

# **EMPIRICAL EVIDENCES REGARDING THE ROLE OF INNOVATION IN ECONOMIC GROWTH**

**Gavril ȘTEFAN<sup>1</sup>, Oana COCA<sup>2</sup>**

e-mail: stefang@uaiasi.ro

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## **Abstract**

Innovation is the main market trigger that generates economic growth and development. Although studies in the field have pointed out numerous benefits that innovation brought to its creators and end consumers, not all companies manage to innovate. This paper aims to evaluate the impact of innovation upon economic growth, by computing the various indicators used to evaluate the management potential of innovation, the potential to create knowledge, the potential to innovate and collaborate, the performance of innovation activities and the level of economic development per country. The study was performed on the 27 European countries (excluding Luxemburg), using the information available in Eurostat statistics for the period 2008 – 2014. In order to find an answer to the research problem, this paper used the following data analysis methods: the ratios method, the correlation analysis, the comparative analysis. The results showed that there is a strong, direct, and measurable link between a country's level of economic development and its innovation ability, and the performance of innovation activities is influenced by their funding source (public or private capital).

**Key words:** innovation, economic growth, research and development

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