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## ARE HIGH-GROWTH FIRMS OVERREPRESENTED IN HIGH-TECH INDUSTRIES? (SUMMARY)

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## ≈ SUMMARY ≈

**ARE HIGH-GROWTH FIRMS OVERREPRESENTED  
IN HIGH-TECH INDUSTRIES?***Sven-Olov Daunfeldt, HUI Research, Sweden**Niklas C. J. Elert, IFN, Research Institute of Industrial Economics, Sweden**Dan Johansson, Örebro University, Sweden***Principal Topics**

It is frequently argued that policymakers should target high-tech firms (HGFs), i.e., firms with high R&D intensity, because such firms are considered more innovative and therefore potential fast-growers. This argument relies on the assumption that the association among high-tech status, innovativeness and growth is actually positive. We examine this assumption by studying the industry distribution of high-growth firms across all Swedish 4-digit NACE industries.

**Method**

We use a data-set that covers all limited liability firms in Sweden during 1997-2008. We employ a fractional logit model in a regression analysis framework, as this model is well-suited to deal with proportions as the dependent variable.

**Results and Implications**

The results of fractional logit regressions indicate that industries with high R&D intensity, *ceteris paribus*, can be expected to have a lower share of HGFs than can industries with lower R&D intensity. The findings cast doubt on the wisdom of targeting R&D industries or subsidizing R&D to promote firm growth. In contrast, we find that HGFs are overrepresented in knowledge-intensive service industries, i.e., service industries with a high share of human capital.

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