic, Historical and Legal Aspects,* The Centre for Corporate and Commercial Law, Cambridge and the European Corporate Governance Institute, Faculty of Law, Cambridge, 12 January.

141. Hughes, A. (2009) 'Industrial Innovation and the Role of the Modern Research University', International Alliance of Research Universities (IARU), The Pitt Building, University of Cambridge, 27 April.

142. Hughes, A. (2009), 'Universities and the Commercialisaton of Science: Retrospect and Prospect', DRUID Summer Conference, Copenhagen, 17-19 June.

143. Hughes, A. (2009), 'What Academics and Businesses want from Knowledge Exchange: The Case of the UK', UK~IRC Research Conference, Imperial College London, 11-12 June.

144. Hughes, A. (2009), 'What Academics and Businesses want from Knowledge Exchange: The Case of the UK', UK~IRC Universities~Business Interaction Workshop, Newnham College, Cambridge, 4-5 June.

145. Hughes, A. (2009), 'Understanding University-Industry Knowledge Exchange: R&D in Context', *Industrial Innovation and the Role of the Modern Research University*, International Alliance of Research Universities (IARU), The Pitt Building, University of Cambridge, 27 April.

146. Hughes, A. (2009), 'What Academics and Businesses want from Knowledge Exchange: The Case of the UK'*, Risk and Innovation Workshop*, CRASSH, 16 April.

147. Hughes, A. (2009), 'What Academics and Businesses want from Knowledge Exchange: The Case of the UK', *What Industry Wants from Universities A Kauffman Foundation Seminar,* University of San Diego, 13 March.

148. Hughes, A. (2009), 'University-Industry Knowledge Exchange in the UK: Preliminary Results from Surveys of Businesses and Academics', ESRC Social Science Week *Managing Knowledge Spaghetti Event*, Imperial College, 9 March.

149. Hughes, A. and Learmount, S. (2009), 'Innovation and the Governance of University Research', Governance Symposium, Judge Business School, 26 June 2009.Kirshner, J. (2009) 'Regulatory competition in Europe: the *Societas Europaea*' presentation to REFGOV CG workshop, Cambridge, 24-25 June 2009.

150. Jones, I. (2008), 'Multinationals in their communities', European Management Association, Pisa, ….

151. Jones, I. (2009), 'Effectiveness, motivation and Leadership of MNEs' third world CSR community projects. workshop on Business Ethics, Centre for Institional Performance, Reading University 29 March 2009

152. Jones, I (2009) How MNEs approach community projects, reflections on measurement, motivation and ethics, Ashridge International Research Conference 21st May 2009

153. Jones, I (2009) Panel member on CSR and Development Panel, 2nd International Business Conference, Reading University.

154. Kirshner, J. (2009) 'Regulatory competition in Europe: the *Societas Europaea*' presentation to REFGOV CG workshop, Cambridge, 24-25 June 2009.

155. Konzelmann, S. (2008) 'The Influence of Stock Market Listing on Human Resource Management: Evidence For France and Britain.' (with N. Conway, S. Deakin, H. Petit, A. Reberiouz and F. Wilkinson) Proceedings of the WERS REPONSE Workshop, BERR/DARES, Paris, France, September 2008. [Also in Refgov]

156. Konzelmann, S. (2008) 'The Conflicting Logic of Markets and the Management of Production.' (with F. Wilkinson). Proceedings of the 6th Annual Capital Matters Conference, Harvard Law School, Cambridge, Mass., USA April 16-18, 2008

157. Koukiadaki, A. (2009) 'The establishment and operation of information and consultation of employees arrangements in a capability-based framework', Socio-Legal Studies Association conference, De Monfort University, Leicester, 7-9 April.

158. Koukiadaki, A. (2009) 'The capability approach and the 2002/14/EC Directive', Capright Summer School: Towards a European Politics of Capability, Venice, 20-23 May.

159. Koukiadaki, A. (2009) 'Applying for a Leverhulme Trust early career fellowship', Researchers Development Initiative workshop, Liverpool Law School, Liverpool, 22 June.

160. Koukiadaki, A. (2009) 'Systemic deliberation and contractual governance: the case of T5', Corporate Governance, REFGOV conference, Cambridge, 24-25 June.

161. Martin, Bill (2009) 'An Augmented UK Private Expenditure Function', CBR Working Paper No. 384, Centre for Business Research, University of Cambridge, Cambridge.

162. McLaughlin, C. and Deakin, S. (2009) 'Addressing gender equity through corporate governance: A role for reflexive regulation?' Paper presented at the GeNet Conference, 'Gender Inequalities in the 21st Century' Queens' College, University of Cambridge, March 26-27th and at the annual SASE conference, Paris, July 16-18th.

163. McLaughlin, C. and Deakin, S. (2009) 'Corporate governance and gender inequality: A role for reflexive regulation?' Paper presented at the 6th Critical Management Studies Conference, University of Warwick, July 13-15th.

164. McLaughlin, C. (2009) 'Open coordination or beneficial constraint? The reflexive governance lessons from Ireland and Denmark'. Paper presented at the Irish Academy of Management Conference, GMIT Galway, Sept 2-4th.

165. Polllitt, M. (2009), 'Green values in Communities: Origins and Practice', CIBAM Conference on 'Green Business and Green Values', Cambridge, Feb 19-20, 2009.

166. Polllitt, M. (2009), 'The Ethics of the Stern Review on the Economics of Climate Change', Association of Christian Economists Annual Conference, Cambridge, July 3-4, 2009.

