

Performance and mark-up in Italian inter-firm network agreements

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This paper empirically investigates whether the participation of Italian firms in inter-firm network agreements (IFNAs) may influence their market power, their performance, and their volume of revenues. We conduct a panel random effect regression using a panel dataset of 16463 Italian firms that during the period 2013-2021 joined an inter-firm network. The panel dataset has been obtained by matching the InfoCamere and the Bureau van Dijk AIDA databases. This study contributes to the network policy literature by providing additional empirical evidence on IFNAs as instruments to foster cooperation, innovation, and internationalization among firms with no geographical bound. The results show that when firms join a network they exhibit i) a reduction in market power, ii) an increase in added value, and iii) an increases in the revenues.