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COVER NOTE

Subject: Combining Regional Strengths to narrow the EU Innovation Divide -
Report of the Expert Group on the Economic and Societal Impact of
Innovation (ESIR)
- Powerpoint presentation (Research WP meeting 11.09.2024)

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Combining Regional Strengths to narrow the EU Innovation Divide

Report of the Expert Group on the Economic and Societal Impact of Innovation (ESIR)

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ESIR

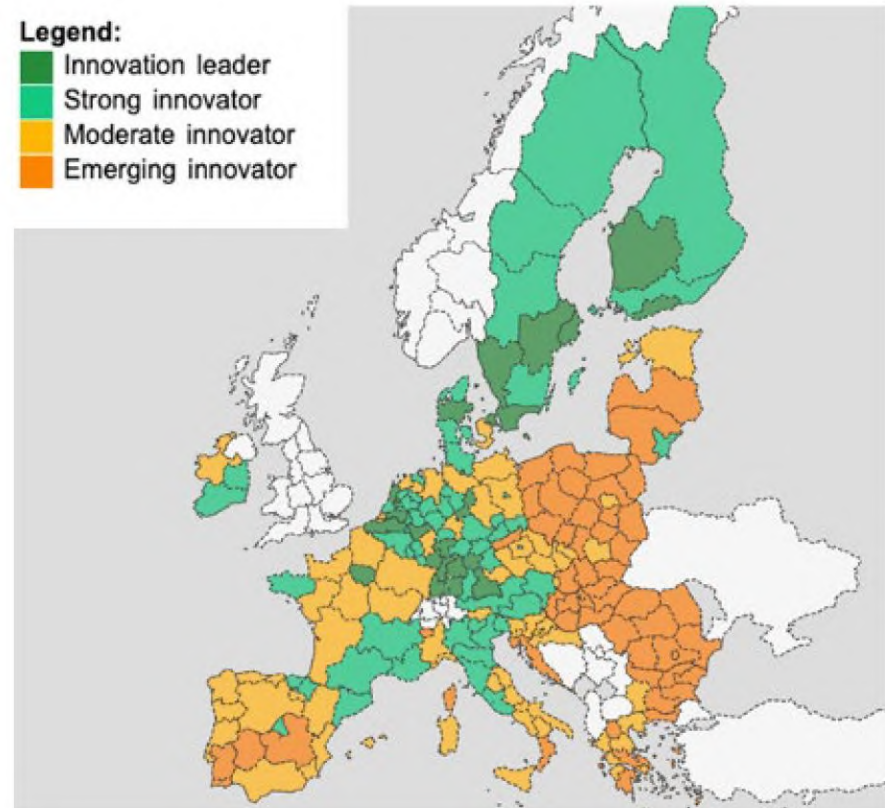


**Combining
Regional
Strengths to
Narrow the EU
Innovation Divide**

EU Innovation Activity is Highly Concentrated

Significant **variations** in innovation performance exist among EU regions including patents, venture capital investments, and R&D expenditures.

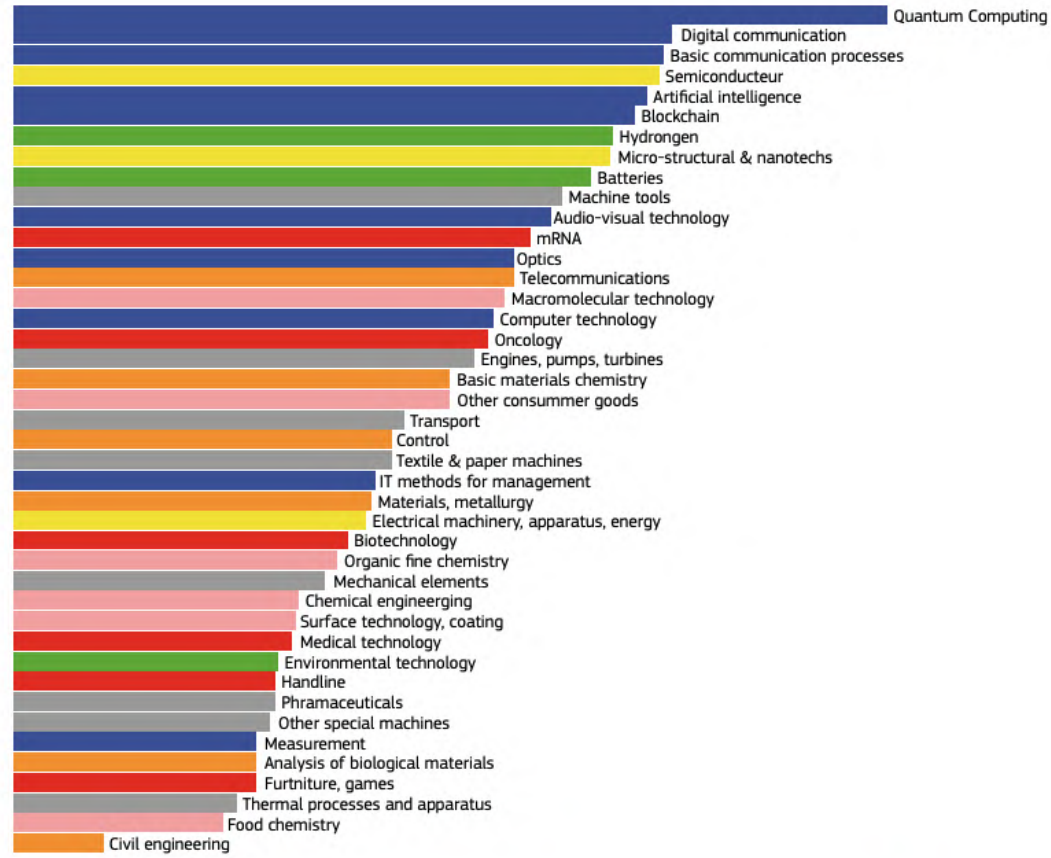
The European Innovation Scoreboard (EIS) and Regional Innovation Scoreboard (RIS) **highlight** these disparities.



