Contents

Part	I Introduction and Overview	1
Part	II Summary	5
Part	III Challenges to and Precepts for Effective Education, Research and Innovation Policies	23
Part	IV Measurement and Interpretation of Germany's Technological Performance 1998	
1	Basic Concepts	39
	1.1 Indicators and the innovation system	39
	1.2 National innovation systems and their institutional framework – an introduction	43
	1.2.1 National innovation systems	43
	1.2.2 Distinctive characteristics of the German innovation system	45
	1.2.3 Questions yet to be answered	53
2	Industrial Specialization in Germany	55
	2.1 Germany's industrial structure in international comparison	55
	2.2 Characteristics of Germany's industrial specialization in detail	57
	2.3 Generic technologies	65
	2.3.1 Biotechnology and software	66
	2.3.2 Microsystem technology	70
	2.3.3 Environmental technology	72

3	Innovation in the Service Sector and Competitive Strength	75
	3.1 Interaction between industry and the service sector	75
	3.2 Innovative services and competitive strength	77
	3.3 Summary	85
4	Indicators for Germany's Technological Performance	87
	4.1 The short-term perspective – industrial innovation and international technology markets in the midst of cyclical expansion	87
	4.1.1 Inventions	88
	4.1.2 Innovation activity	91
	4.1.3 Export activity in R&D-intensive industries	94
	4.1.4 Production and employment in the R&D-intensive sector	96
	4.1.5 Employment in know-how-intensive services	99
	4.2 The medium-term perspective – investment in the near future	102
	4.2.1 Research and development	102
	4.2.2 Investment in capital goods in the R&D-intensive sector	112
	4.2.3 Company start-ups and closures	115
	4.3 The long-term perspective – education, science and research	118
	4.3.1 Trends in skill requirements	118
	4.3.2 Education efforts	122
	4.3.3 Science and research	134
	4.4 Summary	142

5	Observations Regarding Special Topics	145
	5.1 Technological competition and Central and Eastern Europe's countries in transition	145
	5.2 The catching-up process in Germany's new Länder	154
	5.3 Selected fields of technology – competitive positions at risk?	159
Appendix		167
Abbreviations		181
List	List of Charts	
List	List of Tables	
Bibli	Bibliography	

IX

Contents