

# SOCIAL INNOVATION AND COMPETITIVENESS – A LITERATURE REVIEW OF THE THEORETICAL WORK IN THE FIELD

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**Abstract:** Competitiveness has become a major topic of economic and business studies over the last 20 years. In the 1980s, the focus of the study on innovation and competitiveness was corporate-level analysis. Subsequently, the focus shifted towards examining the role of larger communities, as the innovation performance of the community is decisive. The identification and study of actors involved in the implementation of innovation is of utmost importance for successes, and creates the need for investigation at multiple levels. In addition to the company's innovation capabilities, the innovation potential at regional and national level is also relevant. One of the features of successful companies is the complex interpretation of innovations (continuous and radical innovations simultaneously), which gives them a competitive advantage. Innovation is connected to the unique value, creating the competitive advantage that is decisive for competitiveness of an organization, region or even national economy. But there is the question: how can innovation be quantified in the development of competitiveness. In this paper we concentrate on social innovation and its connection to competitiveness at micro, mezo and macro level and the paper represents a literature review of the theoretical work in the field.

**Key words:** competitiveness; social innovation; measurement

**JEL Classification:** I31; L10; O35

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