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FORMAL CO-OPERATIONS FOR PRODUCT AND PROCESS INNOVATION: GO INTERNATIONAL OR STAY NATIONAL? (SUMMARY)

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SUMMARY

FORMAL CO-OPERATIONS FOR PRODUCT AND PROCESS INNOVATION: GO INTERNATIONAL OR STAY NATIONAL?

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Principal Topic

Competitive pressure and desire for success drive enterprises in general to introduce product and process innovations faster and at lower costs than their competitors, a challenge that is becoming increasingly significant in the rapid-changing economic world. Therefore, entrepreneurs, researchers and policy makers have taken a special interest in the different mechanisms and strategies for innovation achievement, which are not only determined by factors internal to the firms, but also by external interactive processes involving diverse relationships among the market agents. In this context, the objective of the current paper is to investigate the likelihood of an enterprise established in Bulgaria to engage into co-operations for innovation conditional on numerous internal and external factors.

Method

The empirical analysis in the current paper is based upon unique nationally representative survey of 1,070 innovative enterprises founded in Bulgaria. The data is collected by means of a mail questionnaire conducted by Vitosha Research Institute in August 2006 to investigate various aspects of product and process innovations, following the European Innovation Survey (EIS) methodology in order to provide both maximum data comparability and to capture country-specific characteristics.

Results and Implications

The main findings suggest that co-operation behaviour for product and process innovations does vary across the Bulgarian enterprises. Among the significant drivers for international cooperation activities are type of innovations (product) and markets on which the company is operating (EU and international). Product innovations, for instance, raise the propensity to engage into international cooperation by a factor of 33.20. Compared with national cooperation, the estimated effect is almost two and a half times higher. Operating on international markets increases the likelihood to go for formal international co-operations in Bulgaria by 5.42. How did our empirical evidence change when including resource-specific indictors? We are surprised to encounter that human capital has a minor influence on the cooperation behaviour of Bulgarian enterprises. Firm size, measured by number of employees, plays a considerable role only in the national context while the decision to co-operate internationally does not depend on it. Finally, public subsidiaries are significantly more important for national co-operations. The estimated odds ratio yields 11.07 contrasted with 6.33 for international co-operations.

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