



European
Commission



Innovation Union

A pocket guide on a Europe 2020 initiative

*Research and
Innovation*

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to your questions about the European Union.

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Innovation

→ Growth

1 Why do we need an Innovation Union?

Europe is facing many challenges! So we need to:

- create **job opportunities for all, especially the young**
- get the **economy back on track**
- make **companies more competitive** in the global market
- solve the challenges of an **ageing population**
- **secure resources like food** and fuel
- fight **global warming**
- improve **smart and green transport**

How is the European Union doing this?

Europe's future is connected to its power to innovate. The Innovation Union, an action-packed initiative for an innovation-friendly Europe, is the solution. It forms part of the Europe 2020 strategy that aims to create smart, sustainable and inclusive growth.

On the one hand...

- *Europe has:*
- world-class researchers, entrepreneurs and companies
 - the unique strength of its values, creativity and diversity

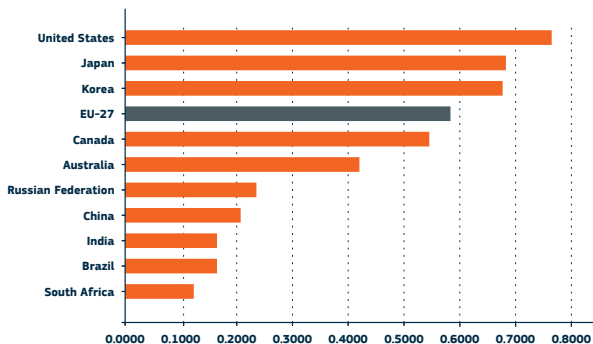
On the other...

→ *Europe's research and innovation performance needs to be boosted to master the many challenges ahead and keep its place in a fast-changing world.*

Europe's global economic ranking is changing rapidly. By 2050, Europe's share of world GDP is likely to be half of today's 29%. So far, Europe has been able to keep its share of world exports (20%), and in that respect our performance is better than that of other advanced economies. But China, India and Brazil have started to catch up with the EU by improving their economic performance faster than the EU has, year-on-year, over the last five years.

The main economic driver of economic growth in the EU is innovation. This is why the EU needs to improve its performance in innovation, as shown in the graph below:

EU-27 PERFORMANCE IN INNOVATION COMPARED TO MAIN COMPETITORS - Innovation Union Scoreboard 2011



But what is innovation anyway? Why is it so important for all of us? What does the Innovation Union strategy entail? Does it concern me? Who will implement it?

Read on... and find out.

2 What is innovation?

"Innovation is the ability of individuals, companies and entire nations to continuously create their desired future"

John Kao, "Innovation Nation" (2007)

Innovation refers to the creation of new or significantly improved:



Products



Marketing



Processes



Organisation

that add value to markets, governments and society.

The Innovation Union initiative provides a broad, balanced approach to innovation.

For many people, the use of innovation in the form of smartphones and social media is second nature. Dig deeper and you'll see **how innovation has an impact on our daily lives, in a hundred different guises.**



smartphone



new packaging



bar-coded goods tracking systems



training for employees within the company

Innovation is everywhere, for example:

- In the private sector: Companies placing design at the heart of their practices
- In the public sector: Online public services saving people time and money
- In the third sector: Quality care for the elderly by social innovators

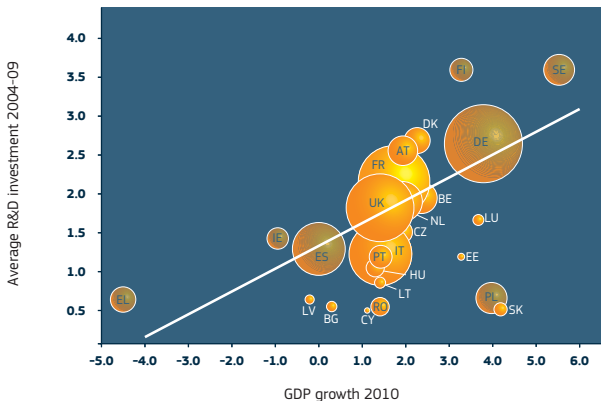


3 Innovate our way out of the crisis

Innovation is our best option to help get the European economy back on track.

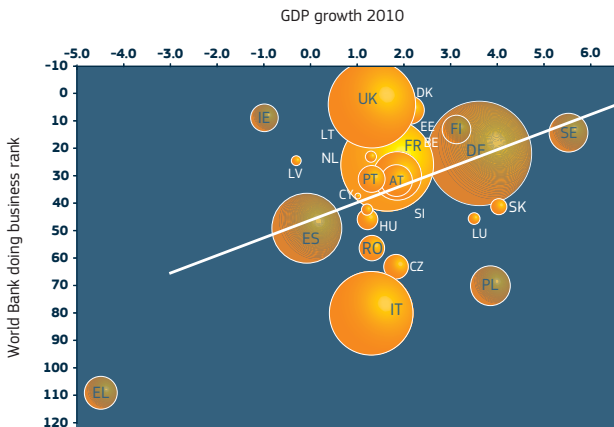
It is widely accepted that investments in research and innovation are driving long-term growth. The rate of return for publicly funded R&D is considered high.

But did you know that the countries that invest in R&D are recovering faster from the crisis – as the graph below shows?



R&D investment and economic recovery

If European companies are to remain competitive in the global economy, EU public policies should focus on creating an environment that promotes innovation.



