

EUROPEAN UNION



Committee of the Regions

**EARTO-ERRIN**  
**13 October, 2016**



## **EU Regional Innovation Policies Looking forward Post-2020: RIS3 & Simplification**

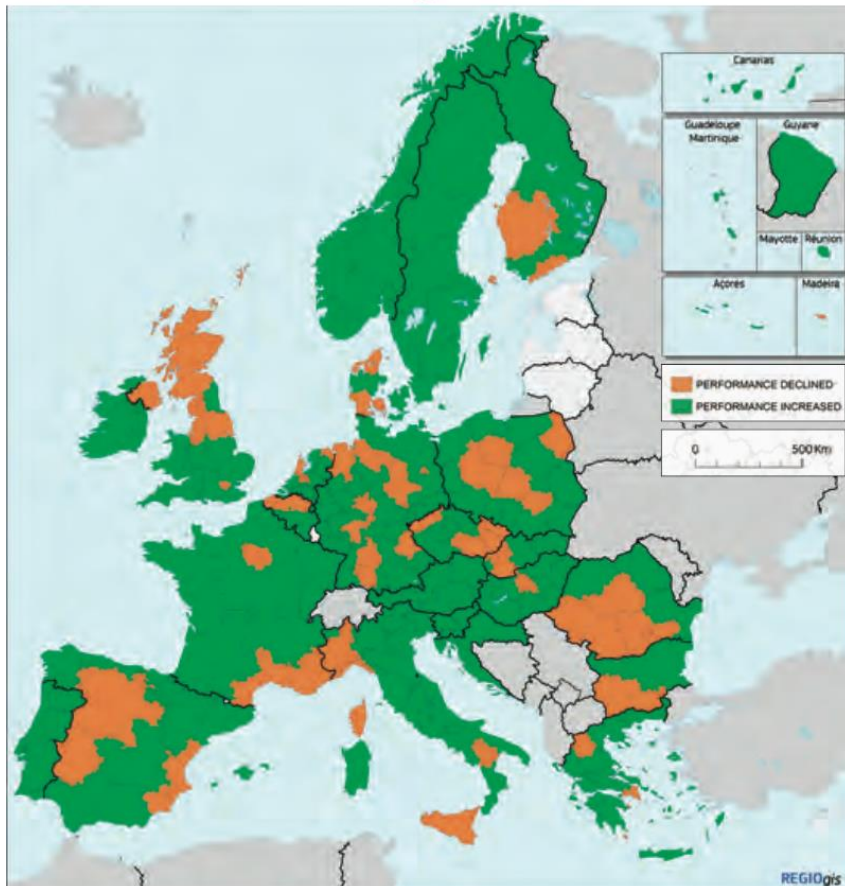
**Markku Markkula**

President of the European Committee of the  
Regions CoR

[markku.markkula@cor.europa.eu](mailto:markku.markkula@cor.europa.eu)

# Innovation Performance Declining in Europe (2008-2010) → (2014-2016)

Performance change RII2008-RII2010



Performance change RII2014-RII2016



Regional Innovation Scoreboard 2016: Innovation performance in 214 regions in the EU.

Green = Performance Increased; Orange = Performance Declined;

## What is the European Committee of the Regions?

CoR is an EU-Institution, part of the EU decision making process, representing cities and regions. Plenaries in Brussels 5-6 times a year: 350 elected members (+350 alternates).