167. Probert, J. (2009) 'Customer-funded development contracts and the growth and sustainability of high-tech firms', UK~IRC Research Workshop, Imperial College, London, 11-12 June.

168. Probert, J. (2009) 'Customer-funded development contracts and the growth and sustainability of high-tech firms (revised version of paper)', SASE Annual Conference, Paris, 16-18 July 2009.

169. Roberts, J (2009). Strategic Value Accountability? The Mediating Role of the Board. Paper prepared for the *Strategising and Accounting Workshop*, Imperial College, London, 11-12 May.

170. Roberts, J (2009). No-one is Perfect: some reflections on the Limits of Transparency and an Ethic for 'Intelligent' Accountability. Prepared for the *6th International Critical Management Studies Conference,* University of Warwick.

171. Roberts, J (2009). No-one is Perfect: some reflections on the Limits of Transparency and an Ethic for 'Intelligent' Accountability. Presented at the EU FP6 Integrated Project, 'Reflexive Governance in the Public Interest' Corporate Governance Sub-Network Workshop, *Corporate Governance, Reflexive Regulation and the Financial Crisis.* Murray Edwards College, University of Cambridge, 24-25 June.

172. Sanderson, P (2008) 'Shifting to Regulation Lite: The Need for Smart Implementation.' *Public Sector Reform: New Forms of Governance Symposium.* London School of Hygiene and Tropical Medicine. 10 December

173. Sanderson, P., Seidl, D., Krieger, B., and Roberts, J. (2009) How flexible is flexible regulation? Applying the comply-or-explain principle in the UK and Germany. Presented at the *7th International Conference on Corporate Governance: "Corporate Governance: Managing Risk in a Changing World."* Birmingham Business School: 29th June

174. Sanderson, P., Seidl, D., Krieger, B., and Roberts, J. (2009) How flexible is flexible regulation? Applying the comply-or-explain principle in the UK and Germany. Presented at the EU FP6 Integrated Project, 'Reflexive Governance in the Public Interest' Corporate Governance Sub-Network Workshop, *Corporate Governance, Reflexive Regulation and the Financial Crisis.* Murray Edwards College, University of Cambridge, 24-25 June

175. Sarkar, P., and Singh, A. (2009) 'Law, finance and development: further analyses of longitudinal data', presentation to conference at Birmingham Business School, July 2009.

176. Sarkar, P. and Singh, A. (2009) 'Law, finance and development: further analyses of longitudinal data' presentation to REFGOV CG workshop, Cambridge, 24-25 June 2009.

177. Seidl, D. and Sanderson, P. (2009) 'Applying comply-or-explain: Conformance with codes of corporate governance in the UK and Germany.' Paper presented at the 6th International Critical Management Studies Conference, University of Warwick

178. Seidl, D. and Sanderson, P. (2009) 'Conforming with Corporate Governance Codes: Using 'Comply-or- Explain' in the UK and Germany.' Governance Symposium. Judge Business School, University of Cambridge 26 June.

179. Sanderson, P and Rabinovich, L. (2009) 'International Comparison of 10 Medical Regulatory Systems: Egypt, Germany, Greece, India, Italy, Nigeria, Pakistan, Poland, South Africa and Spain.' General Medical Council Equality and Diversity Research Forum. London. 04 June.

180. Sharpe, S. (2009) 'Profiting from the breakthrough: Technology commercialisation in the global age, the case of LCD technology' presented at the 12th Uddevalla Symposium on *The Geography of Innovation and Entrepreneurship*, Bari, Italy 11-13th June 2009.

181. Siems, M. (2009) 'Shareholder, creditor and worker protection: time series evidence about the differences between French, German, Indian, UK and US law', presentation to workshop on corporate governance, Copenhagen Business School.

182. Siems, M. (2009) 'Comparative law and finance: past, present and future research' presentation to JITE conference, Kloster Eberbach, June 2009

183. Siems, M. and Deakin, S. (2010) 'Comparative law and finance: past present and future research', presentation to the REFGOV CG workshop, Cambridge, 24-25 June 2009.

184. Singh, A. made the following presentations in 2008-9: American Economic Association meetings in New Orleans, at the Law Faculty at Punjab University, at New School for Social Research in New York, and the Department of Economic Affairs at the United Nations in New York. He also made a presentation to Link Party members at the Bundestag at Berlin on Hostile Takeovers.

185. Singh, A. presented a paper on China, India and the World Economy at the Institute of Social Studies in the Hague to mark the inauguration of Professor Rolph van der Hoeven, 18th September 2008.

186. Singh, A. presented a paper on the financial crisis and the Indian response as a special guest speaker at the Centre for Trade and Development (CENTAD), New Delhi, 17 December 2008.

187. Singh, A. introduced a discussion on the credit crunch and financial globalization at a special gathering of economists at the RIS Institute in New Delhi, 24 December 2008.

188. Singh, A. presented a paper on fast growth in India and China: a simulation analysis indicating labour conflict over the distribution of the world's natural resources, at the American Economic Association meetings at San Francisco, 5th January 2009.

189. Singh, A. participated in a panel discussion on financial globalization at a conference organized by the Development Studies Committee, Cambridge, 9 February 2009.

190. Singh, A. presented a paper on how the Asian countries can best protect themselves from the current financial crisis, at a meeting of the Cambridge University Asian, Law and Business Association, 28th February 2009.

191. Singh, A. reported on the Cambridge project on law, finance and development at a special workshop organised by Swedish economists at Stockholm to discuss the Cambridge research, 11th May 2009.