More concentration



Less concentration



0.66

Gini coefficient

0.84



San Jose–Santa Clara

San Francisco

Los Angeles

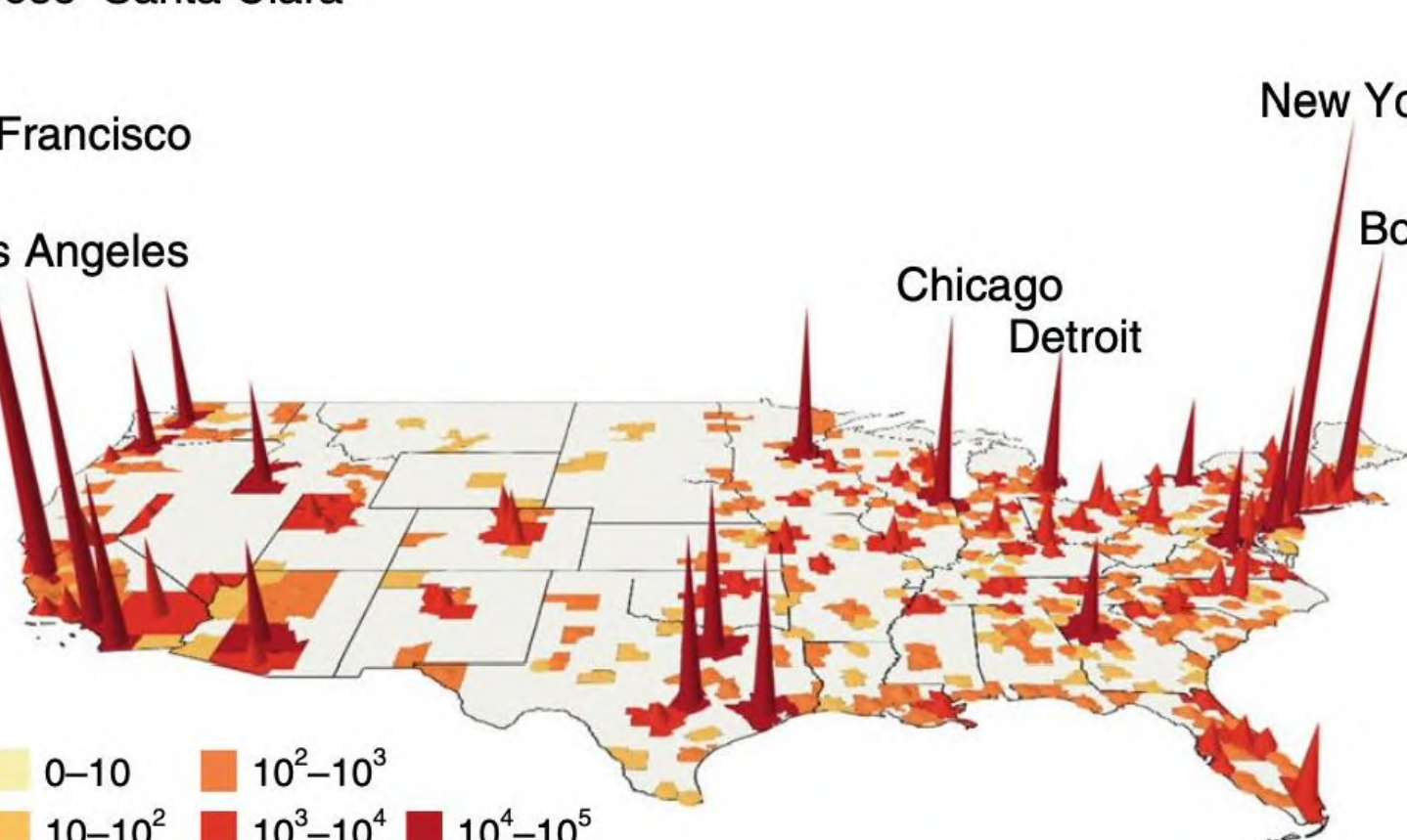
New York City

Boston

Chicago
Detroit



Number of patents

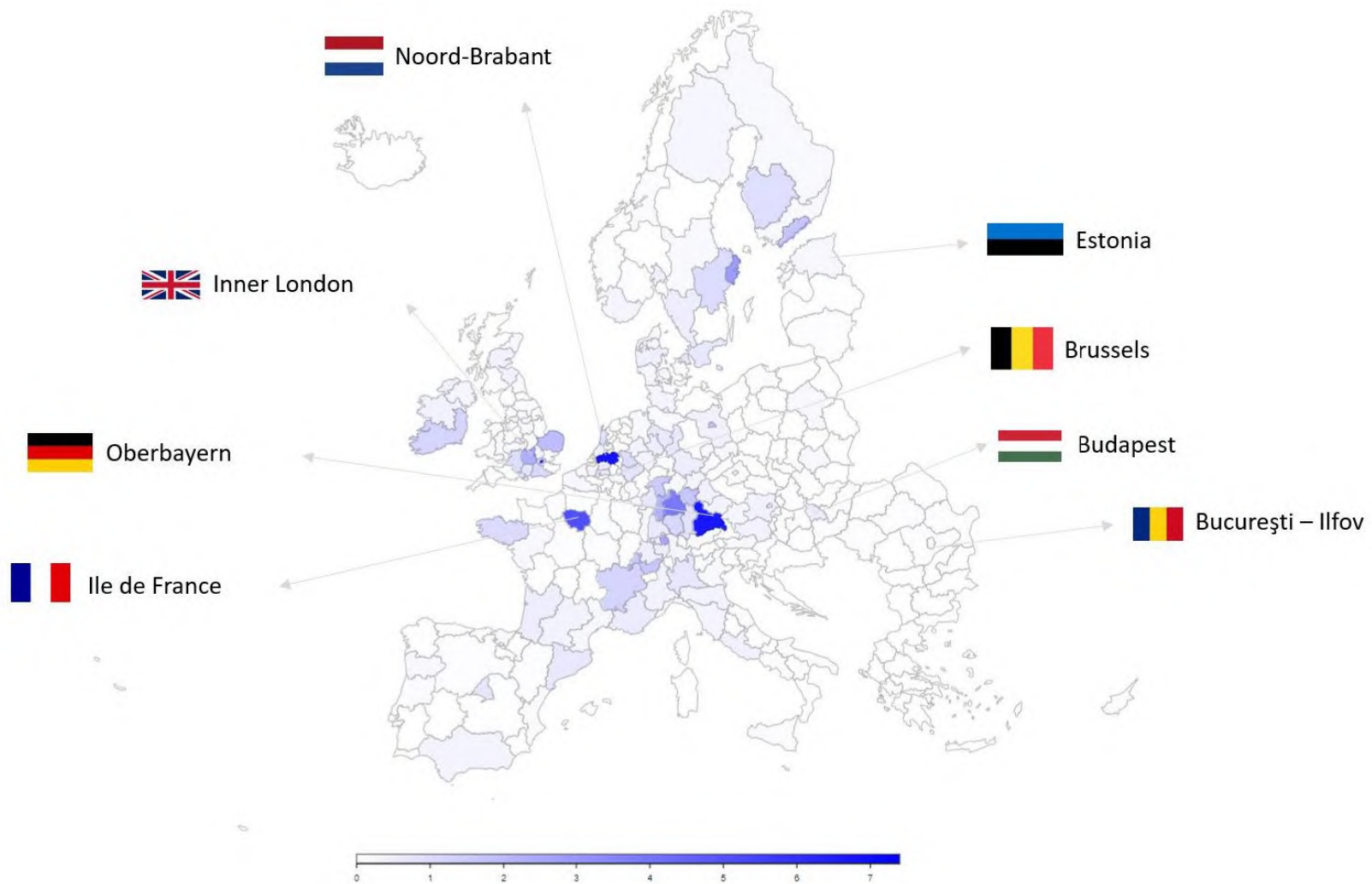


1. The EU innovation divide is a persistent challenge, but spatial concentration of innovation is a global phenomenon.

→ Economic geography & complex systems literacy: some concentration is natural and beneficial (like airports), but focus on reducing negative impacts and ensuring all regions can participate in the innovation ecosystem.

2. Innovation hubs are necessary for EU competitiveness and should not be flattened.

Support existing hubs while simultaneously investing in the emergence of new hubs in **promising** regions, particularly in areas aligned with EU priorities like the green and digital transitions (reverse smart spec).