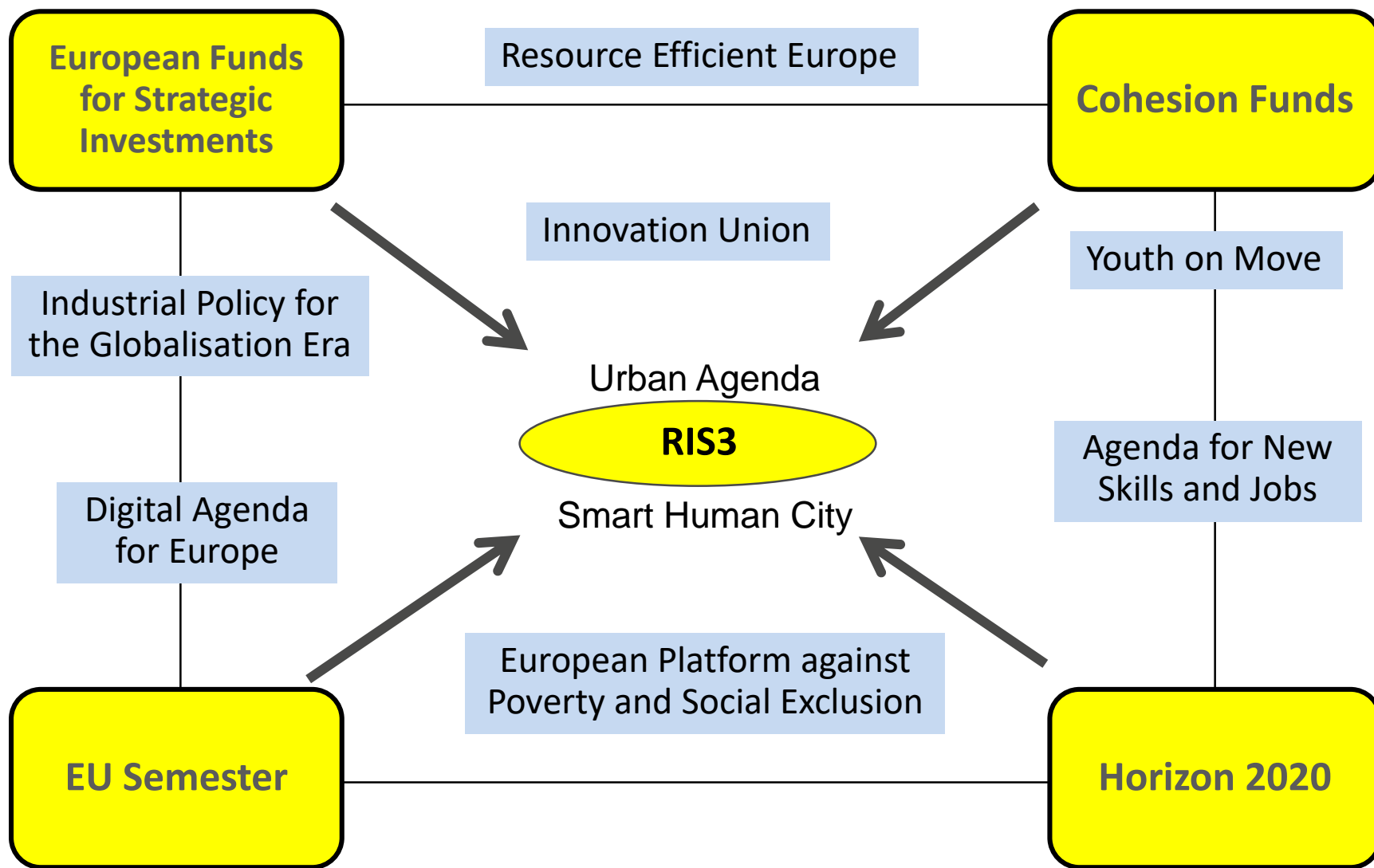
### CoR Priorities 2015-2020, number 1: Creating Jobs and Sustainable Growth → New European Mind-set for Entrepreneurial Discovery

**A bottom-up movement** is needed to stimulate targeted investment into real economy and trigger an exchange of best practices. **A new entrepreneurial spirit** combined with **a functioning Digital Single Market** and **Smart Specialisation** could lead to new skills and knowledge, innovation and employment. The CoR highlights the following measures:

- Boosting the research and innovation capacity of the regions and bridging the digital and innovation divide between them;
- Boosting the entrepreneurial spirit;
- Creating the right conditions for digital networks and services to flourish;
- Removing key differences between online and offline worlds;
- Stimulating leading interregional networks;
- ...

More: [www.cor.europa.eu](http://www.cor.europa.eu)

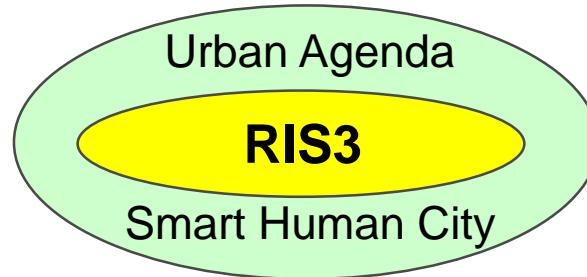
# Implementing Europe 2020 by the Major EU Instruments



