

Innovation

Some thoughts about keywords for FP9 (Part 3 of 3)

During the year 2017, the debate about the design of the next Framework Programme has evolved quite rapidly, notably following the presentation of the Interim Evaluation Report for Horizon 2020. At this relatively early phase of the discussion the focus is not yet on detailed contents and concrete figures, but rather on the broad concepts and key objectives for the European Research and Innovation Programme after 2020.

Against this background it seems timely and useful to shed some light at three keywords dominating the current debate. While this paper is having a closer look at “innovation” as a key dimension for FP9, THINK Piece 3/2017 presents some reflections on “impact” and THINK Piece 4/2017 deals with the role of “missions” in this context.

0. Intro

European Research Policy has seen several important “enlargements” over the last decades – notably a geographical one with the “new” Member States from Central and Eastern Europe joining the EU as from 2004, and later a thematic one when from 2009 onwards the remit was enlarged to include “research and innovation”.

Today, the geographical enlargement is still a hot issue in public debates, as the “excellence only” approach fails to deliver a politically acceptable outcome and all remedies introduced to overcome this dilemma do not seem to produce truly convincing results. In contrast, the second enlargement, although being of much more profound and radical nature, is taken for granted and is not a real issue in the political debate. The following reflections try to illustrate that the seemingly obvious developments of the last decade are possibly not as stringent and evident as it might seem, and that for a proper preparation of the next Framework Programme the concept of “Research and Innovation” might benefit from a more outspoken and honest discussion.

1. Innovation

There are important phenomena in life, for which there is no clear definition: “Beauty” is a striking example, as we all know what it is, and yet none of us is able giving a concise and objective definition ...

“Innovation” is a similar case, as the term is widely used in many different contexts, and all attempts to define it lead to rather general and slightly redundant statements such as “make changes in something established, especially by introducing new methods, ideas, or products” (Oxford Dictionary) or “An innovation is a new thing or a new method of doing something” (Collins English Dictionary)¹. The least one can say is that these definitions are very open and allow including a wide range of activities under the name “innovation”. It also means that innovation is taking place continuously, by many actors, with many facets and various intentions. Since innovation is thus omnipresent in our everyday life, it is no surprise that it has a broadly positive political and societal connotation. It is in fact extremely difficult to find someone “opposed to innovation” ...

It is also clear that while the word “innovation” is relatively new in our daily life vocabulary, the phenomenon as such is as old as humankind. So, there is an obvious question why something that always happened is nowadays of such a societal and political relevance. The general assumption is that change and innovation processes do occur in modern societies and economies at a much higher speed than ever before, and hence require more attention and ultimately some sort of policy intervention.

2. Innovation Policy

The analysis of millions of books published every year can be used as a “quick and dirty” indicator for the relevance of certain concepts in the public debate. Using this approach through Google Ngrams for English language publications for the years from 1980 to 2008 (the latest year for which this service is offered) reveals some interesting changes in the terminology for this field: “Science Policy”, the by far most frequently used concept in the eighties, is constantly losing ground. “Technology Policy” became the most frequently used term in the nineties, but has lost also a lot of its attractiveness since. “Research Policy” is getting more and more popular over these three decades, and is in 2008 the most frequently used expression. Finally, “Innovation Policy” was hardly used in the eighties, but has been gaining ground significantly over time².

The growing popularity of “innovation policy” worldwide can probably best be explained by the fact that public support for a phenomenon with a positive connotation is widely accepted – even though – or even just because – the exact content and meaning of the concept remains largely unclear.

¹For an illustration of the prevailing confusion even in the insider community: Nick Skillicorn “What is innovation? 15 innovation experts give us their definition”

<https://www.ideatovalue.com/inno/nickskillicorn/2016/03/innovation-15-experts-share-innovation-definition/>

² For the sake of comparison, the graph also shows the frequency of the term “Framework Programme” for the period from 1980 to 2008. The growing importance of this European policy tool is reflected by a steady increase over time – in a rather similar way to “innovation policy” ...

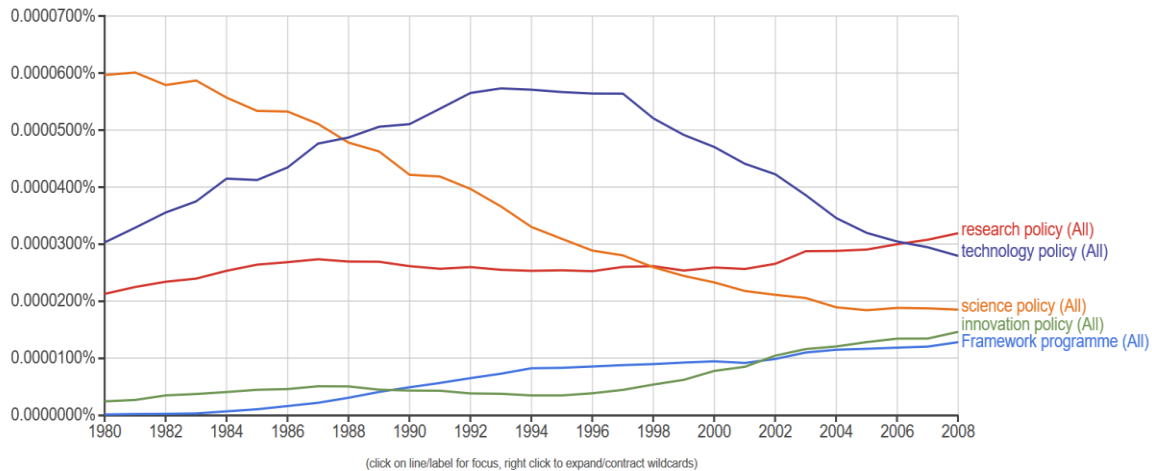
Graph these comma-separated phrases: Framework programme, research policy, innovation policy, science pol case-insensitive

between 1980 and 2008 from the corpus English with smoothing of 3 Search lots of books

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The fuzziness of the concept starts already with the objective: Should Innovation Policy

- aim at supporting change processes with the aim of accelerating developments?
- aim at gaining broad public acceptance for necessary adaptations?
- stimulate growth and jobs in an economy?
- create favourable preconditions for creativity and entrepreneurship?
- ...

