



ABSTRACT WORKING PAPER 5.5

CULTURE AS A POSSIBLE FACTOR OF INNOVATION: EVIDENCE FROM THE EUROPEAN UNION AND NEIGHBOURING COUNTRIES

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This exploratory study investigates the effect of different cultural dimensions on different innovation indicators covering as much EU-countries and neighbouring countries as possible. The measures of cultural dimensions were composed on the basis of the EVS/WVS data with the help of confirmatory factor analysis. Correlation, regression, graphical and cluster analyses were used. It was confirmed that innovation processes are strongly determined by culture: power distance, uncertainty avoidance and masculinity turned out to be negatively and individualism positively related to innovation performance. The final innovation performance may develop on the basis of the combined effect of four cultural dimensions that may or may not balance each other in a particular country. Hence, the indicator of the support of culture for innovation was calculated on the basis of four cultural dimensions and it appeared to explain quite well the differences in the innovation performance between different countries.