INNOVATION, A PROCESS OF CHANGE AND DEVELOPMENT

INOVAREA, PROCES AL SCHIMBĂRII ŞI DEZVOLTĂRII

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Abstract: *Innovation is extremely important in the economy. Entrepreneurs are by nature innovative and have an important role in changing and balancing the economic and social life.*

Key words*: innovation, economic development, entrepreneurship*

INTRODUCTION

Innovation is widely regarded as a process of significant change, which can support business development on increasingly dynamic markets. The entrepreneur is the central role of innovative activity. [Pettitt S., 2001]
Steve Jobs, co-founder of Apple computers, said: innovation is the difference between a leader and performer.

MATERIALS AND METHOD

Sundbo identifies three paradigms (models) in innovation research: [Tetzschner Helge, Herlau H., 2003]

1) entrepreneur paradigm (the entrepreneur is the determinant of innovation),
2) the techno-economic paradigm (the determinant is technological development)
3) strategic paradigm (the determinant is the strategy and general management of companies).

The fact that innovation is important for growth [Srinivasan T. N., 2001] and, in turn, entrepreneurship is important for innovation, and ultimately, funding is crucial to entrepreneurial success is a matter of policy.
There are specific policies that developing countries can adopt in order to accelerate growth by encouraging innovation?

Bureaucratic control of innovative activities in large companies serves to ensure that the resulting changes will be modest, predictable and gradual. These companies are not likely to make leaps into the unknown, which often lead to disaster, but which also can open new worlds. [Baumol W., 2005]

Innovation is a multidimensional concept, so most times, especially in tourism, an innovation is not something tangible.

This innovation is a very pragmatic term that can include also minor adaptations of existing products and services. [Hjalager Anne-Mette, 2002]

Innovation is the essence of tourism as a sector of services is vital to remain competitive market and to ensure continuous improvement of visitor experience. [Ateljevic J., Page S., 2009]

Entrepreneurial characteristics appear to be major factors to distinguish between innovative organizations. [Pettitt S., 2001]

Impact of technological innovations will depend, in general, not only of its inventors, but also the creativity of potential users of new technologies. [Rosenberg N., 2006]

Drucker said that innovation is the specific instrument of entrepreneurship. The idea is that entrepreneurs exceed other types of small firms in terms of growth potential, strategic objectives and innovation. If an entrepreneur trying to imitate a chain of restaurants of a company with tradition in the field, it will not benefit from innovation, but will be a simple copy already clear results and completion of a road beaten by others

Most new revolutionary ideas from the last two centuries, were and are likely to be in the future, provided by independent innovators who, essentially, are operating in small enterprises.

Drucker [Thurik R., Wennekers S., Uhlaner Lorraine, 2002] believes that in the modern economy, knowledge has replaced labor and raw materials as key resource.

When an industry [Baumol W., 2005] reaches a stage where future innovation possibilities seem likely exhausted (temporarily or permanently), it is not surprising to see entrepreneurial efforts that will escape from this area in other areas where opportunities for economic change well are higher. Sometimes the consequences of such shifts are questionable.

For example, a change of law in a less developed country, which greatly increases the risks faced by entrepreneurs in their activities, can make them focus toward other activities, such as accumulation of land. This may not

only change directions productive economic efforts, but may also reduce or prevent growth.

RESULTS AND DISCUSSION

Global Entrepreneurship Monitor (GEM) research program [Acs Z., 2007] is an annual report which makes national assessment of entrepreneurial activity. Started in 1999, with 10 countries, it expanded to 21 countries in 2000, and to 39 countries in 2005 - the program covers both developed and developing countries. The research, based on a harmonized framework for assessing the level of national entrepreneurial activity for all participating countries, involves exploration of the role of entrepreneurship in national economic growth.

Representative samples of randomly selected adults, ranging in size from 1,000 to almost 27,000 individuals, are reviewed annually in each country in order to provide measures for the prevalence of entrepreneurial activity. There remains a wealth of national features and characteristics associated with entrepreneurial activity.

Global Entrepreneurship Monitor 2000 [Karlsson C., Friis C., Paulsson T., 2004] concludes that there is a strong relationship between entrepreneurial activities, defined as start-up activities, and economic growth. According to the Country Report - Romania 2007 GEM focuses on three main objectives: [Gÿorfy L.Z., 2008]

- Measuring differences between entrepreneurial activity levels of different countries
- Identify factors that determine the level of entrepreneurial activity
- Identify policies that lead to higher levels of entrepreneurial activity

CONCLUSIONS

Among the possible sources of growth and development, [Dejardin M., 2000] innovation has received special treatment in economic literature, because it was more or less related to the individual entrepreneur.

From entrepreneurship to economic growth, a number of conditions and multiple effects at various levels, ultimately determine the impact of these phenomena in relation to one another. However, the greater the number of innovative entrepreneurs in the workforce, with the higher economic growth.

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