Since innovation policy is a new policy field, its implementation did in most countries not start-off by a ministry of its own, but rather became part of one of the more “senior” portfolios. And obviously the choice of this attribution had a major impact on the priorities of innovation policy (probably much more frequently this way than the other way around). A few admittedly simplistic examples might illustrate this point:

An innovation policy designed by the Ministry of

- Economics will put the emphasis on economic growth and entrepreneurship.;
- Employment will highlight the development of skills in the workforce and increased employability;
- Education will stress the need for new curricula and new training opportunities;
- Research will support projects with new and innovative technologies and scientific findings;
- Regional Cohesion will call for more innovation activities in the less favoured regions;
- etc.

None of these aims is to be criticised, but all of them fall short of a comprehensive approach to the broad concept of innovation. The call for a proper “Innovation Ministry” with competences taken away from the classical portfolios had so far only limited success, as in reality most of the time the word “innovation” is just added to one of the existing ministries.

3. European Research and Innovation Programme

At the launch of Horizon 2020, emphasis was put on the fact that this Framework Programme would be the first to address both Research and Innovation. Most actors in the field regarded this development as a logical and the overwhelming majority welcomed this move.

Coming back to the reflections in the previous chapter, coupling research and innovation might look stringent to the communities involved, but from a broader perspective this choice is far from obvious. If we imagine for a moment that the decisions would have been taken otherwise back in 2009, we could expect today a European Innovation policy

- Mainly implemented through the European Social Funds (DG EMPL);
- Primarily focused on the regional development opportunities (DG REGIO);
- Aiming at better regulations for Venture Capital (DG ECFIN);
- Focusing on market regulations and public procurement (DG COMP);
- Allowing entrepreneurs to get international training (DG EAC)

Instead, we see a European Innovation Policy organised by DG RTD which is to an amazing extent focused on the key features of the classical Research Framework Programme:

- Innovation needs public funding

While this principle is generally accepted for (basic) research which is often considered as a kind of public good, the idea of intervening with public funds in the market competition between firms is far more controversial. A striking counter example is Switzerland, where it is a matter of principle not to support individual firms in their innovation efforts.

- Funds are given to projects

Like for the classical research part of Horizon 2020, money is spent on individual projects. There is no institutional funding for organisations and no general subsidies such as tax credits.

- Proposals are evaluated

Whereas in the world of research it is an established practice that grant applications are evaluated by peer review, applying the same system to innovation is again not an obvious choice, raising practical issues (such as the right evaluation criteria and the choice of adequate evaluators) and truly fundamental ones (is it helpful for stimulating innovation in Europe to expect innovators to draft FP proposals?).

- Support is limited to the very top

The most important evaluation criterion for European Research projects is “scientific excellence”. The clear message to applicants is a high degree of selectivity; proposals judged “average” or “good” have virtually no chance for funding. The same idea is about to be implemented for innovation projects, where “normal” or “incremental” innovations are out of focus, and the emphasis is put on those projects promising “disruptive” or “market generating” innovations.

Using research as the entry point to understand innovation and implementing a European Innovation Policy to a large extent with the classical toolbox of a research programme are two fundamental choices which deserve a critical review. And this is not just an academic question, as it might soon become an issue of power and money:

Over the last years, the Framework Programme benefitted from a relatively generous financial situation, which was notably achieved through the continuous support from the European Parliament. “Support for innovation” was widely used as the most convincing selling argument in these budgetary battles, given that classical research issues appeared far less appealing in the political discourse. But the initial enthusiasm of the research lobbyists for the extra money earned through the new labelling “research and innovation” might fade away rather quickly in the months and years to come: Innovation and notably the innovation community seem to be so much more attractive in political terms, and any kind of reasonably ambitious political objective for European innovation policy is likely to be rather expensive to achieve. The point might have come where the coupling of “research and innovation”, rather than shifting some extra money to the research community, might start to drag money away from the research part to support a constantly growing share of innovation activities.

4. Some further reflections

The whole issue of “research and innovation” as a single policy area would benefit from a more profound analysis, as the basically unanimous public support for this concept seems to be based on somewhat doubtful arguments.

With respect to the emerging debate on the next European Framework Programme, two questions come to mind:

- Is there any argument, why the largest part of the research activities is linked to themes, challenges and objectives, so basically organised as top-down activities, whereas activities in the innovation part are supported without any thematic restrictions, so basically bottom-up?

It might actually appear more logical to organise this the other way around and to remove the thematic constraints to the research programmes, while limiting public support to private companies to those innovations which help to address political objectives and societal challenges ...

- Does it make sense to organise support for research and for innovation basically along the same lines? And, consequently, is it ultimate wisdom to expand the next Framework Programme even further to cover everything from basic research to the “next Google”?

There are clear benefits in terms of transparency for organising both activities in separate legal contexts, while assuring that there is a kind of support continuum over the entire knowledge creation process from the initial idea to the generation of new markets. And a fresh and proper approach to addressing innovation problems in Europe could operate without the constraints from a forty years old research programme.

Version 1.0 – 06.12.2017 - Feedback: mail@peter-fisch.eu