Innovation Union: transforming Europe for a post-crisis world

2010/2245(INI) - 12/04/2011

The Committee on Industry, Research and Energy adopted an own-initiative report by Judith A. MERKIES (S&D, NL) in response to the Commission Communication setting out the main initiatives needed to create 'Europe 2020 Flagship Initiative: Innovation Union'.

(1) An integrated and interdisciplinary approach: whilst welcoming the Innovation Union flagship initiative, the report calls for : i) a broad concept of innovation that goes beyond technological and product oriented innovation ; ii) involves all stakeholders, in particular enterprises, and highlights the various enabling roles of citizens, while realising a mindset change.

Members consider that innovation, in all fields of knowledge and of economic and social activity, must be guided by the criteria of public interest, improvement of quality of life, promotion of social wellbeing and preservation of the environment and the balance of nature.

The report underlines the importance of climate and energy-efficient and renewable technologies in the shift towards a sustainable global economy. The Commission is asked to define strategies on internationalisation and innovation in these sectors. Members also call for the adoption of an ambitious Eco-innovation Action Plan.

The committee recalls that innovation is not exclusively intended to meet major societal challenges but also plays a particularly important role in the manufacture of consumer-friendly and attractive products in the fields of leisure, technology, industry, culture and entertainment. Noting that the digital world and ICTs are engines of innovation, it wants the Commission and Member States to step up their implementation of high-speed internet.

Members stress that that the success of innovation and research policy is dependent upon:

- strategic orientation, development, design and implementation of all policies and measures, , with the aim of contributing to and enhancing innovation in Europe;
- well-coordinated multidisciplinary cooperation and (financial) support at EU, Member State, regional and local level;
- maximum involvement of all relevant players, e.g. SMEs, industry, universities, research institutes, RTOs, governments, Civil Society Organizations and social partners;
- coordination, coherence and synergy among the different policy areas, actions and instruments, so as to prevent fragmentation and duplication;
- shaping a positive regulatory environment for innovation products in order to adapt to market needs;
- policy evaluation methodologies and processes, including peer review panels and dissemination of successful experiments.

(2) Citizen-centred Innovation Society: the Commission and Member States are invited to put serious effort into bringing about a change of mindset towards innovative and curiosity-driven thinking and risk-taking.

The report underlines the importance of the following:

- steps to support initiatives aimed at promoting scientific dialogue and the dissemination of findings among the widest possible public, in addition to the scientific community;
- fostering the development at regional level of an innovation culture ;
- promoting research on social innovation and to provide public funds in support of it as well as public-private partnerships;
- modernising education systems and efforts to overcome skill shortages in the fields of science, technology, engineering and mathematics;
- raising the level of lifelong learning and of developing training activities for all in order to enhance eco-innovativeness and entrepreneurship;
- promoting policies to strengthen cooperation between education systems and the business world in the development of new curricula and doctoral programmes.
- The Commission is asked to create an "Open Innovation" digital platform where European-wide policy problems can be posted, and ideas and solutions can be put forward by citizens and stakeholders across Europe.

(3) Simplification, defragmentation, financing and standardisation: the report calls for a greater emphasis on funding instruments with a leveraging effect on national research expenditure, on private investment, and on EIB funding, to promote coordination of efforts and to stimulate investment up to European target goals. It also stresses the need to support SMEs from the first stage of innovation until the end, so that they are able to innovate and can participate in European Support Programmes.

The Commission is particularly asked to:

- combine existing aid schemes and supporting structures in order to move towards a simple and accessible system to accelerate innovation, to focus on the grand societal challenges and actively to prevent fragmentation and bureaucracy;
- set up a 'one-stop shop' in cooperation with the Member States, that is, a service counter where all stakeholders (especially innovative SMEs) – including local and regional government – can obtain information and apply for financial support or be linked up with potential partners;
- establish a single policy framework for supporting and financing innovation with uniform rules;
- link funding instruments more closely to demand-side innovation tools and to direct this support in greater extent to SMEs and start-up companies in need of early access to EU- or international markets.

Members propose that a European innovation financing fund should be set up to boost investment in innovative SMEs through risk sharing involving the harnessing of private resources. They call for a true "EU Venture Capital Single Market" and the further development of instruments and mechanisms for improving SMEs access to research and innovation services (such as innovation vouchers).

Recognising that research and innovation are the only sure means of achieving economic recovery in the EU, Members want the Commission to consider the possibility of establishing for Member States an interim binding minimum level of funding for research and technological development amounting to around 1% of GDP up to 2015.

(4) Single market and intellectual property: Members point out that the single European patent and the European Company Statute need to be adopted to promote the transition to extra-Community trade. They underline the need to reduce the costs of an EU patent and IPR and welcome the Commission revision of the Union trademark system.

The report welcomes the Commission proposal to develop a European knowledge market for IPR and licensing by the end of 2011, including facilitating access to unused intellectual properties, among others, by encouraging the formation of common patent platforms and patent pools.

Members ask for policies which encourage researchers to remain in the EU Member States and investment in research programmes which facilitate mobility and exchanges between researchers at international level.

The Commission is asked to come forward with legislative proposals required for the creation of a fully functioning Digital Single Market by 2015.

(5) Public procurement: Members ask Member States to Member States strategically to use public procurement (which represent 17% of the EU's annual GDP) to address the societal challenges, to stimulate innovation and direct their public procurement budget towards innovative, sustainable and eco-efficient products, processes and services. When revising the legal framework on public procurement, the Commission is asked to (i) clarify and simplify the relevant rules and enable contracting authorities to make more transparent use of pre-commercial procurement; (ii) encourage the transparent inclusion of specified and veritable social, environmental, fair-trade and innovative criteria in public procurement

Members emphasise that international reciprocity is needed in respect of access to public procurement markets.

(6) European Innovation Partnerships (EIPs): the committee welcomes the 'European Innovation Partnerships' intended to increase and coordinate investments in R&D as well as to better coordinate public procurement to speed up the introduction of innovations into the market. It welcomes the pilot project on active and healthy ageing, and asks the European Commission to promote and support other initiatives based on the principle of EIPs.

The report stresses that EIPs must: (i) not exceed the limited number of grand societal challenges and must be aligned with them; (ii) generate inspiration through ambitious but feasible targets, translated coherently into specific objectives; (iii) create sysnergies; (iv) be shared and coordinated among more than two policy fields (DGs) within the Commission; (v) ensure participation of all relevant public and private partners.