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FIRMS’ TRANSACTIONS AND KNOWLEDGE FLOWS IN THE EUROPEAN UNION’S NEIGHBORING COUNTRIES

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Abstract

The globalization process of production and technological activities has generated an unprecedented increase in the number of international transactions among firms which take the forms of Strategic Alliances, Joint Ventures and Mergers and Acquisitions. These transactions, whatever their nature and motivation are, generate knowledge flow among the companies involved that occur before, during and after the deal. Consequently, firms’ transactions represent a valuable proxy for the exchange of knowledge across the geographical areas where companies are located. The aim of the paper is to analyze in details the companies transactions and agreements in the European Neighboring Countries (ENC) over the period 2000-2011 in order to explore the geographical directions and sectoral characteristics of the knowledge flows among firms in those areas and external firms.