192. Singh, A. presented a joint paper with Simon Deakin and Prabirjit Sarkar on law finance and development at the Max Fry Conference at the University of Birmingham, on 15th May 2009.

193. Singh, A. presented a seminar on China, India and the World economy at Professor Stiglitz's workshop at the University of Manchester, 22nd June 2009.

194. Singh, A. presented a paper, "The Global Economic and Financial Crisis: an Optimistic View", at a high level conference held at the Judge Business School, 26th June 2009.

195. Singh, A. gave a public lecture on an optimistic view of the global crisis at a meeting organised by Centre for Trade and Development (CENTAD), New Delhi. 24th July 2009. Leading Indian economists were official discussers of my presentation.

Conferences and Workshops attended

196. Bullock, A. attended the launch of the Innovation Research Centre at NESTA, London, 4 March, 2009
197. Bullock, A. attended an IFM seminar at the IFM on 15 April 2009.
198. Milner, I. attended the launch of the Innovation Research Centre at NESTA, London, 4 March, 2009
199. Milner, I. attended an IFM seminar at the IFM on 15 April 2009.
200. Connell, D (2009) Annual TSB innovation Conference Oct 6 2009
201. Deakin, S (2008) REFGOV workshop, 'Reflexive Governance and Free Movement: the cases of *Viking*, *Laval* and *Rüffert*', Faculty of Law, University of Cambridge, September 2008.
202. Deakin, S (2009) Corporate Governance Sub-Network Workshop, *Corporate Governance, Reflexive Regulation and the Financial Crisis,* CGs1-4, Murray Edwards College, University of Cambridge, 24-25 June 2009.
203. Deakin, S (2009) Governance Symposium, Judge Business School, University of Cambridge, 26 June 2009
204. Deakin, S (2009) Governance Symposium, Judge Business School, University of Cambridge, 26 June 2009.
205. Hughes, A (2009) UK-IRC Conference, 11-12th June 2009, Imperial College, London
206. Koukiadaki, A. (2008) REFGOV workshop, 'Reflexive Governance and Free Movement: the cases of Viking, Laval and Rüffert', Faculty of Law, University of Cambridge, September 2008.
207. Jones I (2009) attended Governance Symposium, Judge Business School, University of Cambridge, 26 June 2009
208. Jones, I (2008) attended Research and Reputation conference, Henley Business School, October 2008
209. Jones , I 2009, attended Investment UK seminar on 'Future of Corporate Goverance for financial institutions' June
210. Jones I (2009) Attended Research conference, City of London, March 2009….
211. Jones, I. and Pollitt, M. (2009) attended CIBAM 'Green values and Green Business Conference, 19-20 Feb, 2009.
212. Jones, I. and Pollitt, M. (2009) attended the Association of Christian Economists UK Annual Conference, 2-3 July, 2009.
213. Koukiadaki, A. (2009) Corporate Governance Sub-Network Workshop, Corporate Governance, Reflexive Regulation and the Financial Crisis, CGs1-4, Murray Edwards College, University of Cambridge, 24-25 June 2009
214. Mina A. (2009) UK-IRC Conference, Imperial College, London, 11-12th June.
215. Mina, A. (2009) VII Triple Helix Conference on University, Industry and Government Linkages, University of Strathclyde, University of Strathclyde, Glasgow, 17-19th June 200
216. Probert., J. (2008) CIKC Policy Symposium, Commercialising Novel Electronic and Photonic Device Technologies: Policies to Maximise the Benefits to UK plc, St. Catharine's College, Cambridge, 6-7 November 2008.
217. Probert, J. (2008) Open Innovation in Services Workshop, organised by the Programme on Regional Innovation, Cambridge-MIT Institute Partnership Programme, Moller Centre, Cambridge, 10-11 December, 2008 (J. Probert).
218. Probert, J.. (2009) SASE Annual Conference, Paris, 16-18 July.
219. Probert, J. (2009) UK~IRC workshop on University-Business Interactions, Newnham College, Cambridge, 4-5 June 2009.
220. Probert, J. (2009) UK~IRC Research Workshop, Imperial College, London, 11-12 June 2009.
221. Sharpe, S. (2008) attended MIT/ Cambridge Open Innovation in Services, 10-11th December 2008, Churchill College, Cambridge.
222. Sharpe, S (2009) attended 12th Uddevalla Symposium on *The Geography of Innovation and Entrepreneurship*, Bari, Italy 11-13th June 2009.
223. Sharpe, S. and Connell, D. (2009) 'Re-inventing Venture Capital Workshop' held at DEMOS, 13th July 2009.

224. Singh, A. attended the European corporate governance network workshop at Istanbul and presented a paper on law finance and development, 7-8 November 2008.

Conferences and Workshops held

225. Connell, D (2008) organised and gave two talks at high level 2 day policy symposium on 'Novel Electronic and Photonic Device Technologies: Policies to Maximise the Benefits to UK plc' 6 and 7 November 2008, with participation by senior officials from DIUS, TSB, EPSRC,MOD, Royal Society, IMEC (Belgium), Fraunhofer Microelectronic Institute (Germany) and UK technology companies.

226. Sanderson, P (2008). Chair and convener of the 3rd Annual International Conference on Regulation, Inspection and Improvement, 'Changing Configurations in the Regulation of Health and Social Care.' Homerton College, Cambridge, 18 November, a collaboration with . Anglia Ruskin University.

