

# Round Table – Europe 2020: Towards an Innovative and Creative Society

## EIN Working Group Digital Economy

At the EIN Summer University, Bucharest 22-24 September 2011

### Chairman

- **Malcolm Harbour** MEP, Member of the European Conservatives and Reformists Group in the European Parliament, Chairman of the EP Committee on 'Internal Market and Consumer Protection'

### Guest Speakers

- **Daniel Funeriu**, Minister of Education, Romania
- **Keleman Hunor**, Minister for Culture and National Heritage, Chairman of the RMDSZ
- **Christian Dan Preda** MEP. Member of the EPP Group in the European Parliament, Member of the EP Committee on 'Foreign Affairs'

### Panellists

- **Rudolf Strohmeier**, Deputy Director General, DG Research and Innovation, European Commission
- **Fabio Colasanti**, Senior Advisor for the Digital Agenda, European Policy Centre
- **Mark MacGann**, Senior Vice President, Head of European Government Affairs and Public Advocacy, NYSE Euronext

### Rapporteur

**Andreas Tegge**, Vice President EU Government Relations, SAP

## Round Table Report

The overall theme of the Round Table was: Europe 2020 – Towards an Innovative and Creative Society. The substantial and fruitful panel discussion focused on the following topics:

- Does the EU have a society that is more risk averse and less innovative than our global competitors? Or do we have structural deficiencies that inhibit innovative and creative enterprises?
- Is the role of science and technology in the EU undervalued? Are we training and developing enough scientists and engineers to underpin our economic, sustainability and societal goals?

- What are the major challenges for the success of EU 2020, and in particular Horizon 2020, the research component? Can we achieve early results in prevailing financial circumstances? What are the priority tools to be deployed? Can public authorities through procurement, play a bigger role?
- Do we need new initiatives to promote society's trust and engagement with science and technology? Can entrepreneurial and innovative skills be taught? What role must education in institutions play? Can the EIT play a role as a catalyst in the triangle of research, education and innovation?
- Are we doing enough to deploy and exploit information and communication technologies? Can public intervention help the funding of innovative companies at the most critical stage of their evolution? Should we back key technologies or let the market work?

Main conclusions of the interventions and discussion:

Most speakers and panelists agreed that the EU 2020 strategy contains the right tools and measures to develop Europe into an innovative and creative society. However, one speaker argued that the EU 2020 reminded him of an instrument of the socialist planned economy! There was widespread agreement that the real challenge of EU 2020 was its proper and timely execution. Europe is not moving fast enough. And there is a risk that Europe is falling behind other regions in terms of its innovations capacity, job creation and competitiveness.

The interventions and discussion brought about the following key measures that should be taken to address the shortcomings:

- Skills development: Europe needs to develop a critical mass of talents, especially engineers and scientists. At the same time, we need to attract the best talents in the world by creating attractive framework conditions for them.
- Research and innovation: Public funding for research should be increased for both – despite the current budgetary constraints. However, EU and national research programmes must be more focused and better aligned. An enhanced research capacity would not be sufficient as the main problem in Europe is to turn research into marketable products and services, i.e. innovation. The new Horizon 2020 strategy therefore proposes to make more use of EU structural funds to finance innovative projects and bridge the gap between research and innovation. The scope of funding innovative projects though should not be limited to technology but be extended to the creative and content industry as they significantly contribute to an innovative and creative society. Moreover, pre-commercial procurement by public administrations was regarded as a useful instrument to promote innovation.
- SMEs: All participants agreed that the innovation capacity of SME in Europe is too low, especially if one considers that SMEs are the backbone of the European economy. Accordingly, SMEs should be provided with easier access to capital markets, which seems to be a major problem for European SMEs. Furthermore, SMEs should be encouraged to participate in EU research programs and to apply for structural funds, in particular by reducing red tape.

- Regulatory framework: All participants stressed the need for a proper regulatory framework to promote innovation. First, common EU-wide standards and regulations were regarded as essential for the scalability and market penetration of new products and services. Therefore, research projects should from the very beginning identify the standards and regulations that are needed to foster market adoption. Furthermore, it was stated that red tape and overregulation still hampers innovation and creativity in Europe. European legislators should make more effective use of impact assessment tools and consider soft law approaches as an alternative to legislation, wherever appropriate.

Finally, participants agreed that there are at least two topics that would deserve further attention in form of separate EIN workshops:

1. How to promote trust among citizen in new technologies and how to tackle the obvious risk averseness and lack of entrepreneurship in Europe?
2. What can European legislators do to foster innovation and creativity? One the one hand there is often a need of a common regulatory framework to ensure legal certainty and to establish an internal market for new products and services. On the other hand heavy regulation can stifle innovation.