

# ***THE EFFECTS OF POLITICAL RISK AND CORRUPTION ON INOVATION - BASED COMPETITIVENESS***

Author **Bianca Andreea CĂLIN**

*Pd. D. Student, West University of Timișoara , N/A*

## ***Abstract:***

*Contemporary society is currently facing major global challenges of a transnational nature whose solutions can only be identified and implemented through collaboration with international organisations and national governments. The main challenge for which an immediate solution is needed is to identify solutions to support sustainable development. Sustainable development can't be sustained under conditions of political crises, corruption, imminent risks for which nations don't provide insurance against. This requires collaborative action between governments, international organisations, universities, NGOs and individuals. This paper focuses on one side on the influence of the most prominent obstacle, corruption by analysing its relationship with innovation-based competitiveness, and on the other side on the effects of political risk influencing innovation-based competitiveness. Specifically, the study carried out on corruption and political risk include many social, political and ethical indicators. The topic of debate presented in this study is closely related to the variation of the influence of the indicator of perception of corruption in the public sector on innovation-based competitiveness and the intensity of the relation between political risk and the decline of innovation-based competitiveness. The research of innovation database was collected from the Global Innovation Report 2018-2021, corruption database was collected from the Corruption Perception Index report 2018-2021 and Political Risk database was collected from the Political Risk Report 2018-2021. According to the results it was found that in most of the cases, nations with reduced level of corruption indicator are the most competitive nations in terms of innovation. For example, according to the analyzed period, Western European as well as Northern countries still maintain on the top positions in the analyses of the overall innovation index, corruption perception and political risk perception. This article accentuate the importance of the corruption indicator and political risk for European countries and the generated impact on innovation - based competitiveness.*

***Keywords:*** *Innovation, corruption, political risk, sustainable development*

***JEL codes:*** *F63, I15, I25, J17, O31, P51*