Surveys

227. Bullock, A. and Milner, I. (2008) University-Industry Knowledge Exchange (HEI) survey Main survey – Postal – (3rd mailout)

228. Bullock, A. and Milner, I. (2008) SME Survey on the Credit Crunch – postal survey

Datasets created/Software written

229. Armour, J., Lele, P., Mollica, V. and Siems, M. (2009) *Creditor Protection Index - 5 Countries* (submitted to ESRC Data Archive)

230. Armour, J., Lele, P., Mollica, V. and Siems, M. (2009) *Creditor Protection Index - 25 Countries* (submitted to ESRC Data Archive)

231. Bullock, A. United Kingdom Survey of Small- and Medium-sized Enterprises' Finances, 2007 (SN 6049)

232. Bullock, A. datasets archived: 5 datasets created in the Law, Finance and Development project (SN6260).

233. Bullock, A. and Milner, I. CBR 2008 SME dataset

234. Bullock, A. and Milner, I. CBR 2004 and 2008 panel dataset

235. Bullock, A. and Milner, I. CBR 1997-2008 panel dataset

236. Bullock, A. and Milner, I. UK IRC Balanced Economy Project - data compiled

237. Bullock, A. and Milner, I. University-Industry Knowledge Exchange (HEI) business dataset

238. Bullock, A. and Milner, I. University-Industry Knowledge Exchange (HEI) academic dataset

239. Deakin, S., Lele, P. and Siems, M. (2009) *Labour Regulation Index - 5 Countries* (submitted to ESRC Data Archive)

240. Deakin, S., Lele, P., Mollica, V. and Siems, M. (2009) *Labour Regulation Index - 25 Countries* (in progress)

241. Lele, P. and Siems, M. (2009) *Shareholder Protection Index - 5 Countries* (submitted to ESRC Data Archive)

242. Siems, M. *et al.* (2009) *Shareholder Protection Index - 25 Countries* (submitted to ESRC Data Archive)

Collaboration with other Research Teams / Membership of Research Networks

243. Hughes, A. Dept. of Physics (Cambridge), Dept. of Electrical Engineering (Cambridge), Judge Business School, Institute for Manufacturing, Imperial College Business School.
244. Jones, I.: a Member of Academy of International Business, European Association of International Business, Strategic Planning Society, Consultants Group at Ridley Hall, Cambridge, Institute of Business Ethics, University Association for Contemporary European Studies, The Devonshire House Management Club, and the Centre for Tomorrow's Company.
245. Jones, I.: a Fellow of Royal Society of Arts.
246. Jones, I.: a member of CIBAM Cambridge.
247. Jones, I.: a member of the Centre for Institutional Performance, Department of Economics, The University of Reading Business School.
248. Jones, I.: a visiting fellow of the School of Reputation and Relationships at Henley Management College.
249. Jones, I. and Pollitt, M advise Dr Peter Heslam, Transforming Business, Faculty of Theology, Cambridge.
250. Koukiadaki, A. Member of the Board of National Correspondents at the European Labour Law Journal.
251. Koukiadaki, A. Associate Fellow at the New Zealand Work and Labour Market Institute, Auckland Technical University.
252. Koukiadaki, A. participation in the EU Framework Programme 7 funded project 'Governance of uncertainty and sustainability: tensions and opportunities', led by the University of Warwick
253. Sanderson, P (2009-2011) collaboration with Cambridge Centre for Housing and Planning Research, Dept. of Land Economy, University of Cambridge on 'Analysis and Advice in respect of Regulatory Data.' Funded by the Tenant Services Authority.
254. Sanderson, P (2008). Chair and convener of the 3rd Annual International Conference on Regulation, Inspection and Improvement, 'Changing Configurations in the Regulation of Health and Social Care.' Homerton College, Cambridge, 18 November, a collaboration with Anglia Ruskin University.
255. Sanderson, P and de Vries, H (2009) 'International Comparison of 10 Medical Regulatory Systems: Egypt, Germany, Greece, India, Italy, Nigeria, Pakistan, Poland, South Africa and Spain.' A research project in collaboration with RAND Europe funded by the General Medical Council, London. (October 2008 to April 2009).
256. Sanderson, P. (2009) Professional Memberships; Member of the European Group of Public Administration; Member of the European Group on Organization Studies; Fellow of the Higher Education Academy
257. Singh, A. (2009) Centre for Trade and Development (CENTAD), New Delhi, India, Institute for International Studies in Copenhagen, International Labour Office in Geneva. Centre for Research in Asian Studies, Copenhagen Business School.

User Contacts

258. Connell, D Adviser to TSB on implementation of UK SBRI programme
259. Connell, D Arranged for a structured programme of visits to a group of Cambridge technology companies by TSB Chief Executive and DIUS Director General of Science and Research 6 March 2009
260. Connell, D Consulting support to CUED academics on creation of possible IKC photonics spin out
261. Connell, D Meeting with David Willets (Shadow Minister) on SBRI 23 Oct 2009
262. Connell, D Meeting with Malcolm Harbour MEP on EU Pre-Commercial Procurement Policy and SBRI
263. Connell, D Policy consultation meetings with BVCA (13 May), Policy Exchange (27 May), DEMOS (13 July)

