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## IFI Spring Statement on Innovation and Entrepreneurship

TO THE ATTENTION OF THE PRESIDENTS OF  
EUROPEAN COUNCIL, EUROPEAN PARLIAMENT AND EUROPEAN COMMISSION

This statement builds on the findings derived from the discussions involving High Level Advisory Board members of Insight Foresight Institute (IFI) on its regional, national and international activities, in particular the CEPS Task Force on 'People, places and policies: Promoting systemic innovation and a stronger entrepreneurial culture in Europe' of which results were presented recently in the European Parliament.

Evidence shows that apart from few top innovative regions, the Old Continent is lagging behind in innovation and entrepreneurship. While Europe has emerged as a major consumer of digital platform services, it has generated relatively few global platform companies and other breakthroughs. The cultural diversity of Europe entails great potential for innovation. However, releasing it requires overcoming market fragmentation and severe path dependencies both in business, policy and academia.

### ***Empowering culture change for disruptive innovation***

*Innovation and entrepreneurship are ultimately about people. Whereas entrepreneurs drive new businesses and growth, intrapreneurs in business and institutions are just as important for the renewal of established firms and organisations. Not only engineers and scientists but also all sorts of professionals can champion innovation by bringing in social and user perspectives.*

### ***Crossing boundaries for vibrant ecosystems***

*Entrepreneurship is a contact sport that requires a supportive innovation ecosystem, able to encourage entrepreneurs and investors. Europeans need to take proactive stand in developing scale-up culture, digital economy and knowledge in action both in physical and virtual places.*

*Not only business and academic stakeholders, but also policy should thrive experimentation and learning. This requires strong, flexible and adaptive institutions at all levels of government and departing from favouring incumbent business models. Besides coordinating infrastructure deployment, orchestrating education efforts and funding basic research, public institutions should facilitate private sector efforts towards tackling societal challenges, taking a more prospective, systemic and transformative approach that crosses sector, disciplinary and geographical boundaries. EU institutions can also lead by example.*

## ***Streamlining governance structures for innovation in Europe***

Considering that the EU Framework Programmes have contributed little to breakthrough innovations, the upcoming creation of the *European Innovation Council (EIC) and the mid-term review of Horizon 2020*, are important opportunities to adopt more *effective and mission-oriented approaches*. It is time to develop an overarching and forward-looking institutional framework with the necessary stability over the coming decades.

*The EIC is welcome to the extent that it will become a real game changer: otherwise another EU agency dedicated to innovation would probably add to the current confusion and complexity. Further coordination of framework conditions and specific measures to accompany and nurture scale-ups are urgently needed. Even if the mandate is made narrow (scale-ups and breakthroughs), this does not mean that for every sub-goal of innovation policy there should be a corresponding EU agency.*

*There should be one major European platform for each societal challenge, with active cooperation across platforms. They could tackle proactively research and innovation in a multi-stakeholder fashion, engaging in forward looking agenda setting and incorporating also measures to address systematically the regulatory and market barriers. Ideally, these platforms would merge previous instruments. Indeed, societal challenges are a new terrain for European action where fragmentation can be avoided.*

On the one hand, it is ever more urgent to ensure the right framework conditions for innovation namely by streamlining research and innovation investments and by unifying market and regulatory conditions across Europe. On the other hand, a business and investment logic is needed in delivering next generation policies.

IFI, a new-to-the-world ‘think and do tank’, encourages the European Commission, Parliament and Council to consider the above as part of the European semester and consider a paradigmatic shift for innovation and entrepreneurship in Europe.

In Madrid, June 2, 2016.

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The Madrid-based Insight Foresight Institute (IFI) works with international business, policy and other decision-makers to foster insight and foresight that transform entrepreneurial innovation ecosystems with lasting impact on society. IFI engages in strategic guidance, shaping and outreach activities to help change entrepreneurial innovation policies into successful practices within ecosystems. We work with both public and private stakeholders aiming at high impact in Spain, Europe, Latin America and beyond. Contact: [info@if-institute.org](mailto:info@if-institute.org)