



Investigating the Impact
of the **Innovation Union**

How do we govern innovation?

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How do we govern innovation?

- Available evidence
- Governance frameworks Vs MS innovation policies
- Key findings
- Main challenges: stakeholders' view

Available evidence: MS innovation policies

A. Self-assessment of Member States reform programmes:

- “Research and Innovation performance in the EU: Innovation Union progress at country level” ed. 2014 and updates



Country profiles that highlight **areas of scientific and technological strengths** at the national level, showing **developments linked to R&I strategies** and the overall **link between R&I and progress** towards the goals set by the Europe 2020 strategy.

Available evidence: MS innovation policies

Innovation policies
by MS -year 2016-

	R&I Agents	R&I Strategies	R&I Funding	Fiscal Measures	R&I Public Private	Human capital	Innovation Clusters	Univesity Govern. reform	Public Procurement	R&I Evaluation	Total
France	✓	✓	✓	✓		✓			✓	✓	7
Germany	✓	✓	✓		✓	✓	✓	✓			7
Austria	✓	✓		✓			✓	✓	✓		6
Finland	✓	✓	✓	✓			✓	✓			6
Sweden	✓	✓			✓	✓			✓	✓	6
Luxembourg	✓	✓	✓		✓		✓	✓			6
Netherlands	✓	✓	✓	✓	✓	✓					6
Slovenia	✓	✓	✓	✓	✓	✓					6
UK	✓		✓	✓		✓			✓		5
Lithuania	✓		✓		✓		✓	✓			5
Malta	✓	✓	✓		✓	✓					5
Belgium	✓	✓	✓	✓			✓				5
Italy	✓	✓	✓				✓			✓	5
Poland	✓	✓	✓		✓			✓	✓		6
Romania	✓	✓		✓			✓	✓		✓	6
Czech R.	✓	✓	✓	✓	✓					✓	6
Croatia	✓	✓	✓			✓		✓			5
Estonia	✓	✓	✓				✓		✓		5
Hungary	✓	✓	✓	✓			✓				5
Ireland	✓	✓	✓	✓		✓					5
Spain	✓	✓	✓		✓			✓			5
Bulgaria	✓	✓	✓						✓		4
Cyprus	✓	✓	✓		✓						4
Greece	✓	✓	✓							✓	4
Portugal	✓	✓		✓		✓					4
Latvia	✓		✓			✓			✓		4
Denmark	✓	✓				✓					3
Slovakia	✓	✓		✓							3
Total	28	25	21	13	11	11	10	9	8	6	

Available evidence: MS innovation policies

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Austria	✓	✓		✓			✓	✓	✓		6
Finland	✓	✓	✓	✓			✓	✓			6
Sweden	✓	✓			✓	✓			✓	✓	6
Luxembourg	✓	✓	✓		✓		✓	✓			6
Netherlands	✓	✓	✓	✓	✓	✓					6
Slovenia	✓	✓	✓	✓	✓	✓					6
UK	✓		✓	✓		✓			✓		5
Lithuania	✓		✓		✓		✓	✓			5
Malta	✓	✓	✓		✓	✓					5
Belgium	✓	✓	✓	✓			✓				5
Italy	✓	✓	✓				✓			✓	5
Poland	✓	✓	✓		✓			✓	✓		6
Spain	✓	✓		✓			✓	✓		✓	6

Available evidence: MS innovation policies

B. Monitoring of national R&I systems:

- The R&I Observatory country report ed. 2017
- European Semester



The reports provide a **state-of-play and analysis** of the national level R&I system and **its challenges**, to support the European Semester in which the EC evaluates whether the policies either in place or planned constitute an **appropriate policy response** to these challenges in the specific context of each Member State.