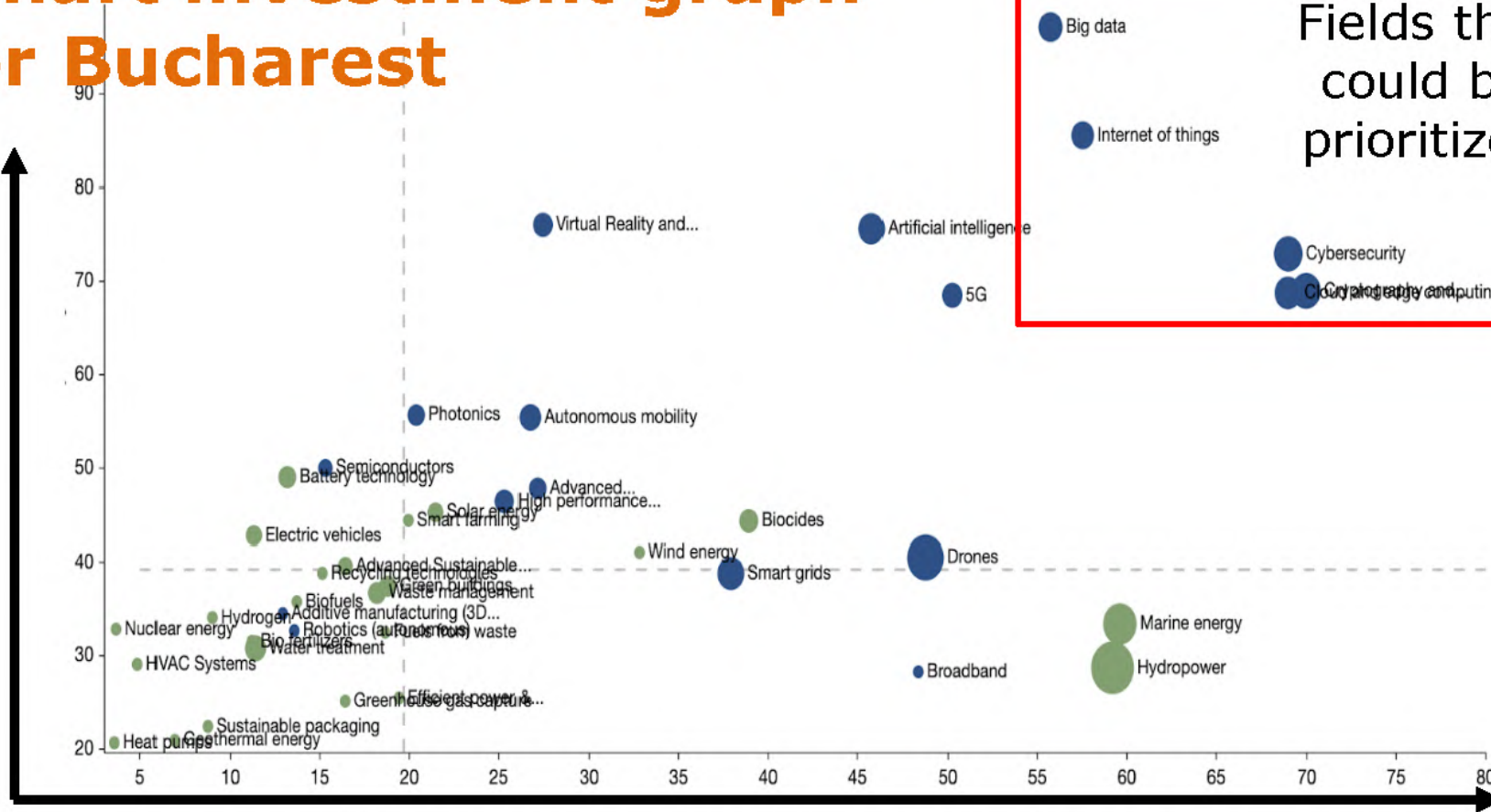


3. All EU regions have a role to play in the innovation system, even if they cannot all be innovation hubs.

Develop tailored innovation strategies for each region based on their specific strengths and potential, using smart specialization principles to prioritize investments.

Smart investment graph for Bucharest

Long-term economic value



What regions are (or can be) good at

4. Connecting innovation hubs and smaller ecosystems is crucial for reducing the innovation divide.

Implement policies and infrastructure to facilitate knowledge exchange and collaboration between hubs and peripheral regions, such as the European Universities initiative.

