

Innovative Activity and Development: Analysing Firm Data from Eurozone Country-Members

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Abstract : In this work, we attempt to associate firm characteristics with innovative activity. We collect microdata from listed firms of selected Eurozone Country-members, after the beginning of 2007 financial crisis. The following literature, several indicators of growth and performance were selected and tested for their ability to interpret innovative activity. The main scope is to examine the possible differences in performance and growth between innovative and non-innovative firms, during a severe recession. Additionally to that, a special focus will be held on whether macroeconomic performance and national innovation system, determines the extent of innovators' performance. Preliminary findings, through correlation matrices and non-parametric tests, strongly indicate the positive relation between innovative activity and most of the measures used (profitability, size, employment), confirming that even during a recessionary period, innovative firms not only survive but also seem to succeed better economic results in almost all indexes relative to non-innovative. However, even though innovators seem to perform better in all economies examined, the extent of that performance seems to be strongly affected by the supportive mechanisms (financial and structural) that their country provides. Thus, it is clear, that the technologically intensive 'gap' between European South and North, during the economic crisis, became chaotic, due to the harsh austerity measures and reduced budgets in those countries, even in sectors with high potentials in economic activity and employment, impairing the effects of crisis and enhancing the vicious circle of recession.

Keywords : eurozone, innovative activity, development, firm performance, non-parametric tests

Conference Title : ICEID 2015 : International Conference on Entrepreneurship, Innovation and Development

Conference Location : London, United Kingdom

Conference Dates : October 23-24, 2015