**Following the Code: Spillovers and Knowledge Transfer**

**Abstract:**

It is believed that there are significant knowledge spillovers in Open Source Software (OSS). If such spillovers exist, it is likely they occur via two channels: In the first channel, programmers take knowledge, expertise, and experience gained from one OSS project they work on and employ it in another OSS project they work on. In the second, programmers reuse software code by taking code from one OSS project and employing it in another OSS project. In previous work, we found knowledge spillovers via the first channel.

In this paper we develop a methodology to measure software reuse at the micro-micro level in a large OSS network. We find that projects that reuse code from other projects have higher success. Controlling for code reuse, we also find knowledge spillovers from projects connected via common programmers. Thus, our empirical work suggests that knowledge spillovers occur via both channels.