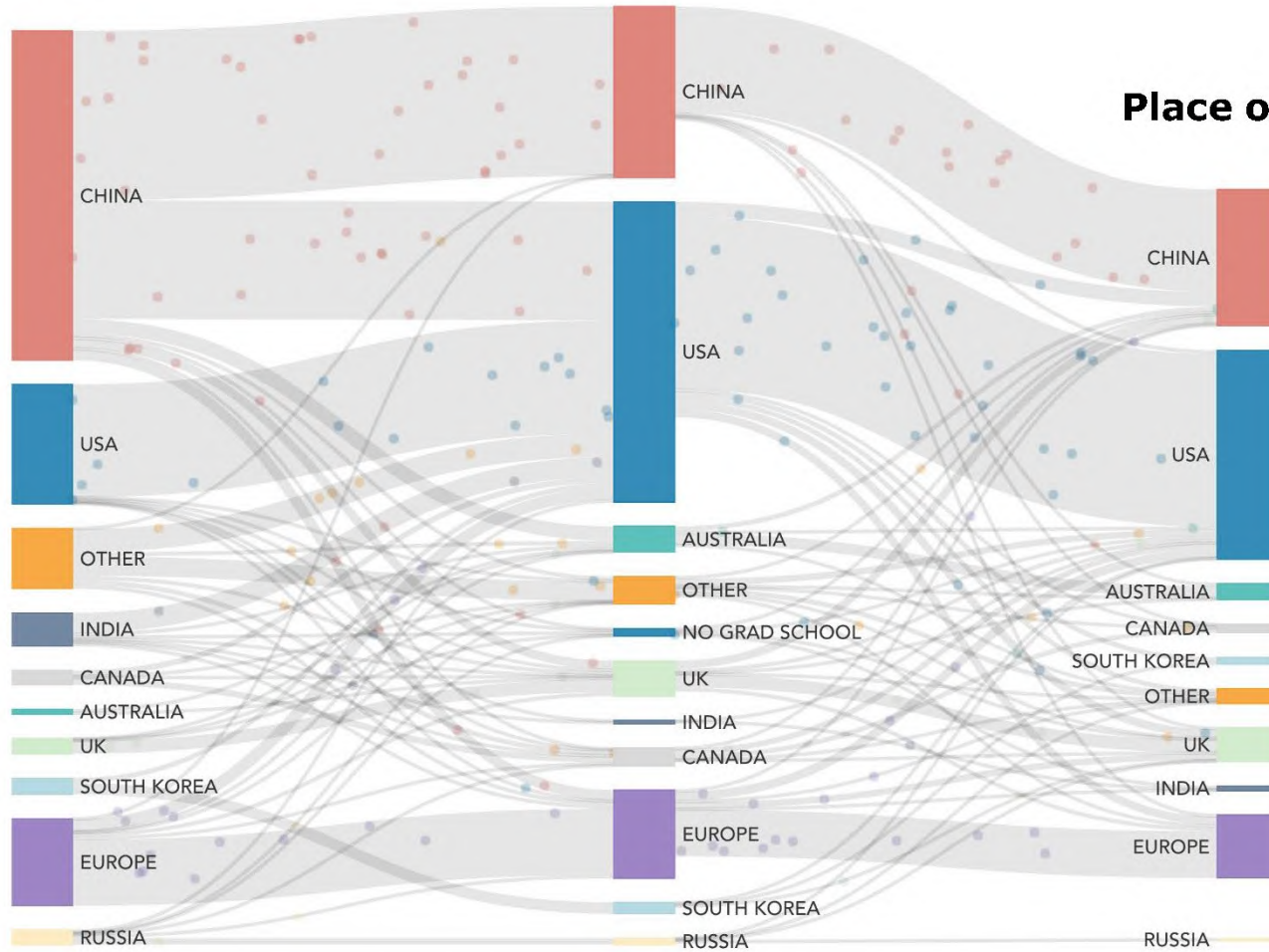
5. The circulation of high-skilled talent within Europe is essential, but brain drain must be managed carefully.

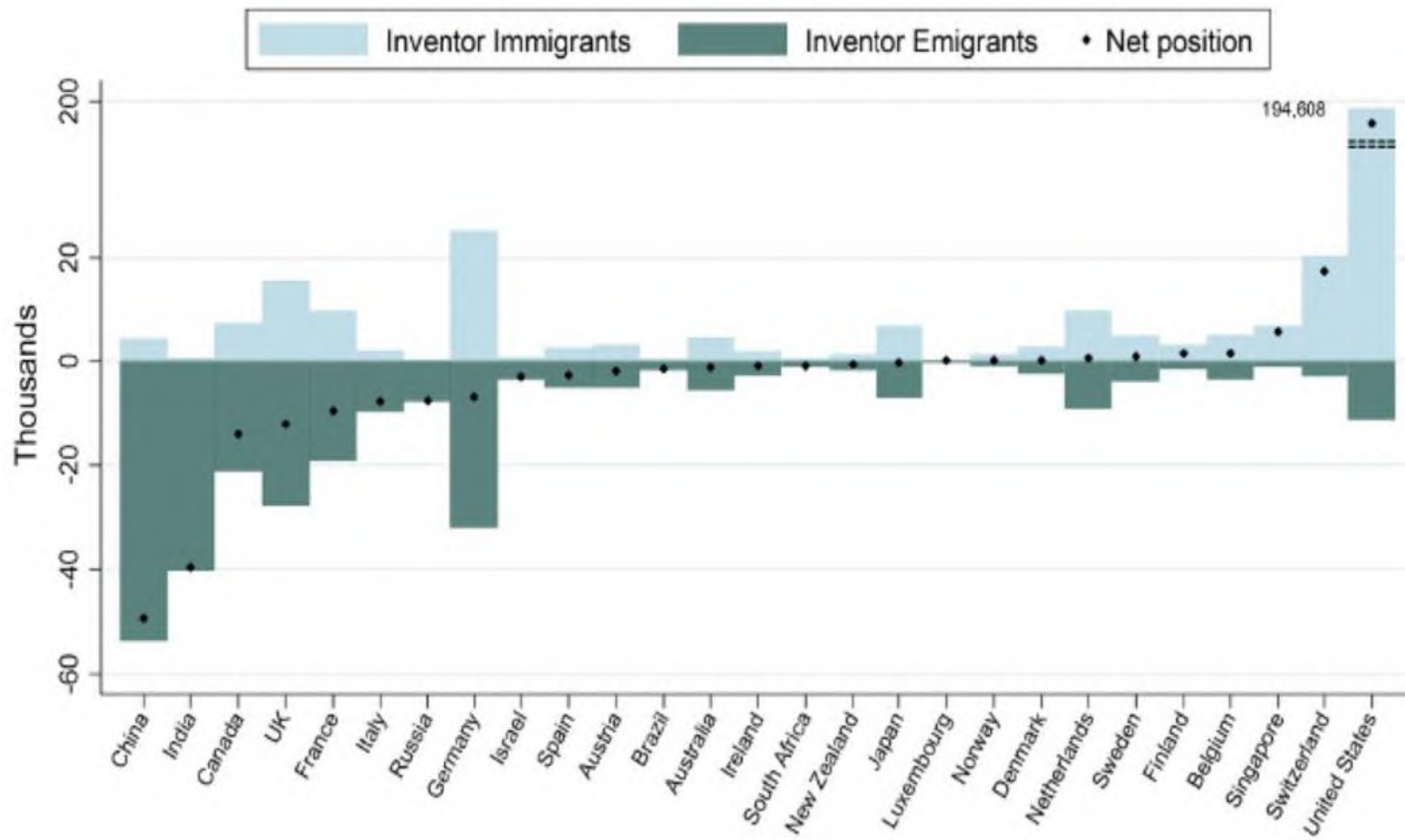
Create incentives for retaining EU talent, and for talent mobility while also investing in local education and opportunities to retain and attract skilled professionals in less developed regions + reshape labour law to facilitate remote work.

