

## The "Innovation Union" – turning ideas into jobs, green growth and social progress

*The European Commission's "Innovation Union", tabled today, sets out a strategic approach to innovation, driven by the highest political level. The Innovation Union will focus Europe's efforts – and co-operation with third countries - on challenges like climate change, energy and food security, health and an ageing population. It will use public sector intervention to stimulate the private sector and to remove bottlenecks which stop ideas reaching the market. These include lack of finance, fragmented research systems and markets, under-use of public procurement for innovation and slow standard setting. The Innovation Union is a "flagship" in the Europe 2020 Strategy.*

Máire Geoghegan-Quinn, Commissioner for Research, Innovation and Science and Vice-President Antonio Tajani, responsible for industry and entrepreneurship said: "As we emerge from crisis in the teeth of fierce global competition, we face an innovation emergency. If we do not transform Europe into an Innovation Union, our economies will wither on the vine while ideas and talent go to waste. Innovation is the key to building sustainable growth and fairer and greener societies. A sea change in Europe's innovation performance is the only way to create lasting and well-paid jobs that withstand the pressures of globalisation. "

A new study<sup>1</sup> shows that meeting the Europe 2020 target of **increasing R&D investment to 3 percent of GDP** could create 3.7 million jobs and increase annual GDP by up to €795 billion by 2025. One million extra researchers will be needed.

### Ten key elements in the Innovation Union

- **European Innovation Partnerships** will mobilise stakeholders – European, national and regional, public and private - behind well-defined goals in areas which combine tackling societal challenges with potential for Europe to become a world leader. The Partnerships will step up R&D, coordinate investment, speed up standards and mobilise demand. The Commission will provide "seed corn" funds to attract stakeholder funding. A **pilot Partnership** on active and healthy ageing will be launched by early 2011, aiming to extend by two years by 2020 the proportion of our lives in which we enjoy good health. More partnerships will follow on areas such as energy, "smart" cities and mobility, water efficiency, non-energy raw materials and sustainable and productive agriculture.

---

<sup>1</sup> P. Zagamé, (2010) *The cost of a non-innovative Europe*, [http://ec.europa.eu/research/social-sciences/policy-briefs-research-achievements\\_en.html](http://ec.europa.eu/research/social-sciences/policy-briefs-research-achievements_en.html)

- The Commission has assembled **25 indicators in an "Innovation Union Scoreboard"**, and a checklist of the features of successful innovation systems. A new indicator will be developed on the share of fast-growing innovative companies in the economy. The Commission will support an independent ranking system for universities.
- **The Commission will bring forward measures to improve access to finance.** It will propose a cross-border venture capital regime, work with the European Investment Bank to scale up EU schemes like the Risk-Sharing Finance Facility and appoint a leading figure to strengthen cross-border matching of innovative firms with investors.
- **Existing research initiatives will be stepped up.** The Commission will propose measures to complete the European Research Area – a legal requirement under the Lisbon Treaty - by 2014. This means more coherence between European and national research policies, cutting red tape and removing obstacles to researchers' mobility, such as the lack of transferability of pension rights. It also means maximising open access to results of publicly-funded research. FP8 will be designed to support Europe 2020. The European Research Council and the European Institute of Innovation and Technology will be further developed. The Commission will reinforce the scientific base for policy making through its Joint Research Centre.
- The Commission will set up in 2011 a European Design Leadership Board and a European Design Excellence Label.
- The Commission will launch in 2011 a **major research programme on public sector and social innovation** and pilot a European Public Sector Innovation Scoreboard. It will launch a European Social Innovation Pilot to provide expertise for social innovators and propose social innovation as a focus of European Social Fund programmes. It will consult social partners on spreading the innovation economy to all occupational levels.
- The Commission proposes that governments set aside dedicated budgets for **public procurement of innovative products and services.** This should create a procurement market worth at least €10 billion a year for innovations that improve public services. The Commission will offer guidance on joint procurements between contracting entities from different Member States.
- In early 2011, the Commission will make a **legislative proposal to speed up and modernise standard-setting** to enable interoperability and foster innovation.
- **Europe's intellectual property regime needs to be modernised.** Agreement on the EU Patent would save business €250 million a year. The Commission will in 2011 make proposals for a European knowledge market for patents and licensing.
- **Structural funding and state aid frameworks will be reviewed to boost innovation.** The Commission will assist Member States to use better the € 86 billion of structural funds programmed for research and innovation for 2007-13. It will propose a framework for post 2013 Structural Funds with more focus on innovation. In 2011 it will review the state aid framework.

The Innovation Union will be discussed at the Competitiveness Council on 12 October and at the European Council in December. Progress will be monitored as part of the governance of the Europe 2020 Strategy. An annual Innovation Convention will discuss the state of the Innovation Union.

**More information**

[MEMO/10/473](#)

<http://ec.europa.eu/innovation-union>

[http://ec.europa.eu/enterprise/policies/innovation/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/index_en.htm)

<http://www.facebook.com/innovation.union>

<http://twitter.com/innovationunion>

<http://blogs.ec.europa.eu/innovationunlimited/>