

## Group 4 – The Flapship Initiative “Innovation Union”



### Flagship Initiative: "Innovation Union"

Innovation provides real benefits for us as citizens, consumers, and workers. It speeds up and improves the way we conceive, develop, produce and access new products, industrial processes and services. It is the key not only to creating more jobs, building a greener society and improving our quality of life, but also to maintaining our competitiveness on the global market.

The Innovation Union is one of the seven flagship initiatives of the Europe 2020 strategy for a smart, sustainable and inclusive economy that has been adopted in June 2010.

The Innovation Union plan contains over thirty actions points, with the aim to do three things:

- make Europe a world-class science performer;
- remove obstacles to innovation – like expensive patenting, market fragmentation, slow standard-setting and skills shortages – which currently prevent ideas getting quickly to the market; and
- revolutionize the way public and private sectors work together, notably through European Innovation Partnerships (EIP) between the European institutions, national and regional authorities and business.

We need to do much better at turning our research into new and better services and products if we are to remain competitive on the global marketplace and improve the quality of life in Europe.

We are facing a situation of 'innovation emergency'. Europe is spending 0.8% of GDP less than the US and 1.5% less than Japan every year on Research & Development (R&D). Thousands of our best researchers and innovators have moved to countries where conditions are more favourable.

Although the EU market is the largest in the world, it remains fragmented and not enough innovation-friendly. And other countries like China and South Korea are catching up fast.

The Innovation Union is a crucial investment for our future. For example, achieving our target of investing 3% of EU GDP on R&D by 2020 could create 3.7 million jobs and increase annual GDP by €795 billion by 2025.

The aim of this is to re-focus R&D and innovation policy on the challenges facing our society, such as climate change, energy and resource efficiency, health and demographic change. Every link should be strengthened in the innovation chain, from 'blue sky' research to commercialisation.

At EU level, the Commission will work:

- To complete the European Research Area, to develop a strategic research agenda focused on challenges such as energy security, transport, climate change and resource efficiency, health and ageing, environmentally-friendly production methods and land management, and to enhance joint programming with Member States and regions;
- To improve framework conditions for business to innovate (i.e. create the single EU Patent and a specialised Patent Court, modernise the framework of copyright and trademarks, improve access of SMEs to Intellectual Property Protection, speed up setting of interoperable standards; improve access to capital and make full use of demand side policies, e.g. through public procurement and smart regulation);

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- To launch 'European Innovation Partnerships' between the EU and national levels to speed up the development and deployment of the technologies needed to meet the challenges identified. EIP are a new way of bringing together public & private actors at EU, national and regional level to tackle the big challenges we face.
- To strengthen and further develop the role of EU instruments to support innovation (e.g. structural funds, rural development funds, R&D framework programme, CIP, SET plan), including through closer work with the EIB and streamline administrative procedures to facilitate access to funding, particularly for SMEs and to bring in innovative incentive mechanisms linked to the carbon market, namely for fast-movers;
- To promote knowledge partnerships and strengthen links between education, business, research and innovation, including through the EIT, and to promote entrepreneurship by supporting Young Innovative Companies.

At national level, Member States will need:

- To reform national (and regional) R&D and innovation systems to foster excellence and smart specialisation, reinforce cooperation between universities, research and business, implement joint programming and enhance cross-border co-operation in areas with EU value added and adjust national funding procedures accordingly, to ensure the diffusion of technology across the EU territory;
- To ensure a sufficient supply of science, maths and engineering graduates and to focus school curricula on creativity, innovation, and entrepreneurship;
- To prioritise knowledge expenditure, including by using tax incentives and other financial instruments to promote greater private R&D investments.

Sources: <http://ec.europa.eu/eu2020/>; [http://ec.europa.eu/research/innovation-union/index\\_en.cfm](http://ec.europa.eu/research/innovation-union/index_en.cfm); accessed on 12.07.12