Undergrad

Grad school

Place of work





6. Citizens' engagement and education, especially in science and technology, are key to fostering innovation.

Invest in science education and communication programs, particularly targeting young people, to build a culture of innovation and critical thinking across all regions.

7. Pro-innovation regulatory environments are necessary to support new business models and technologies.

Develop modern, flexible regulatory frameworks that encourage innovation while also addressing potential risks and ethical concerns.

8. Combating pseudo-science and promoting trust in science is crucial for innovation.

Support initiatives that promote scientific literacy, critical thinking, and transparent communication of scientific findings to the public.

9. A holistic approach integrating innovation policy with other areas such as education, anti-corruption efforts, and regional development is needed.

Develop comprehensive, cross-sectoral strategies that align innovation goals with broader societal objectives and address systemic barriers to innovation.

10. The benefits of innovation must be distributed more equitably to avoid creating "left behind" places.

Implement policies to ensure that all communities can access and benefit from new technologies and innovative practices, regardless of their location or socioeconomic status BUT ALSO diffuse agglomeration externalities.

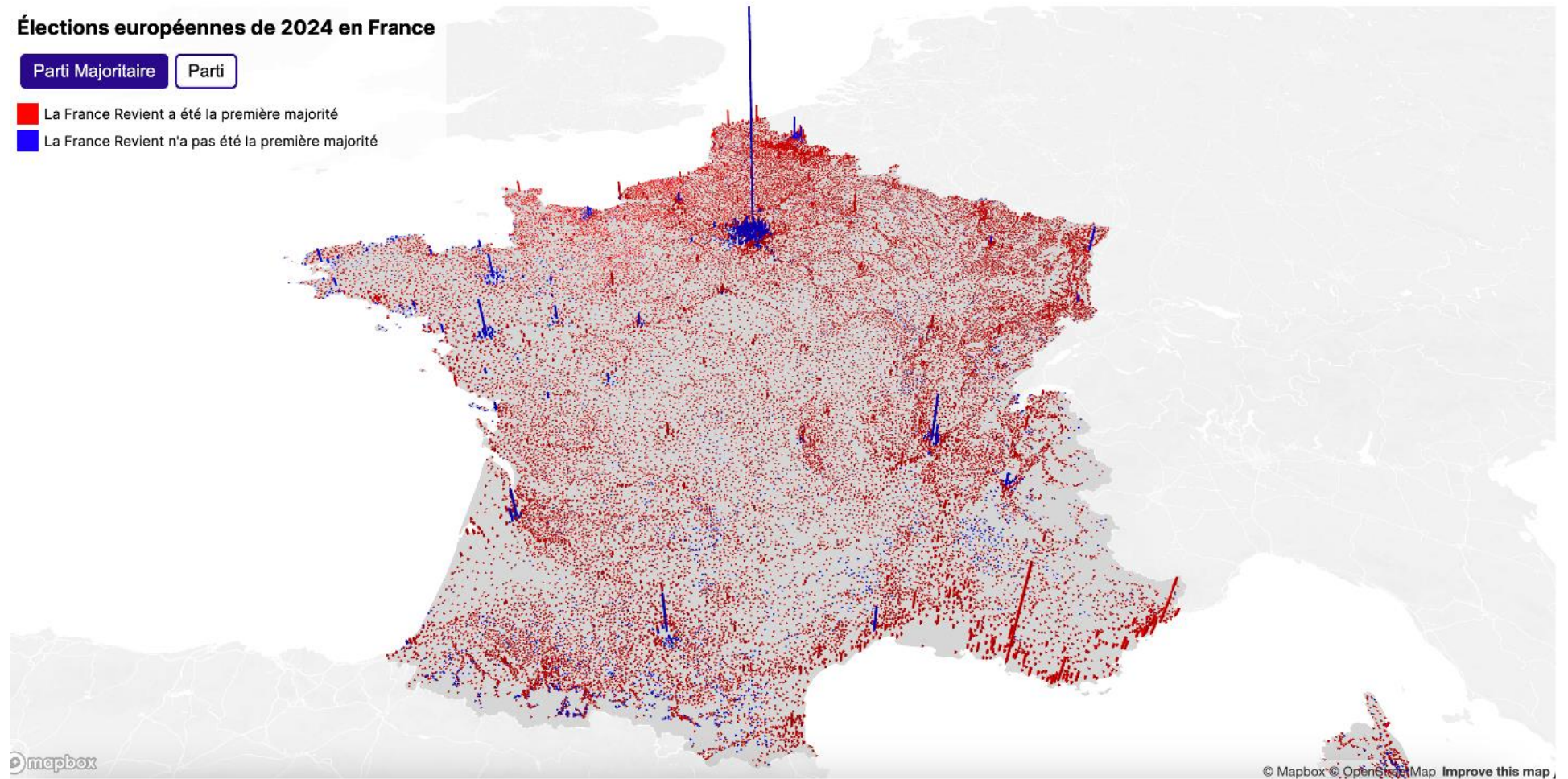
Élections européennes de 2024 en France

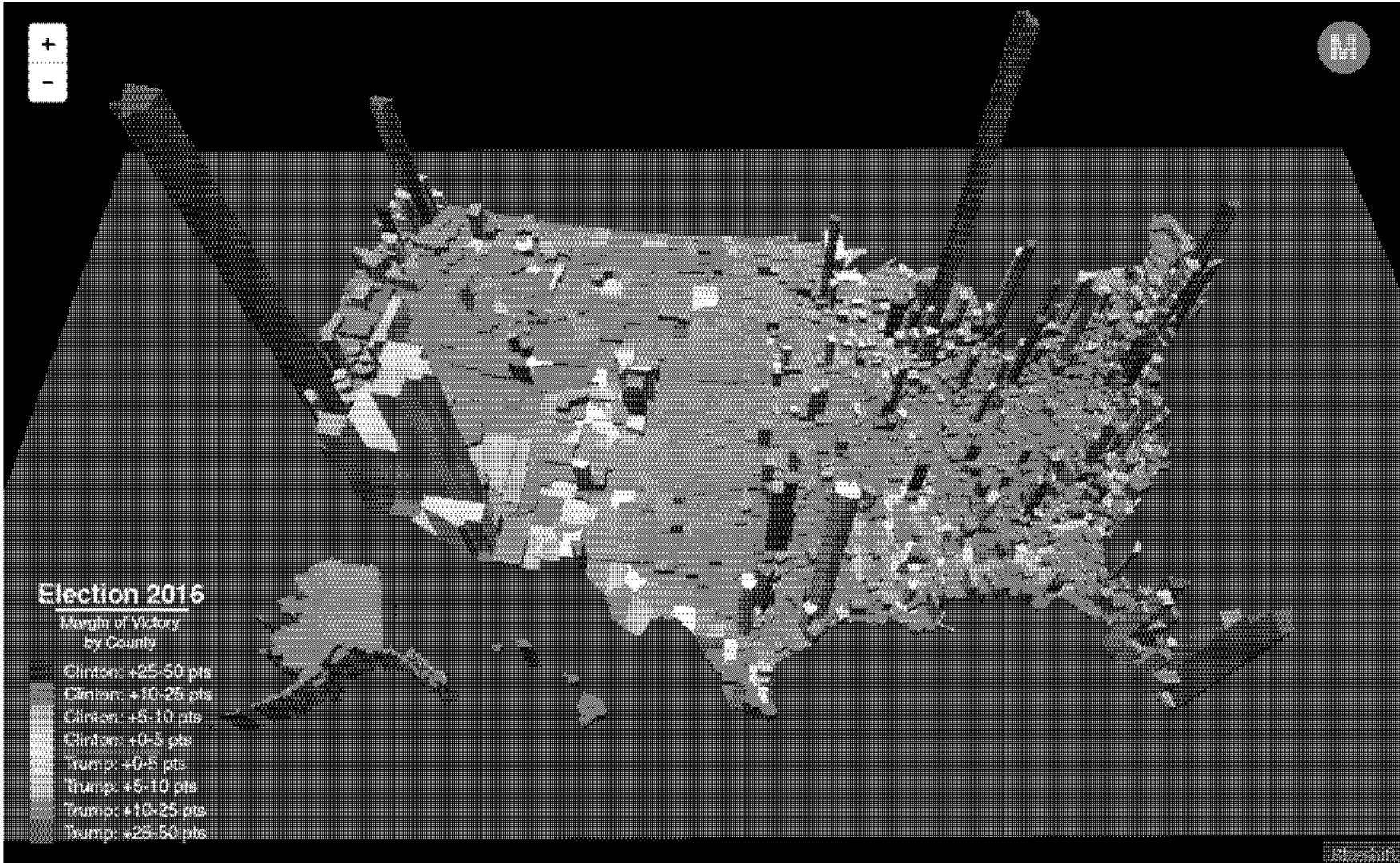
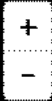
Parti Majoritaire