Available evidence: MS innovation policies

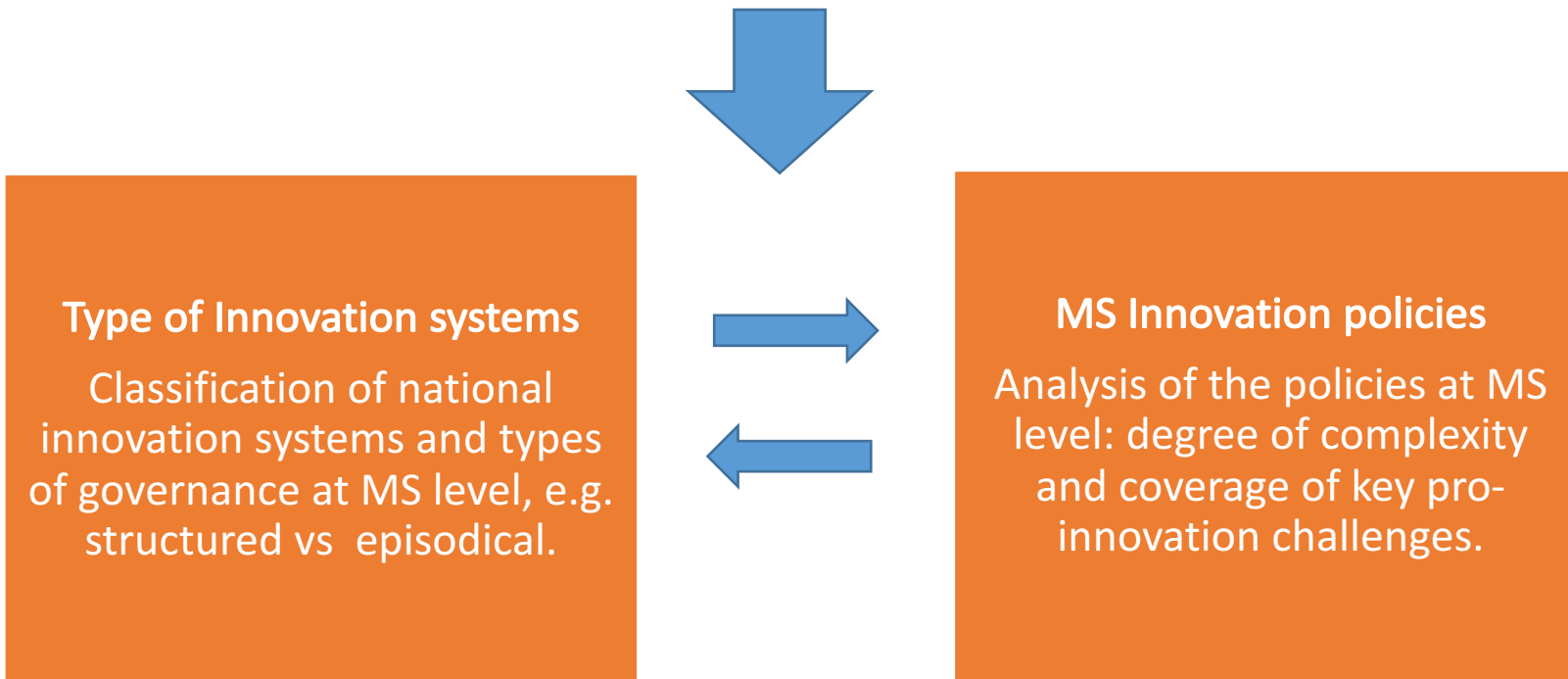
- C. Identification of four types of European Innovation Systems (I3U insights)
 1. **“strongly developed innovation systems”** (Austria, Belgium, Denmark, Finland, Germany, the Netherlands, Slovenia, Sweden, and the United Kingdom), highly-developed in the general economic sense.
 2. **“publicly policy-led innovation systems”** innovation systems (France, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta and Portugal) with innovation in the private sector (firms) not well developed, but with public policy in the STI field developed and active.

Available evidence: MS innovation policies

- C. Identification of four types of European Innovation Systems (I3U insights)
- 3. **“developing innovation systems”** Bulgaria, Croatia, Cyprus, Czech Republic, Hungary, Romania, Slovakia and Spain. Innovation is strongly dependent on external knowledge and competencies, such as supply-chain based innovation and external sourcing.
- 4. **“lagging behind innovation systems”**. Here we find three countries: Estonia, Greece and Poland, in which public policy is underdeveloped in a comparative perspective.

Governance frameworks Vs MS innovation policies

- Comparative analysis between the type of innovation system and MS innovation policies



Does the type of innovation system influence the governance of innovation?

Key findings

- MS with strong and publicly-led national innovation systems implement **multifaceted and complex innovation policies**, addressing policies generally not undertaken in developing and lagging behind innovation systems, e.g. innovation clusters, R&I evaluation, public procurement and public-private partnerships.
- There is a **clear correspondence** between the types of national innovation systems and governance critical weaknesses
- the national innovation systems “**strongly developed**” (Austria, Belgium, Denmark, Finland, Germany, the Netherlands, Slovenia, Sweden, and the United Kingdom) and/or **publicly policy-led** innovation systems (France, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta and Portugal) need **sectoral** adjustments in governance, addressing specific areas whose characteristics depend on the specific features of innovation systems, e.g. university and high education governance;

Key findings

- MS with **developing innovation systems** (Bulgaria, Croatia, Cyprus, Czech Republic, Hungary, Romania, Slovakia and Spain) and even more those **lagging behind** (Estonia, Greece and Poland) incur in **structural governance shortcomings**, e.g. high fragmentation, lack of evaluation and co-ordination, etc.
- In conclusion, the way in which EU innovation policies govern innovation is strongly influenced by the different types of national innovation systems: **efforts towards a one-size-fits-for all approach** in EU governance of innovation is not advisable, even if it may be supported by national best practices.

Major challenges in the governance of innovation: stakeholders' view (1)

- **Subsidiarity principle:** where the EU innovation policies should primarily focus on?

The current allocation of responsibilities and competences to the EU bodies according to the subsidiarity principle is **basically right**, i.e. cross-border issues (e.g. Intellectual Property Rights) and framework conditions (completion EU internal market) left to EU bodies. However, major EU competences on typical national domains (**education systems and taxation**) would be appropriate.

- **Empowering EU agencies:** are institutional competences too fragmented among the EU actors?

The current allocation of competences among EU agencies is acknowledged as **inefficient, lacking of transparency**, however, creation of **new bodies** may be not the solution. Rather, the solution may rely on fostering the **horizontal coordination among existing agencies**.

Major challenges in the governance of innovation: stakeholders' view (2)

- **Coordinating the different levels of governance:** which instruments are needed?

A better coordination should stress the importance of **regional institutions**. A better coordination between Regional bodies at EU level would be needed. In such a context, it seems there is a lack of effective reforms of National Innovation Systems (particularly in the Eastern New Member States). Moving away from promoting the convergence towards **'one-size-fits-all' best practice**, a better coordination between **EU financial instruments** may provide solutions tailored to different European Regions' needs, addressing **all the components of the innovation-cycle**.

- **Monitoring and evaluation:** should the impact assessment of EU innovation policies be improved?

Policy makers continuously ask questions about how resources have been spent and therefore **improving the impact assessment of innovation policies** (in particular, evaluation of package of policies) is a priority. Furthermore, focus on metrics and data should be put on how to **monitor and improve entrepreneurship**. The current evaluations do not allow to compare MS performances in entrepreneurship, not just following R&D patterns of big firms. New indicators and data would be needed at this purpose.

Thank you

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