264. Connell, D Continue to be Director of TTP Capital Partners Ltd and Opportunity Links Ltd and member of board of Cogentium Ltd
265. Hughes, A.: International Expert Adviser to the *Committee to Review the Australian Innovation System*.
266. Jones, I. has contributed to programme development at Henley Business School.
267. Jones, I. acts as leader for the current MBA Corporate Governance and Board Leadership elective
268. Jones, I contributes to Reputation and Relationships MBA elective.
269. Jones I, reviewed papers for the forthcoming EIBA research conference
270. Jones, I. is an Associate of the SAMI, a group of scenario consultants.
271. Jones, I. is consultant to Linstock Ltd –corporate governance consultancy.
272. Jones, I. is an adviser to CornerstonesSolutions a management training company.
273. Koukiadaki, A. (2008/2009) Involvement and Participation Association,
274. Koukiadaki, A. (2008/2009) Chemical Industry Association.
275. Sanderson, P and Han de Vries, RAND Europe and P. Sanderson were PIs on 'International Comparison of 10 Medical Regulatory Systems: Egypt, Germany, Greece, India, Italy, Nigeria, Pakistan, Poland, South Africa and Spain.' A research project funded by the General Medical Council, London. (October 2008 to April 2009)
276. Singh, A. (2008/2009) World bank, European Bank for Reconstruction and Development. CENTAD and RAS institutes in New Delhi, Planning Commission Pakistan, ILO in Geneva and in Bankok, Department of Economic and Social Afairs (DESA) ant the UN in New York.

Research Students supervised

277. Bullock, A. supervised Clough's individual project on Birth, death and survival of SMEs in boom and recession
278. Deakin, S. (2009) supervised A. Haldar, 'The dialectics of law and development'.
279. Deakin, S. (2009) supervised J. Hamilton, 'Russia in transition: a legal and institutional analysis'.
280. Deakin, S. (2009) supervised D. Katelouzou, 'Varieties of hedge fund activism'.
281. Deakin, S. (2009) supervised V. Mollica, 'The European company'.
282. Hughes, A. supervised I-I Chen, MPhil (JBS)
283. Kitson, M (2008/2009) supervised de Goei, B. 'Dynamics of the regional economy: network formation in the Greater South East UK'
284. Kitson, M (2008/2009) supervised Freitas, C. 'Entrepreneurship in the Outermost Regions of Europe'
285. Sharpe, S (2008/9) supervised Rehana Khanam, Funding Breakthrough Technology - Light Emitting Diodes
286. Sharpe, S (2008/9) supervised Shu Sun, Funding Breakthrough Technology - Photovoltaics
287. Sharpe, S (2008/9) supervised Jonny Thompson, Funding Breakthrough Technology – Inkjet Printing
288. Singh, A. (2008/9) supervised Anu Deshpande 'The Determinants of Indian Exports under Globalisation: An analysis at the aggregate, industrial and firm levels.

Visitors - UK

289. Hensher, Jo (2008) Senior Policy Adviser, CBI Enterprise Group visited Andy Cosh and Anna Bullock on 10 September, 2008

Visitors – Overseas

290. CIKC: Prof. Luc Soete from UNIMERIT (Maastricht), 1 day visit, *invited seminar*
291. CIKC: Prof. Philippe Mustar from the École des Mines (Paris), 1 day visit, *invited seminar*
292. CIKC: Prof. Massimo Colombo from Milan Polytechnic, 1 day visit, *invited seminar*

Membership of Committees external to the University

293. Connell, D.: Member of Photonics KTN
294. Connell, D.: Member of Expert Sub- Group to Treasury appointed Glover Committee on Procurement
295. Connell, D.: Member of NHS East/EEDA/TSB Small Business Innovation Research programme Management Board and competition judging panel
296. Hughes, A.: Council for Science and Technology (CST)
297. Hughes, A.: Expert overseas advisor to the review of the Australian National Innovation Review
298. Hughes, A.: Council Member of the *Institute for Small Business and Entrepreneurship*
299. Hughes, A.: Companion of the *Chartered Management Institute*
300. Jones, I serves as treasurer, St Andrew's Church, Linton Road, Oxford,
301. Pollitt, M. is Convenor of the Association of Christian Economists, UK, Annual Conference.
302. Pollitt, M. served as member of the PCC Holy Trinity Church, Cambridge.

Media Coverage

303. Fearn, H (2009) '"Myth" of ivory tower under siege as survey shows industry links are strong' Times Higher at: http://www.timeshighereducation.co.uk/story.asp?storyCode=407124&sectioncode=26
304. *Deakin, S. (2009) 'No best laws for business' forthcoming, *ESRC Society Today*.

Other Publications

305. *Connell, D (2010) 'The Case for a Research Councils SBRI Programme' (to be published by NESTA) forthcoming
306. *Connell, D. and Probert, J. (2010) 'Exploding the Myths of UK Innovation Policy'. Final report for the East of England Science and Industry Council (which commissioned the research via EEDA), forthcoming.
307. Cosh, A., Hughes, A., Bullock, A. and Milner, I. (2009) SME finance and innovation in the current economic crisis, Centre for Business Research, Cambridge.
308. Hardy, B., Hughes, A., Learmount, S., Bullock, A. and Milner, I. (2009) 'Design Study for a Survey of UK Management Practices: A report to the ESRC' Centre for Business Research and Judge Business School, University of Cambridge
309. Singh, A. (2010), at the invitation of the *Cambridge Journal of Economics*, Professor Singh is co-editing a special symposium on financial globalization. This will appear early in 2010 in the second issue, Volume 34 of the Journal.

Training

310. Bullock, A. attended a Qualtrix training course on 7 and 8 April 2009.

311. Bullock, A. attended a WRDS training course on 26 May 2009.

312. Milner, I. attended a STATA training course on 20 and 23 October 2008.

313. Koukiadaki, A. (2008) Methods and Approaches in Empirical Socio-Legal Research, *Researcher Development Initiative,* University of Liverpool, Liverpool, 9 December.

