

Innovation is one of the key terms related to the modernization and development of the EU economy. However, the formal empirical studies devoted to the subject in the context of international competitiveness at the firm level are relatively few. Previous studies have focused almost exclusively on the analysis of companies in developed countries such as Germany or the United Kingdom, with a high level of innovation of companies. In addition, these studies have mainly focused on product and process innovation.

The main objective of the project is to analyze the relationship between innovation at the firm level and their export competitiveness in Poland and other New Member States (NMS) of the European Union (EU), divided into four groups: the Visegrad countries (Czech Republic, Poland, Slovakia, Hungary), the Baltic countries (Estonia, Lithuania, Latvia), Southern European countries (Bulgaria and Romania) and the countries of former Yugoslavia (Croatia and Slovenia).

In particular, the objective of the proposed research is an empirical verification of the main research hypothesis concerning the positive relationship between innovation activities and exporting. One of the key elements of innovation activity, which has been the subject of previous studies for the old EU member states, is the research and development (R&D). Measures of innovative activity of companies can include spending on R&D as well as its effects, such as patents and share of new products in total sales. In our proposed study we will analyze the relationship between various forms of firm innovative activity and their exports in the NMS.

Our detailed hypotheses postulate the existence of relationships between firm export performance and different types of innovation activities: product, process, marketing, organizational and managerial innovations. In this project we plan to determine which of the aforementioned types of innovation activity is of the greatest importance for exporting and whether it depends on firm size.

In our project we will investigate whether indeed innovative activities contribute to the efficiency of companies from NMS of the EU countries and improve their ability to compete in international markets. The proposed study will identify the importance of individual types of innovation activities affecting the international competitiveness of companies from NMS. In contrast to previous studies conducted for selected EU-15 countries, our study will be based on comparable firm-level data, which include all NMS of the EU.

In our project we aim at proposing a set of policy conclusions that can apply to NMS. The firms from those countries are lagging behind in terms of innovation activities and their presence in foreign markets is still limited compared to the firms from the old EU-15. In particular, we will verify whether the relatively cheaper types of innovation, such as marketing innovations and organizational and managerial can also affect the firm export, thus improving the competitiveness of the economies of these countries. This is particularly important in the light of changes in the allocation of the EU funds in the current Financial Perspective, i.e. increasing expenditure for innovative firms, aimed at increasing their presence in the global markets. This study should also contribute to a better understanding of the mechanisms of cooperation between managers, engineers, scientists and research centers serving to create new processes, products and technological progress as well as social development of the NMS.