

THE INTERPLAY BETWEEN VENTURE INVESTING AND INNOVATION COMPETITIVENESS OF EU MEMBER-STATES

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The purpose of the article is to reveal the interplay between venture investing and innovation development of selected EU member-states based on global innovation index, the World Bank's data on population, as well as OECD's information on venture investing in 2013–2019. The paper sheds light on general tendencies of venture investing and innovation competitiveness in the EU.

The average value of venture investing per capita among selected EU member states appreciated from \$10 to 19.5 in 2013–2019, therefore, most investigated countries showed the increase in venture investing per capita with the average value change of \$9.6, while Lithuania was the only exception experiencing the decrease equaling \$2.5. The detected leaders in venture investing in 2019 were Denmark, Finland, Ireland, Sweden, Belgium, France and Netherlands with venture investing per capita values within \$33.4–58.8 range, while outsiders were Bulgaria, Romania, and Lithuania with venture investing per capita below \$2.

Meanwhile, the average score of innovation indices among selected EU member states decreased from 49.7 to 49.3 in 2013–2019. There were thirteen countries with negative results, namely Ireland, Luxembourg, Austria, Belgium, Estonia, Spain, Italy, Portugal, Hungary, Latvia, Slovak Republic, Bulgaria, and Romania, while Sweden and Netherlands were leaders with the score exceeding 60 points in 2019.

We have applied the Spearman's rank correlation coefficient to determine the strength and direction of connection between venture investing per capita and national innovation competitiveness of abovementioned countries. We have calculated the critical point of the two-sided critical region with the significance level α equaling 0.05 and compared it with the table value to determine that the rank correlation coefficient of venture investing per capita and innovation indices of EU member-states is statistically significant and the rank correlation between the scores for two tests is significant.

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