

Introduction

Innovation is a fundamental driver of local economic development. As a consequence, for a number of years Governments have invested considerable financial resources to promoting research and development (R&D) activities by enterprises and to enhance the development of technological innovation. The European Commission sets out a strategic approach to innovation and develops many policy tools to help companies to perform better in R&D activities (e.g. financial supports such as Research Framework Programme or services for innovators such as IPR Helpdesk). These public policies aim at reducing the perception of obstacles to innovation, that is to say the factors that discourage firms in investing in R&D, those that hamper the achievement of tangible results or that slow down the development of technological innovation. At the same time, nowadays public intervention emphasizes the promotion of the development of an effective local innovation system since the innovative performance of firms is strictly affected by external opportunities and external operative context.

Taking into account the objectives of industrial policies and the relevance of a systemic viewpoint of innovation activities, this study is interested in understanding what are the determinants of the obstacles to innovation and if they vary across countries. Thus, this study contributes to the literature on the perception of hampering factors of innovation by investigating the role played by the national innovation system and by remarking possible implications for innovation policy makers.

In order to evaluate the national effect on the perception of obstacles and on the determinants of obstacles, the analysis used data collected by the Fourth Community Innovation Survey in two different countries: France and Italy. The comparison of these two countries means comparing national innovation systems characterized by different performance, especially in supplying innovation inputs to firms that are engaged in innovation on its territory firms. In particular, France, an innovation follower country, should back firms with more resources for innovation than Italy, a trailing country. Thus, the perception of obstacles to innovation could vary across countries. Moreover, differences in the national innovation system could lead to divergence in the factors that hamper firms' innovative activities.

The analysis is focused on the perception of obstacles and related determinants of innovators *i.e.* firms that are active in R&D activities and have introduced new products to the market or process innovation over 2002-2004. The attention paid towards only one innovative profile⁵⁰ is due to the findings of a previous study (Mancini, 2011) that highlights similarities in the perception of obstacles but differences in factors that generate them. Thus it is driven by the awareness that an overall study can lead to a distorted vision. The use of this specific innovative profile is due to the consensus of previous literature in remarking that more the firm is involved in R&D and innovative activities, the greater the importance it is likely to attach to obstacles to innovation (Baldwin and Lin, 2002; Mohnen and Rosa, 2000; Galia and Legros, 2004).

The structure of the paper is as follows. Section 2 provides a summary of previous empirical evidence on the nature of determinants of obstacles to innovation for innovators. Section 3 reports and comments on the findings of the statistical analysis that compares the perception of obstacles in France and in Italy, and the results of the econometric estimation studying determinants of obstacles across countries. The last section provides some concluding remarks and policy implications.

1. Literature review: obstacles to innovation and National System of Innovation

Companies perceive several obstacles which may discourage them from undertaking innovative activities or make it more difficult for them to achieve expected results from their engagement in R&D activities. During innovation development it could happen that financial resources are not enough to cover the high level of investment required by innovation projects. Further hampering effects are related to the lack of information

⁵⁰ Firms can be subdivided according to their attitudes towards innovation into three groups: innovators, innovative active and no-innovative active. Innovators are firms that develop product and/or process innovation. Innovative-active firms are firms that, although engaged in R&D activities, have not introduced innovation. Non-innovative active are firms that aren't engaged in any innovative activities.