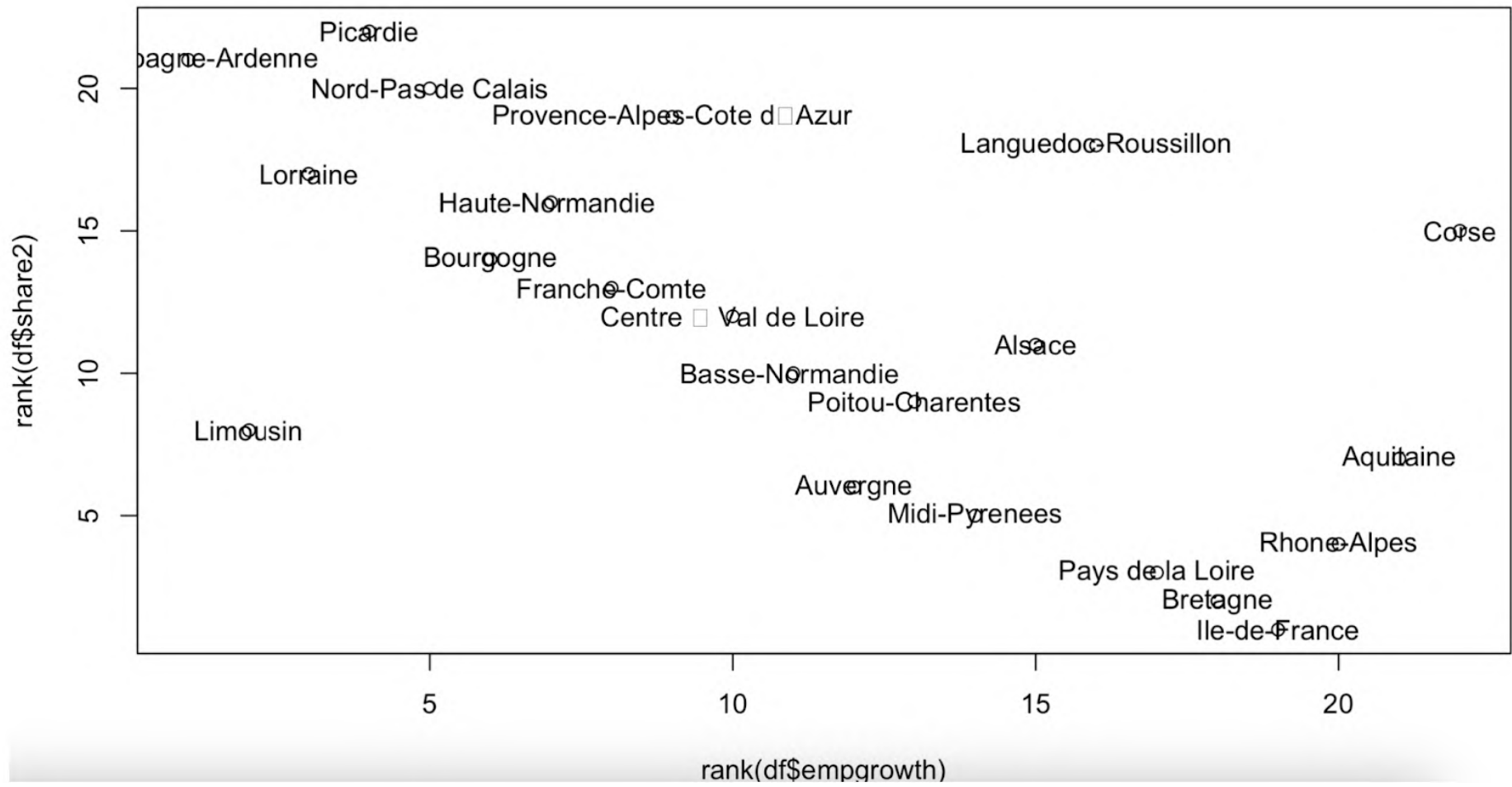
Parti

■ La France Revient a été la première majorité

■ La France Revient n'a pas été la première majorité







The Innovation Divide is a Global Phenomenon

The very strong concentration of innovation activities is a **general** and **global** phenomenon.

Economic forces drive the overall concentration of innovation activities and shape a hub and spoke system that is efficient (airport analogy).

Innovation hubs are a necessary condition to EU competitiveness, and trying to flatten the innovation system would be a policy mistake. We need to shift the focus of the discussion towards supporting every EU region to realize its potential and play a role in the overall EU system of innovation. We will not narrow the innovation divide by eliminating hubs but by combining regional strengths.

Building Regional Strength

Support the emergence of **new innovation hubs** based on regional strengths. No one size fits all.

Need to **prioritize** investment in promising areas. Prioritize, prioritize, prioritize.

Tailor regional innovation strategies to **specific strengths** of each ecosystem.

A RTD Smart Specialization Strategy

Prioritize **niche areas** of comparative advantage for each region.

Move away from spreading investments thinly across multiple sectors.

Align **regional strategies** with European policy priorities like the green and digital transition.

Connecting innovation hubs

Address the **immense national bias** in regional connections to optimize the EU innovation system.

Connect **innovation hubs** to **smaller ecosystems** to facilitate knowledge transfer.

Promote the circulation of high-skilled talent within Europe.

Education and citizen engagement

Foster interest in science and technology from an early age.

Promote science popularization activities and critical thinking.

Support fair access to quality education programs to combat pseudo-science.

Pro-Innovation Regulatory Environment

Create **equally supportive** ecosystems and pro-innovation regulatory frameworks for innovation across EU regions.

Encourage public-private partnerships and innovation-oriented public funding.

Combining regional strengths

Strong and persistent variations in innovation performance need **targeted** policy actions and to prioritize.

Focus on **building** and **combining** regional strengths to ensure all regions play a role in the EU innovation system.

Spread the socio-economic benefits of innovation to avoid a geography of EU discontent.