314. Koukiadaki, A. (2009) Managing Empirical Socio-Legal Research: Funding and Project Management, *Researcher Development Initiative,* University of Liverpool, Liverpool, 22 June.

315. Probert, J. (2009) PI Development Grant Workshop (Leverhulme Trust), 6 July 2009.

4. Staff

Staffing

Below is a list of academic and support staff in post between August 2008 and July 2009 (name, research programme(s), grade, end dates, and the destination of staff leaving the CBR since that date, where known:

Research Staff

Maria Abreu, enterprise and innovation, Research Fellow – until 30 June 2009, University of Gröningen
John Buchanan, corporate governance, Research Associate
Anna Bullock, enterprise and innovation, corporate governance, Survey and Database Manager
Dominic Chai, corporate governance, Junior Research Fellow
David Connell, enterprise and innovation, Senior Research Fellow
Andy Cosh, enterprise and innovation, corporate governance, Assistant Director
Simon Deakin, corporate governance, Assistant Director
Vadim Grinevich, enterprise and innovation, Junior Research Fellow until 30 May 2009, Research Fellow, Faculty of Architecture, University of Cambridge
Alan Hughes, enterprise and innovation, corporate governance, Director
Eku Kobayashi, corporate governance, Research Assistant
Aristea Koukiadaki, corporate governance, Research Fellow
Niall McKenzie, enterprise and innovation, Research Fellow
Isobel Milner, enterprise and innovation, corporate governance, Assistant Database Manager
Andrea Mina, enterprise and innovation, Senior Research Fellow
Viviana Mollica, corporate governance, Research Fellow
Jocelyn Probert, enterprise and innovation, Senior Research Fellow
Gerhard Schnyder, corporate governance, Research Fellow until June 2009, Lecturer in Comparative Management, Kings College, London
Samantha Sharpe, enterprise and innovation, NESTA Fellowship

Administrative Staff

Irmi Hahne – Director's PA
Kate Hansen– freelance secretary
Sue Moore – Administrative Secretary
Rachel Simpson – Press Officer
Rachel Wagstaff –Secretary
Louis Wenham – Accounts Clerk – employed via University Financial Agency

5. Visiting Fellows

Jodie Kirshner, Fulbright Scholar
Professor Stan Metcalfe, Emeritus Professor, University of Manchester, visiting Professor of Economics, University of Queensland
Dr. Prabirjit Sarkar, Jodavpur University, Kolkata

Short-term visitors are reported under individual projects.

6. Research Associates

Research associate status may be conferred on project leaders and members of projects who do not otherwise have a position in the CBR, and to former members of the CBR research staff who are still involved in the relevant projects. This category includes personnel in other University of Cambridge departments as well as from outside the University of Cambridge; these affiliations are indicated below.

The following were research associates in the period 2007-8 (University of Cambridge unless otherwise stated):

Beth Ahlering (PA Consulting)
John Armour (Oxford University)
Catherine Barnard (Law)
Robert Bennett (Geography)
William Brown (Economics)
Jude Browne (Frankopan Centre for Gender Studies)
John Buchanan (CBR)
Nina Cankar (University of Ljubljana)
Brian Cheffins (Law)
Jacqueline Cook (corporate governance consultant in private practice)
Doug Cumming (York University, Ontario)
Sonja Fagernäs (University of Essex)
Jack Glen (IFC)
Paul Guest (Cranfield)
Graham Gudgin, (Jnt Director Regional Forecasts Ltd)
Klaus Gugler (University of Vienna)
John Hendry (Birkbeck College)
Andrew Johnston (Law)
Ian Jones (Brasenose College, Oxford and London Business School)
David Keeble (retired; former assistant director of CBR)
Shyam Khemani (World Bank)
Michael Kitson (Judge Business School)
Suzanne Konzelmann (Birkbeck College, London)
Christel Lane (SPS)
Jaeho Lee (Pohang University of Science and Technology)
Priya Lele (Ashursts LLP, London)
Richard Lester (MIT)
Colm McLaughlin (University College, Dublin)
Roy Mankelow (retired; former Ph.D. student, Cambridge)

Bill Martin (former Chief Economist UBS Global Asset Management, member of the Financial Services Consumer Panel)
Ron Martin (Geography)
Jonathan Michie (Oxford University)
Barry Moore (PACEC)
Tim Minshall (Cambridge Entrepreneurship Centre)
Riz Mokal (University College, London)
Dennis Mueller (University of Vienna)
Richard Nolan (Faculty of Law)
Wanjiru Njoya (University of Oxford)
John Paterson (University of Aberdeen)
Michael Pollitt (Judge Business School)
Stephen Pratten (King's College, London)
John Roberts (Judge Business School)
Paul Sanderson (Land Economy)
David Seidl (University of Munich)
Mathias Siems (UEA)
Ajit Singh (Economics)
Rod Spires (PACEC)
Simon Turner (London School of Hygiene and Tropical Medicine)
Tomas Ulrichsen (PACEC)
Peter Vincent Jones (University of Leeds)
Hugh Whittaker (Doshisha University and University of Auckland)
Geoff Whittington (International Standards Accounting Board)
Adrian Walters (University of Nottingham)
Frank Wilkinson (Birkbeck College, London)
Burcin Yurtoglu (University of Vienna)
Peer Zumbansen (Osgoode Hall Law School, York University, Toronto)

