Evidence-based Policy Advice and Innovation Policy beyond Horizon 2020

Euro-CASE Annual Conference
Brussels, December 3, 2014
There is not much hope for Europe...
...according to The Economist
Europe is not performing very well

The Economist

**TOP GROWERS**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>GDP growth, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mongolia</td>
<td>13.1</td>
</tr>
<tr>
<td>2</td>
<td>Macau</td>
<td>12.2</td>
</tr>
<tr>
<td>3</td>
<td>Libya</td>
<td>8.6</td>
</tr>
<tr>
<td>4</td>
<td>China</td>
<td>8.5</td>
</tr>
<tr>
<td>5</td>
<td>Bhutan</td>
<td>7.8</td>
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<tr>
<td>6</td>
<td>Timor-Leste</td>
<td>7.6</td>
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<tr>
<td>7=</td>
<td>Iraq</td>
<td>7.8</td>
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<tr>
<td>7=</td>
<td>Mozambique</td>
<td>7.8</td>
</tr>
<tr>
<td>9</td>
<td>Rwanda</td>
<td>7.6</td>
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<tr>
<td>10</td>
<td>Ghana</td>
<td>7.6</td>
</tr>
</tbody>
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**World GDP growth**, 2013

- **North America**: 2.2%
- **Middle East/north Africa**: 3.8%
- **Latin America**: 3.9%
- **Sub-Saharan Africa**: 4.8%
- **Western Europe**: 0.3%
- **Eastern Europe**: 2.9%
- **Japan**: 1.2%
- **Asia (excl. Japan)**: 6.4%

* As market exchange rates
The world is changing
Grand Societal Challenges

Environment, climate
Health
Ageing population
Globalisation
The big hope is “Innovation” - an overused buzzword?
Organization for Econ. Co-op. & Dev. (OECD)
Comprehensive Innovation strategy launched in 2010
Innovation
• What is the role of government?
• What isn’t the role of government?

• Education, Research, Infrastructure, Conditions for business, Procurement, Sustainability, Housing, Culture, Incentives for entrepreneurship, Incubators, Early stage venture capital, Later stage venture capital, Taxes, Sharing risk, etceteras
Prof. Mariana Mazzucato, Univ. of Sussex
"The state is the real engine of innovation"
Euro-CASE Innovation Platform

“The platform remains when the train has left the station”
Euro-CASE innovation platform
Agreed goals

- Provides science-based policy advice to relevant EU Institutions and national governments within chosen focus areas
- Establishes best practice of national innovation strategies in Europe (“learning from each other”)
- Topics and proposals are mapped towards the relevant European documents and in line with Europe 2020 and its flagships (Innovation Union), Horizon 2020 and others.
- Reports should be made from each workshop meeting
Still too fragmented markets in Europe

Unfinished European Research Area (ERA)

Limited financial resources due to the ongoing financial and economic depth crises in several European countries

Deteriorating venture capital markets

Limited entrepreneurial activities and attitudes

Manufacturing jobs disappearing
• Co-chaired by Bjorn O. Nilsson, Royal Swedish Academy of Engineering Sciences, IVA (Sweden) & Ernst Rietschel, acatech (Germany)

• Workshops meetings
  • 15-16 February 2012, Stockholm, Sweden
    *Innovation procurement* Position Paper Published
  • 29-30 May 2012, Brussels, Belgium
    *EU public-private partnerships in research and innovation* Position Paper Published
  • 11-12 October 2012, London, UK
    *Financing innovation* Position Paper Published
  • 23-24 January 2013, Helsinki, Finland
    *Innovation and changing industry structure* Discussion Paper Published
  • 5-6 June 2013, Madrid, Spain
    *Transforming manufacturing* Position Paper Published
  • 29-30 October 2013, Lisbon, Portugal
    *Boosting innovation in Europe* Discussion Paper Published
  • 17-18 March 2014, Paris, France
    *Final report work* Final report Published, October 2014
Research, innovation and technology are vital to secure competitiveness and address our grand challenges.

A change in the innovation culture and the way entrepreneurial activities are valued in Europe are prerequisites to make Europe competitive.

The European Union, as well as the Member States, should act resolutely in making their innovation systems more competitive.

Europe cannot, and should not, compete on the basis of cheap labour.

Topics such as embracing technological change, driving the next industrial revolution and supporting a culture of innovation across academia, industry and entrepreneurs are important steps for Europe’s competitiveness.
• There is negligence in the EU and its member states of demand-side innovation policy instruments, especially innovation procurement.
• Number of test beds for implementation of innovation procurement should be increased at the national level.
• We strongly support Europe 2020, the Innovation Union and the Commission communications on Smart regulations (COM (2010) 543 final)

• Public-Private-Partnerships in Research & Innovation
  • Under Horizon 2020, the European Union establishes a unified, comprehensive, open, and competitive framework for the development of new public-private partnerships at European level complemented by a corresponding legal regulatory structure.
  • In the next Framework Programme, this framework should result in a dedicated Research Public-Private Partnership Funding Programme
Financing Innovation
- Providing or facilitating finance for innovative enterprises
- More must be done at member state level to attract and nurture private financing for innovation
- A number of specific recommendations to European states and the EU

Transformation of Manufacturing
- We recommend widening the concept of manufacturing and considering integrated production spaces as part of the integrated space of value creation.
- EU and European states are equally advised to support High Complexity, High Value Manufacturing (HCHVM) that will allow European manufacturing businesses to compete on a global level.
- The EU is called to update and enhance the cybernetic infrastructure to support wide digitalisation, connectivity, robotization and automation
Euro-CASE Innovation Platform

EURO-CASE POLICY PAPER ON EUROPEAN INNOVATION POLICY
Innovation

The Euro-CASE Innovation Platform took up its work at the beginning of 2012 under the leadership of acatrch (DE) and IVA (SE) – Chair of the Platform is Prof. Dr Ernst Raetschel, with Prof Dr Bjorn O. Nilsson as co-chair. Ultimately, the objective is to help putting in place the necessary conditions for Europe to increase its innovative power.

Agreed goals are that the Innovation Platform:

- Provides science-based policy advice to relevant EU Institutions and national governments within chosen focus areas,
- Establishes best practice of national innovation strategies in Europe (‘learning from each other’),
- Topics and proposals are mapped towards the relevant European documents and in line with Europe 2020 and its flagships (Innovation Union) and Horizon 2020.

The purpose is that the Innovation Platform:

- Contributes to make Europe the most successful innovation region in the world,
- In a proactive way, provides advice to the EU and European Institutions on innovation issues.
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"Wayne Gretzky said: **Good** hockey players can rapidly skate **to where the puck is**.

**Great** hockey players can rapidly skate **to where the puck is going**.

In innovation, Europe must skate **to where the puck is going, not where it is.**"


Stated at the *Euro-CASE Innovation Platform meeting in Finland, January 2013*
Innovation is an idea driven process

Innovation

No amount of hard work can compensate for a stupid idea