# **Renewing the Policy:** Boosting Regional Growth and Jobs through the Major EU Initiatives

**EFSI: Connecting investments with networks & RDI infrastructures**

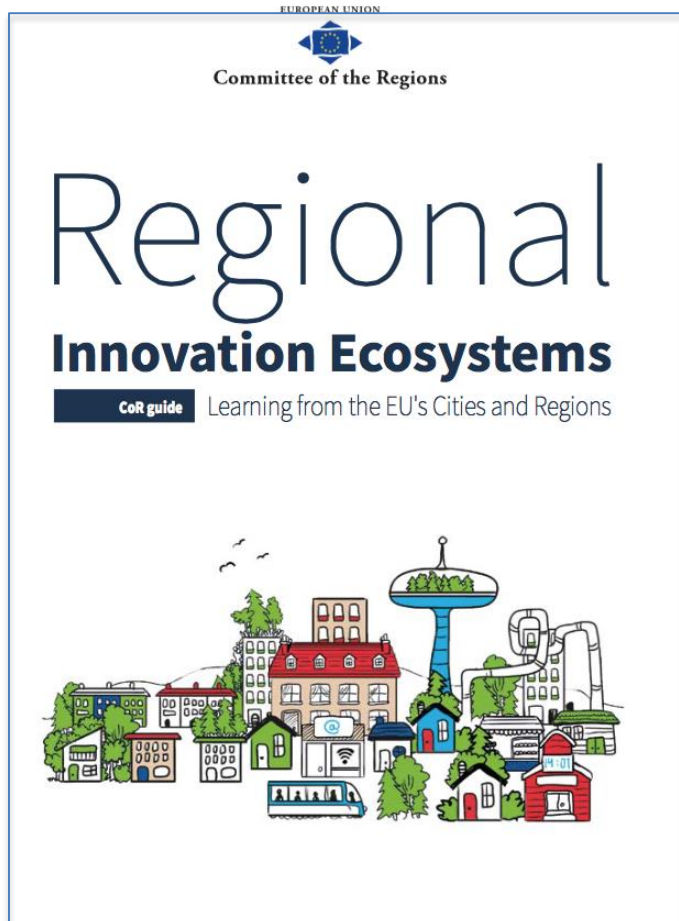
**ESIF: Connecting government with citizens, business & universities**



**Semester: Connecting EU institutions with cities & regions**

**H2020: Connecting tangibles & intangibles with people & ideas**

# From Bench-marking to Bench-learning



In order to overcome its current challenges, Europe must establish a culture of co-creation and break its boundaries by moving towards entrepreneurial discovery, open innovation, experimentation and action.

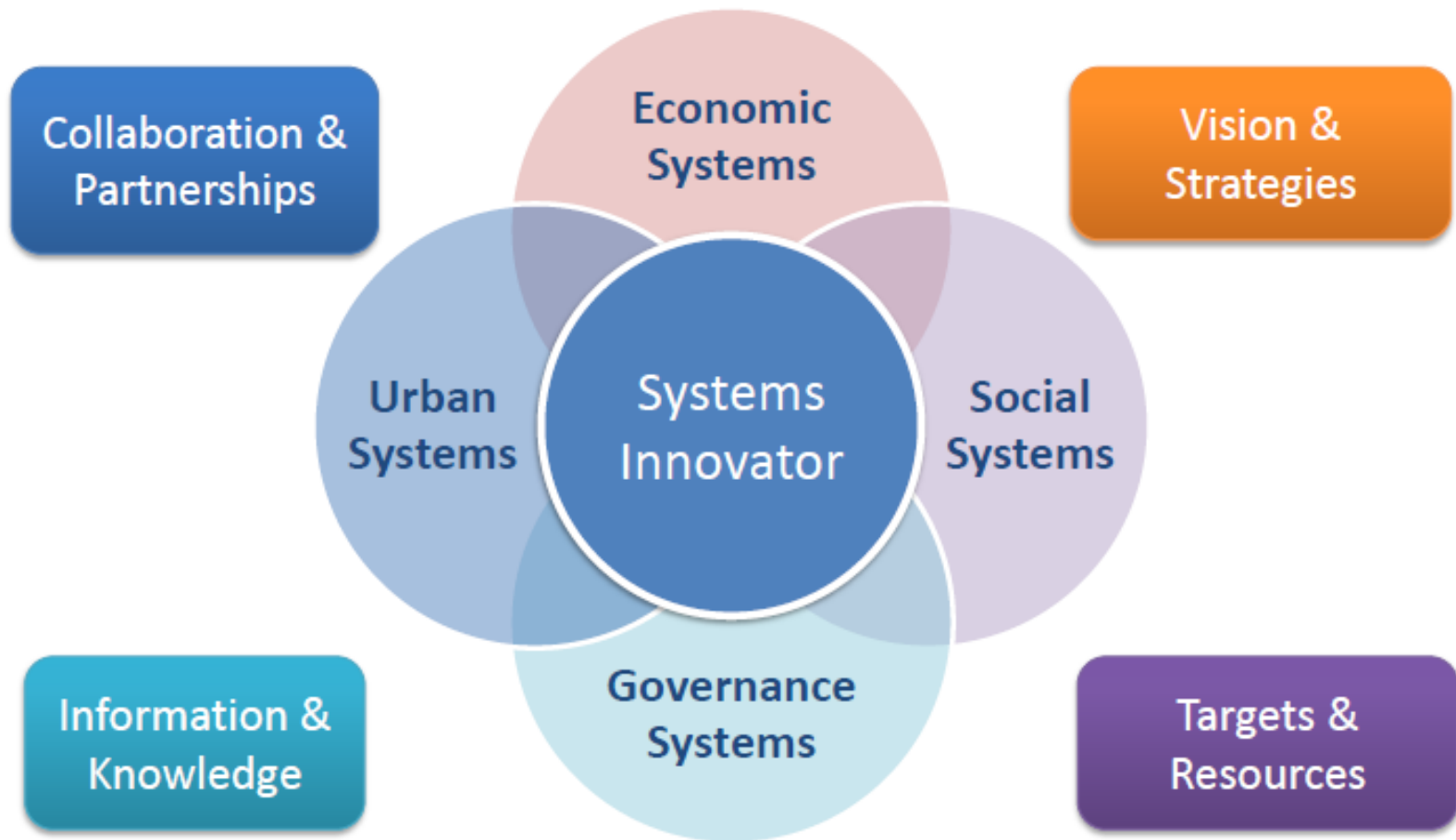
This publication seeks to stimulate bench-learning between regions and cities, sparking new ideas and fundamentally stirring economic development.

