

CONTENTS

Preface	v
Introduction to the conference	
<i>Gunnar Eliasson</i>	xiii
1. Markets for innovation, ownership and control: Toward a synthesis <i>Richard H. Day, Gunnar Eliasson and Clas Wihlborg</i>	1
<i>Part I. Interaction between Finance and Innovation: The Basis Facts</i>	
2. Entrepreneurial activity, banking and finance: Historical aspects and theoretical suggestions <i>Erik Dahmén</i>	17
3. Innovative activity and venture financing: Access to markets and opportunities in Japan, the U.S. and Europe <i>Tad Rybczynski</i>	29
<i>A Note: On Institutions as regulators of economic change</i> <i>Timur Kuran</i>	49
<i>Part II. Bounded Rationality and Out-of-Equilibrium Adjustments</i>	
4. Bounded rationality and the coevolution of market and state <i>Richard H. Day</i>	57
5. Lessons from learning to have rational expectations <i>Thomas Lindh</i>	81
<i>A Note: On business myopia and market organization</i> <i>Clas Wihlborg</i>	117
<i>Part III. The Dynamics of Firm Behavior</i>	
6. Agency costs and innovation <i>Bengt Holmström</i>	131

7. Long-term firm growth and ownership organization <i>Jan Glete</i>	155
8. The firm as a competent team <i>Gunnar Eliasson</i>	179
9. Financial market imperfections and productivity growth <i>Bruce C. Greenwald, Meir Kohn and Joseph E. Stiglitz</i>	203
<i>A Note: On financial feedback, cost competition and market stability</i> <i>Richard H. Day</i>	229
 <i>Part IV. The Markets for Ownership and Control</i>	
10. Evolution, economic competence, and the markets for corporate control <i>Pavel Pelikan</i>	235
11. Finance, innovation and industrial change <i>Giovanni Dosi</i>	261
12. Firms' choice of R&D intensity in the presence of aggregate increasing returns to scale <i>Stefan Fölster</i>	283
13. The acquisition of technology and small firms by large firms <i>Ove Granstrand and Sören Sjölander</i>	301
<i>A Note: On privatization, contract technology and economic growth</i> <i>Gunnar Eliasson</i>	321
 <i>Part V. Financial Incentives and Entrepreneurship</i>	
14. The incentive to acquire information and financial market efficiency <i>Clas Wihlborg</i>	329
15. Incentive contracts for managers who discover and manage investment projects <i>Tim S. Campbell, Y.S. Chan, Anthony M. Marino</i>	349
<i>A Note: On innovation and capital markets</i> <i>Stefan Fölster</i>	361

Contents

Part VI. Summing Up

Introduction

Kenneth Arrow

367

General discussion

383

Part VII. Round Table Discussion with Business Leaders

Introduction

Gunnar Eliasson

401

Introduction to the discussion

Kenneth Arrow

403

Discussion

408

Conference participants

433