7. Advisory Board and Committee of Management

Advisory Board *(as of 31.7.2009)*

Dr Gerald Avison
Chairman
The Technology Partnership

Dr Steven Brawley
Chief Executive
Joint Industry Board for the Electrical Contracting Industry

Mr Matthew Bullock *(Chairman of the Advisory Board)*
Chief Executive
Norwich and Peterborough Building Society

Professor Brian Cheffins
Faculty of Law
University of Cambridge

Dr Andy Cosh
Assistant Director
Centre for Business Research
University of Cambridge

Professor Arnoud De Meyer
Director
Judge Business School
University of Cambridge

Professor Paul Davies
Cassell Professor Commercial Law,
London School of Economics

Professor Simon Deakin FBA
Assistant Director
Centre for Business Research
University of Cambridge

Dame Mary Francis
Non-Executive Director
Aviva plc

Dr Reg Hinkley
Bursar, Christs College
Cambridge
(ex -Chief Executive
BP Pension Fund)

Dr Sean Holly
Director of Research
Faculty of Economics, University of Cambridge

Professor Alan Hughes
Director
Centre for Business Research
University of Cambridge

Mr Gareth Jones
HHE
(ex-Managing Director of Abbey National Treasury Services)

Mr Andrew Kilpatrick
HM Treasury

Dr Ray Lambert
Department for Innovation, Universities and Skills

Mr Ian McCafferty
Chief Economist
CBI

Ms. Kate Nealon
Non-Executive Director
HBOS plc

Dr. Raj Rajagopal
Non-Exec Director, Bodycote Plc, Dyson Plc and W.S. Atkins Plc

Professor Robert Rowthorn
Faculty of Economics and Politics, University of Cambridge

Professor Paul Stoneman
Warwick Business School

Mrs Sue Moore (*Secretary to the Advisory Board)*
Administrative Secretary
ESRC Centre for Business Research

Committee of Management *(as of 31.7.2009)*

Professor Brian Cheffins
Faculty of Law
University of Cambridge

Dr Andy Cosh
Assistant Director
Centre for Business Research
University of Cambridge

Professor Arnoud De Meyer
Director
Judge Business School
University of Cambridge

Professor Simon Deakin FBA
Assistant Director
Centre for Business Research
University of Cambridge

Professor Mike Gregory
Director
Institute for Manufacturing
University of Cambridge

Professor Bob Bennett
Department of Geography
University of Cambridge

Professor Andrew Harvey
Chairman
Faculty of Economics
University of Cambridge

Dr. Sean Holly
Director of Research
Faculty of Economics
University of Cambridge

Professor Peter Tyler
Department of Land Economy
University of Cambridge

Professor Alan Hughes
Director
Centre for Business Research
University of Cambridge

Dr Brendan Burchell
Faculty of Social and Political Sciences
University of Cambridge

Professor Robert Mair *(Chairman of the Committee of Management)*
President
Jesus College
University of Cambridge

Mrs Sue Moore *(Secretary)*
Centre for Business Research
University of Cambridge

8. Performance Indicators

The following Tables contain details of key performance indicators. They are as agreed in the original contract with the ESRC. With the end of core funding, these are no longer strictly binding on the CBR, but we continue to benchmark our performance by reference to them.

A. PUBLICATIONS AND DISSEMINATION *

Year	**1994/95**	**1995/96**	**1996/97**	**1997/98**	**1998/99**	**1999/00**	**2000/01**	**2001/02**	**Jan-Dec 2003**	**Jan-Dec 2004**	**Jan 2005-July 2006**	**2006-07**	**2007-09**	**2008-09**	**Total No.**
Books	*8*	*7*	*9*	*6*	*4*	*5*	*10*	*4*	*7*	*9*	*5*	*8*	*5*	*8*	*95*
Chapters	*31*	*30*	*38*	*41*	*17*	*39*	*37*	*23*	*29*	*9*	*12*	*19*	*8*	*11*	*344*
Refereed Journal Papers	*26*	*16*	*35*	*24*	*44*	*42*	*38*	*35*	*33*	*33*	*23*	*31*	*28*	*26*	*434*
Non-Refereed Journal Papers	*2*	*0*	*0*	*-*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*2*
Other Publications	*51*	*48*	*55*	*59*	*88*	*72*	*52*	*70*	*52*	*53*	*48*	*17*	*34*	*30*	*729*
Data Sets *(Deposited at the ESRC Data Archive)*	*0*	*1*	*0*	*-*	*1*	*0*	*5*	*3*	*8*	*3*	*1*	*1*	*0*	*6*	*29*
New Software Published	*0*	*0*	*0*	*-*	*0*	*2*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*2*
Audio-Visual Aids Published	*0*	*0*	*0*	*-*	*0*	*0*	*0*	*0*	*0*	*1*	*0*	*0*	*0*	*0*	*1*

**Totals shown exclude books, chapters, articles, and papers which were in draft, in press or forthcoming at 31 July 2006*