Presenting some of the most inspiring projects across the EU, this book offers readers an opportunity to understand and explore how Europe's cities and regions are breaking new ground in regional development.

**Download the CoR Guide:**

<http://cor.europa.eu/regional-innovative-ecosystems>

# The New Role of Cities as a Systems Innovators



CoR focus on pioneering cities & regions:

# Developing Regional Innovation Ecosystems



Digitisation and globalisation drive change, and convergence towards digital services is speeding up. Regions and cities need to encourage regional innovation ecosystem development. The activities feature the following characteristics:

1. Innovation communities operate **as ecosystems through systemic value networking** in a world without borders.
2. Innovation strategies focus on **catalysing open innovation** and encouraging individuals and communities towards an **entrepreneurial mindset** and effective use and creation of new digitalised services.
3. Innovation is often based on **experimenting and implementing demonstration projects** by partnerships, using the best international knowledge and creating new innovative concepts.
4. **Creative processes** can show what is **the European Value Added** and how to reach that through the bottom-up movements.

# System Approach → Regional Innovation Ecosystems & Bench-learning: Collaboration for Pioneering Societal Innovation

EU pioneering  
bottom-up activities  
driving the change.

**Entrepreneurial  
Mindset**

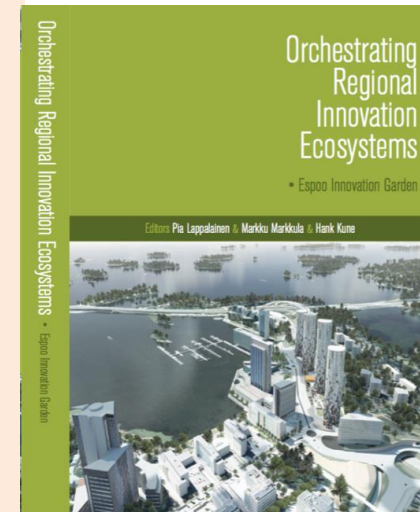
**Deeper  
Understanding  
of Innovation**

**Real life & Real  
Case  
Approach**

**What do we need for success (this is my story): The systemic journey to innovation is a 3-act drama**

1. An innovation ecosystem audit is required → What are the main innovation drivers: anchor companies, university focus areas, etc.? What new capabilities need to be built?;
2. The context and main instruments for the innovation ecosystem must be understood: → Co-create processes, more foresight and customer insight, concepts;
3. The impact of innovation ecosystem must be carried out by generating significant sources of value → Co-create bottom-up mentality with tools, talent, resources and modes of collaboration.

