

# [Research of an innovation. innovation cooperation, which measures](https://assignbuster.com/research-of-an-innovation-innovation-cooperation-which-measures/)

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Researchand development (R&D) is a key driver of innovation that responds toeconomic incentives and public policies. The more cutting-edge knowledge isproduced, the more likely it is to spill over into new products and privateR&D activities. In this regard, patents provide a valuable measure of theexploitation of research results and of the inventiveness of countries, regionsand enterprises. Patenting has a strategic role in supporting the Europe 2020strategy. Introducing innovative ideas to the market through patenting helpsimprove the EU’s competitiveness and productivity, which underlie economicgrowth and employment, and brings long-term benefits to the economy at largethrough the wide diffusion of knowledge.

Thus, it is a major, long-term challenge for a country to identify, design andimplement reforms needed to improve the quality of the research and innovationinvestments. EU countries, especially the peripheral countries (Greece) and newmember countries (Bulgaria, Estonia, Croatia), should, follow a multi-annualoverarching and holistic policy, prioritize growth-enhancing expenditure andinvest, consistently and systematically, on the research and innovation fields. Governmentsplay a critical role in funding higher education and basic research, the basisupon which firms can build their own R. But fiscal policies are alsoimportant to foster private R investment. Public and private sectors canwork together in complementary ways to boost innovation and growth (IMF, 2016). Complex innovations with the highest potential for boosting productivity andgrowth often depend on the ability to draw on diverse sources of informationand knowledge, or to collaborate on the development of an innovation. Innovation cooperation, which measures among other things the flow of knowledgebetween enterprises and public research institutions and enterprises, providesan important indication of enterprises’ innovation activity. Many times, privatefirms by themselves don’t invest enough in R because, they often find itdifficult to finance risky R investment projects, even if the projectsare expected to yield high returns.

This is especially so during recessionswhen liquidity constraints are more prevalent. For that reason in periods ofmacroeconomic negative trends, fiscal policies that help stabilize output dosignificantly raise private R investments and support productivitygrowth. Inmany countries the process of private R investments is hampered byobstacles, such as permits and licenses, labor-market regulations, financialconstraints and tax barriers. Beyond core innovation policies, such as theimprovement of workers human capital, there are other policies whose impactsmust be taken into account, e. g.

taxation policy, competition laws andregulations, etc., as they constitute the framework conditions for innovation (OECD, 2016). A dynamic business environment isessential for the promotion and diffusion of innovation.

The challenge is tomake use of R by fostering entrepreneurship and creativity to triggerinnovation and economic competitiveness. Therefore, measures targetingknowledge diffusion and absorption of ideas and innovations, for example, through the creation of technology markets and licensing schemes, are just asimportant as investment in knowledge generation. Thehigher the uptake and use of ideas from R, the more likely innovativeplayers are to invest in future knowledge generation through increased privateR expenditure.

Innovators also help to create a more dynamic innovationsystem. In many cases they contribute to the structural and technological changesneeded to adapt to new circumstances and challenges (Eurostat, 2017). European strategy should be based tothe annual increase in public funding which could significantly enhanceinnovation; this can be done either by directly allocating public resources inHEIs and PRIs through grants or procurement, or by providing indirect supportthrough subsidies and tax incentives on private R initiatives. The focusof public funding should be in sectors that combine the national economicpriorities and the social interests with the international scientific andtechnological trends and perspectives. Additionally, it could introduceenhanced competition in the allocation of funding among institutions on thebasis of their performance (e. g. scientific publications in order to attractexternal funding, peer reviews of the economic and societal impact for grants).

It should strengthen the cooperationbetween HEIs, PRIs and firms, through the encouragement of partnerships betweenthe private sector and the R and innovation system. Priority should begiven to the promotion of policies that can exploit tangible and immediateresults, to the conjunction of the research with the production, and to thecreation of innovative products and services that benefit the citizens and the competitivenessof the economy. In the long run, another policy target should be the alignmentof the supply of knowledge and skills provided by the HEIs with the demand ofthe R sector. Generally, manyreforms are concerned, such as the establishment of an effective internalmarket, flow without restrictions for researchers, knowledge and technology, animproved education system, and a more productive innovation and research base. Europe needs to innovate in order to exploit research results and convert theminto marketable products and processes which drive productivity and economicgrowth.

Regarding future research, thisstudy could be further advanced in the investigation and evaluation of Rquality, efficiency, effectiveness and productivity of HEIs and PRIs in EUcountries. We believe that this is crucial factor in the direction of thecountry’s development in the international competitive and dynamic environment.