

# **THE IMPACT OF R&D INVESTMENT ON PRODUCTIVITY**

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*ABSTRACT: In the context of the national and European efforts directed to increasing of R&D investment up to 3% of GDP, the debate on the effects of R&D investment has received a new impetus last time. Starting from theoretical and methodological approaches found in the current scientific literature regarding this issue, the paper is focused on the empirical analysis of the effect of R&D investment on total factor productivity in Romania for the period 1996-2006. The results obtained, in line with current research results in Romania or abroad, could be taken into consideration in political decision of R&D investment and in finding appropriate economic measures aiming to stimulate business R&D investment.*

*Keywords: R&D stock, R&D spillover, R&D effect on TPF*

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