Orchestrating Regional  
Innovation Ecosystems  
– Espoo Innovation  
Garden, 2015



Download:  
[urbanmill.org](http://urbanmill.org)

**Markku Markkula**  
Aalto University



# Aalto University

## Research Focus Areas

*Human-centered living environments*

25 professors  
19 recruitments  
20 M€ Aalto budget  
5 M€ ext. funding

*ICT & digitalisation*

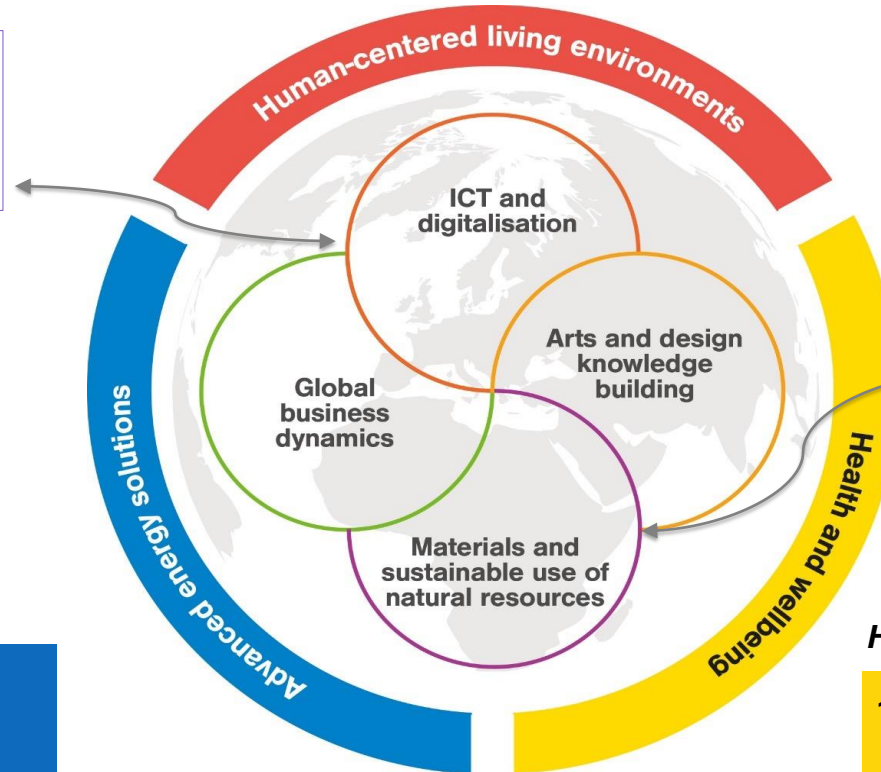
98 professors  
47 recruitments  
65 M€ Aalto budget  
50 M€ ext. funding

