

## **Entrepreneurial State Management of Innovation: A Comprehensive Cross-Country Comparative Analysis of EU Democracies**

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*Abstract.* The aim of this paper is to analyse the patterns of entrepreneurial state's management of innovation. With reference to the proponents of entrepreneurial state's strengths (such as Nelson 1993; Freeman 1995; Mazzucato 2015) and the already conducted research confirming a positive correlation between the innovation index and the liberal democracy index (Kustec and Zalokar 2024), we claim that the role of governments and public administration in managing innovation matters, but only under the conditions of high democratic standards.

To test this claim, we will conduct a comprehensive set of meaningful statistical analyses of the selected individual variables of the European Commission's Innovation Scoreboard Index (EC 2023) and the V-dem Index of Liberal Democracy (V-dem 2024). Special attention will be paid to a) different types of innovation activities, such as different groups of innovators and intellectual assets, and b) democracy variables related to free elections, freedom of speech, freedom of opposition, rule of law, legislative, executive, judicial and administrative checks and balances oversights.

In a comparative analysis among EU member states, we will test the hypothesis that effective state management, as declared by its transparent, efficient and governance-related institutional oversights, has important positive impacts on a country's innovation performance, as seen through the equal success of various innovation activities. In other words, better democratic governance of a state also led to its greater success on the innovation scale.

*Keywords:* entrepreneurial state, state management, democracy, innovation, EU, statistical analysis

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