Business environment and economic recovery

source: DG RTD-JRC own calculations based on Eurostat and World Banks ranking data

How is the Innovation Union changing Europe?

we lack an internal market for innovation

we must ensure territorial and social cohesion throughout Europe

we must pool resources in research and innovation

Ideas need an **innovation-friendly environment** to grow and become products or services that will benefit us all and our economies.

But we face hurdles:

- weaknesses in public education and innovation systems
- poor availability of finance
- costly patenting
- outdated regulations and procedures
- slow standard-setting
- failure to use public procurement strategically
- fragmented efforts among member countries and regions

By **improving conditions and access to finance for research and innovation** in Europe, we can ensure that innovative ideas can be turned into **products and services that create growth and jobs**.

This is why the Innovation Union initiative aims to:



make **Europe a world-class performer in science**



revolutionise the way the public and private sectors work together, notably through Innovation Partnerships



remove bottlenecks – create an internal market for skills, patents, venture capital, innovation procurement and standard setting to foster ideas being quickly implemented on the market.

The initiative comprises more than **30 action points**.

One of its ground-breaking proposals is the Innovation Partnerships which aim to tackle the major challenges facing our society. The Partnerships will also help Europe reach its innovation potential more quickly, thus giving it a head start in the markets of the future.

Let's give our innovators the environment they need to flourish!



What are the benefits for you?



Citizens and public authorities

The initiative will lead to breakthroughs to improve your quality of life and create jobs.

The Innovation Union means:

- A smarter economy to support our standard of living
- Better use of public money
- Empowering citizens thanks to social innovation
- Finding solutions to help us live longer and healthier lives
- A greener Europe



Entrepreneurs and industry/business

The initiative will make it easier for you to market your ideas and develop your company.

The Innovation Union means:

- Improved access to finance
- Innovation-friendly rules and regulations
- Accelerated standard-setting
- Cheaper patenting
- Innovation supported by the public sector
- Innovation Partnerships to give EU businesses a competitive edge
- Facilitated access to EU research and innovation programmes



Researchers and engineers

The initiative will make it easier for you to conduct your research in Europe.

The Innovation Union means:

- Attractive careers for researchers
- Training of a high-standard
- Improved cross-border mobility
- More open access to research results
- Enhanced public-private collaboration
- Facilitated access to EU research and innovation programmes



Pulling together for an innovative future

Europe and its Member States and regions need to **act together in partnership to help innovation flourish**. While Member States can, for example, change their education systems to foster a more qualified work-force, the EU has a role to play in terms of coordinating the actions put forward in the Innovation Union initiative to make sure things dovetail well.

FROM WORDS TO DEEDS

The European Institutions:

- the Heads of State are pushing the Innovation Union ahead as part of the Europe 2020 strategy
- the European Parliament is keeping the Innovation Union high on the political agenda
- the European Commission is developing the initiatives set out by the Innovation Union, assisting Member States in reforming their systems, promoting the exchange of best practices and monitoring progress

To further **encourage this process of change and to promote a mindset conducive to innovation**, the Commission publishes the annual State of the Innovation Union report. It also brings together all actors at Innovation Conventions. The Conventions meet on the basis of the fundamental belief that **major companies, SMEs, the public sector, NGOs and society as a whole need to play their part to make innovation a success.**

The Member States (and their regions) will:

- step up (or at least protect) public budgets in education, R&D and innovation
- put in place national strategies for training and attracting talent
- improve the use of structural funds for supporting research and innovation activities
- review the performance of their research and innovation system and identify critical reforms
- develop common approaches to S&T cooperation with third countries

How can we tell if it is working?

With a wide range of measures being implemented in different Member States and at a variety of levels, we need to keep an eye on what is working and what isn't.

Here are some of the ways to get a clear picture of how the EU countries are doing when it comes to maximising their innovation potential.

The Innovation Union Scoreboard

The scoreboard **tracks a broad range of innovation indicators**, including educational standards, R&D expenditure, patent production and business innovation.

The results of the scoreboard are used in the Annual Growth Survey, **helping countries work out their strengths** and the areas they need to focus more on.

Innovation competitiveness report

Providing a **comprehensive analysis of trends** and how things are likely to evolve in each Member State, the report provides **a window into how innovation-friendly each Member State is**. It shows what each of them needs to work on in order to perform better.

I3S, the Innovation Union Information and Intelligence System

This provides anyone interested **with an easy way to find out how innovation is evolving in the EU**, setting out:

- the key dimensions of the challenges faced
- the objectives in tackling these challenges
- the approach planned to meet these challenges
- key milestones along the way while highlighting the achievements made and specific events, publications and other activities planned

Innovation Convention 2011 – what people are saying

“There are five principles for innovation: collaboration, transparency, sharing, interdependence, and integrity”

Don Tapscott

“Europe is a real reservoir of talent, of imagination, of creativity, so it's our role to foster that”

Jean-Paul Agon

“Innovation has to be inclusive and affordable”

Kiran Mazumdar-Shaw

“All those crises are only symptoms related to emerging technology crises”

André Geim

“We want to change the way leaders take decisions in governments and society; let's start by embracing data driven decision making ”

Eric E. Schmidt

“The ultimate risk is not taking a risk”

Gunilla von Platen

“We have a lot of innovation, particularly in our young people and we need to trust them”

Leszek Borysiewicz

“We can learn to appreciate Science just as we appreciate a great work of Art”

Richard Dawkins

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