*Global business*

85 professors  
51 recruitments  
40 M€ Aalto budget  
15 M€ ext. funding

*Advanced energy*

20 professors  
13 recruitments  
15 M€ Aalto budget  
10 M€ ext. funding



*Arts & design*

28 professors  
25 recruitments  
20 M€ Aalto budget  
5 M€ ext. funding

*Materials & resources*

61 professors  
36 recruitments  
45 M€ Aalto budget  
30 M€ ext. funding

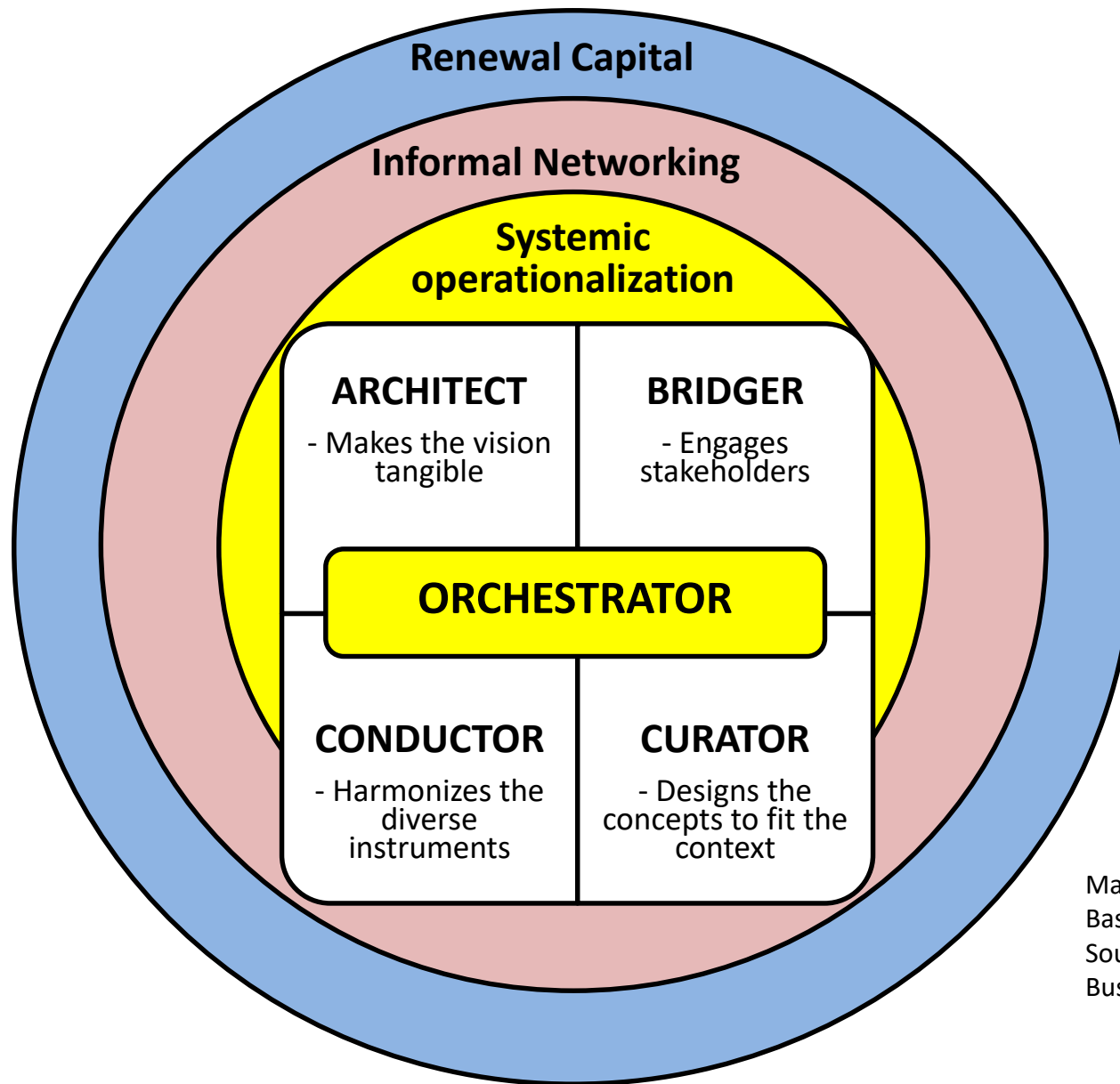
*Health & wellbeing*

14 professors  
9 recruitments  
10 M€ Aalto budget  
5 M€ ext. funding

The Aalto University strategy is to build excellence by focusing its activities on seven key research areas to reach world-class results by 2020:

- the four core areas of competence: ICT and digitalization; Materials and sustainable use of natural resources; Arts and design knowledge building; Global business dynamics;
- the three multidisciplinary themes: Advanced energy solutions; Human-centered living environments; Health and wellbeing. These themes are the core of our cross-cutting research agenda and the consequent societal impact.

# Different Roles Are Needed in Orchestrating Regional Innovation Ecosystem



Markkula, Kune & Tukiainen  
Based on ACSI Espoo 2015,  
Source also Johan Wallin,  
Business Orchestration, 2006

## Conclusions:

# Recommendations to the Regional Policy-Makers

### 1. Focus on entrepreneurial spirit and value creation processes

- Co-create the discovery mind-set via open innovation 2.0 & societal innovation learning camps.
- Network with international research and business communities (not only the players from your own region & Member State).

### 2. Implement RIS3 by involving all key stakeholders (Quadruple Helix)

- Strengthen your region's RDI capacity building, including research and innovation infrastructure, Living Labs etc. to increase the use of EU instruments.
- Create governance mechanisms to optimize synergies, since substantial parts of the H2020 budget will be delegated to public-public-partnerships and public-private-partnerships, i.e. EIPs, JTI, ERA-Nets etc.

### 3. Use RIS3 for the regional economic transformation

- Focus on building European partnerships through H2020, INTERREG, Macro Regions.
- Increase synergies between different financial instruments and actors in the RIS3 development and implementation processes.

### 4. Speed-up the strategic political decisions

- Focus more on R&D and innovation and co-creating the culture of experimenting, piloting and scaling-up to broad use around Europe ... and move to action.
- Create concepts for local collaboration and European partnerships.