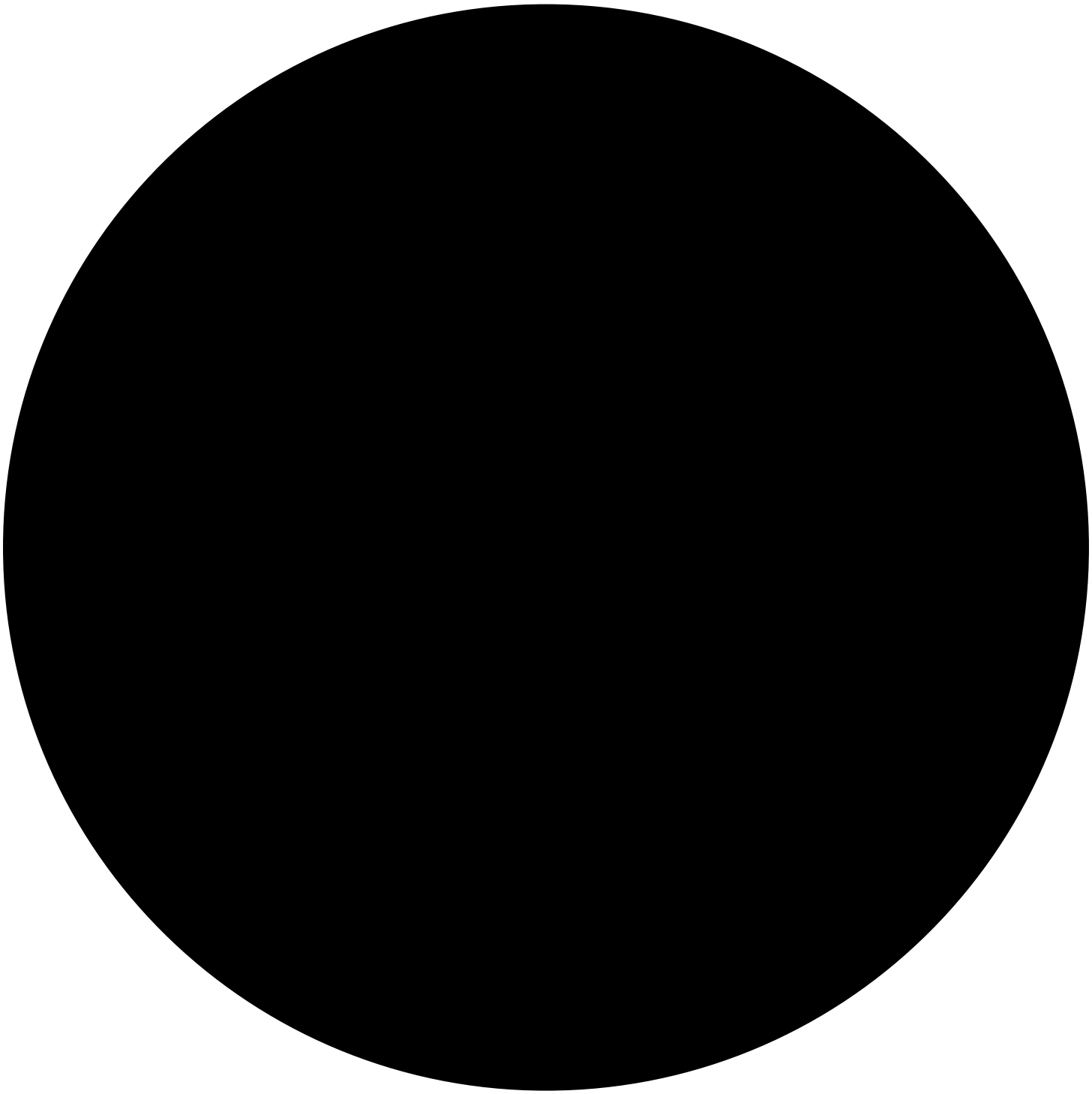
ECONOMIC RESEARCH ON THE EFFECTS OF INNOVATION ON THE COMPETITIVENESS OF COMPANIES

Posted on 31/05/2017 by Naider



chnology (FECYT) promoted pioneering econometric research to analyze and measure the real effect in terms of competitiveness that investment in innovation has on Spanish companies. Much is said about the relationship between effort in innovation and business competitiveness, but in Spain there was not yet a scientific study that demonstrated some kind of causality.

In particular, the study was aimed at assessing the impact of innovation on company sales, sales of new products and exports to foreign markets. These three dimensions of the analysis make it possible to characterize the competitiveness of companies, both in domestic markets (sales figures and productivity) and abroad (exports), as well as the success in innovation management (innovative sales). The results of the analysis allowed a better understanding of the mechanisms that link said business competitiveness with investments in innovation.

Various micro-econometric techniques were used to distinguish the effects of innovation from others that might be present (Generalized Method of Moments; Arellano-Bond estimators, SYS-GMM, etc.). The econometric techniques that best fit the available variables were also used, taking into account their possible qualitative nature. Finally, data from the Technological Innovation Panel (PITEC) was used using the information for the years 2005, 2006, 2007 and the most recent of 2008

and precisely exploiting its panel size.

Naider carried out, in coordination with FECYT, the methodological proposal, the quantitative analysis and the elaboration of the final valuation reports, finding causal effects between the R+D+i carried out by the companies and their economic results .

Impact of Innovation on Company Results (pdf)

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