B. EXTERNAL RELATIONSHIPS

Year	**1994/95**	**1995/96**	**1996/97**	**1997/98**	**1998/99**	**1999/00**	**2000/01**	**2001/02**	**Jan-Dec 2003**	**Jan-Dec 2004**	**Jan 2005-July 2006**	**2006-07**	**2007-08**	**2008-09**	**Total No.**
Membership of Committees	*5*	*16*	*22*	*11*	*15*	*15*	*21*	*28*	*19*	*12*	*22*	*9*	*8*	*10*	*213*
Membership of Networks	*4*	*16*	*13*	*4*	*5*	*29*	*1*	*12*	*2*	*6*	*2*	*4*	*22*	*28*	*156*
Overseas Visitors	*21*	*9*	*0*	-	*14*	*13*	*4*	*14*	*16*	*9*	*5*	*0*	*0*	*3*	*113*
Overseas Visiting Fellows	*1*	*2*	*2*	*4*	*4*	*1*	*1*	*2*	*5*	*2*	*6*	*4*	*2*	*3*	*43*
Conference Papers	*48*	*117*	*75*	*77*	*72*	*48*	*54*	*126*	*75*	*112*	*76*	*81*	*100*	*76*	*1137*
Radio and TV	*4*	*12*	*6*	*5*	*20*	*2*	*3*	*3*	*4*	*1*	*1*	*1*	*1*	*0*	*63*
Newspapers	*8*	*17*	*15*	*12*	*32*	*6*	*11*	*11*	*14*	*3*	*13*	*6*	*4*	*1*	*156*
Seminars, Conferences attended and Workshops held and attended	*7*	*11*	*4*	*27*	*20*	*7*	*22*	*9*	*60*	*24*	*34*	*27*	*60*	*29*	*360*
International Collaborative Research Projects	*2*	*4*	*7*	*7*	*4*	*6*	*3*	*7*	*19*	*21*	*17*	*18*	*22*	*5*	*186*

C. STAFF RESOURCES

Year	**1994/95**	**1995/96**	**1996/97**	**1997/98**	**1998/99**	**1999/00**	**2000/01**	**2001/02**	**Jan-Dec 2003**	**Jan-Dec 2004**	**Jan 2005-July 2006**	**2006-07**	**2007-08**	**2008-09**	**Total No.**
Research Staff															
1. Individuals	*14*	*16*	*20*	*25*	*21*	*23*	*19*	*21*	*22*	*26*	*25*	*18*	*20*	*18*	*288*
2. FTEs†	*11.5*	*13.5*	*15.5*	*19*	*19*	*14.5*	*13.5*	*18.5*	*14*	*12.15*	*17.7*	*11.6*	*14.1*	*11.9*	*206.45*
Visiting Fellows plus Research Associates															
1. Individuals	*33*	*37*	*47*	*99*	*80*	*38*	*45*	*40*	*59*	*59*	*51*	*61*	*58*	*60*	*767*
Support Staff															
1. Individuals	*11*	*11*	*12*	*11*	*11*	*10*	*10*	*7*	*8*	*8*	*7*	*7*	*6*	*6*	*125*
2. FTEs	*4*	*4*	*5*	*5*	*5*	*4.5*	*4.5*	*5.25*	*4.75*	*4.75*	*4.5*	*4.0*	*3.6*	*3.6*	*62.45*

† Including notional allocation of proportion of Director and Assistant Directors research and research management time allocated to CBR

D. FINANCIAL RESOURCES

Year	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02*	Jan-Dec 2003	Jan-Dec 2004	Jan2005 -July 2006 **	Aug06-Jul07	Aug07-Jul08	Aug08-Jul09	Total No
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
ESRC Core Funding	441,505	449,602	590,546	376,208	370,199	438,431	494,660	730,320	530,880	544,219	58,436	0	0	0	5,025,006
Other ESRC Funding	83,673	104,373	73,241	57,180	60,784	31,525	8,851	83,129	40,793	29,300	79,835	284,103	379,176	319,151	1,635,114
Funding from Host Institutions	42,751	42,751	45,855	47,014	49,987	50,880	52,500	65,625	50,343	57,104	75,955	0	10,915	0	591,680
Other Funding Total of which:	28,784	78,216	147,506	227,481	295,107	218,690	386,294	515,370	350,819	570,867	484,357	263,959	391,708	366,791	4,325,949
1. OST and other RCs	0	0	0	0	0	0	0	0	0	10,000	31,217	37,390	74,737	158,106	311,450
2. UK foundation	0	0	51,720	175,487	151,142	79,163	63,159	200,430	279,768	440,560	204,989	40,592	53,850	33,463	1,774,323
3. UK industry/commerce	6,500	1,500	4,250	13,924	16,105	17,661	51,869	60,007	0	0	27,121	5,500	0	0	204,437
4. UK local authority	0	0	0	0	0	0	0	0	12,000	0	36,050	6,500	25,000	51,375	131,425
5. UK Central Government	22,284	34,986	25,462	26,277	66,972	54,604	134,426	65,802	0	78,360	109,915	102,940	91,711	0	813,739
6. UK health	0	0	0	0	0	0	0	0	0	0	12,766	0	0	0	12,766
7. UK voluntary	0	4,255	572	780	12,399	0	0	0	0	0	2,056	0	0	0	20,062
8. EU	0	31,607	60,257	9,757	15,345	461	6,421	28,876	26,662	22,861	19,972	52,890	120,316	95,915	491,340
9. Other Overseas	0	5,868	5,245	1,256	33,144	66,801	130,419	160,255	32,389	19,086	40,271	18,147	25,594	27,932	566,407
Overall Total	596,713	674,942	857,148	707,883	776,077	739,526	942,305	1,394,444	972,835	1,201,490	698,583	548,062	781,799	685,942	11,577,749

**This column relates to a 15 month period due to changes in the required ESRC reporting periods for the Annual Report.*

*** This column relates to a 19 month reporting period for the reasons explained in the 2005-6 Report*