



Unlock the New Sources of Growth in Europe

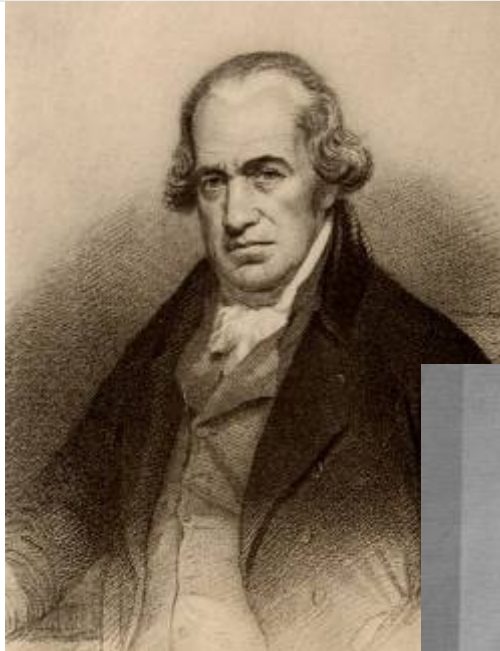
Diogo Vasconcelos (dvasconc@cisco.com)

Distinguished Fellow, Cisco's IBSG

Chair, EU Future Innovation Business Panel

Collegue of Europe, 17 March, 2010

Europe's leadership



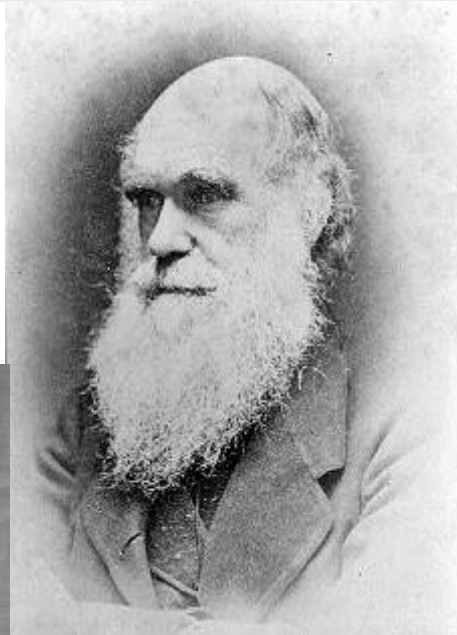
**James Watt
(1736-1819)
Steam Engine**

Engine



**Florence Nightingale
(1820-1910)
Modern Nursing**

Nursing



**Charles Darwin
(1809-1882)
Theory of Evolution**

Evolution

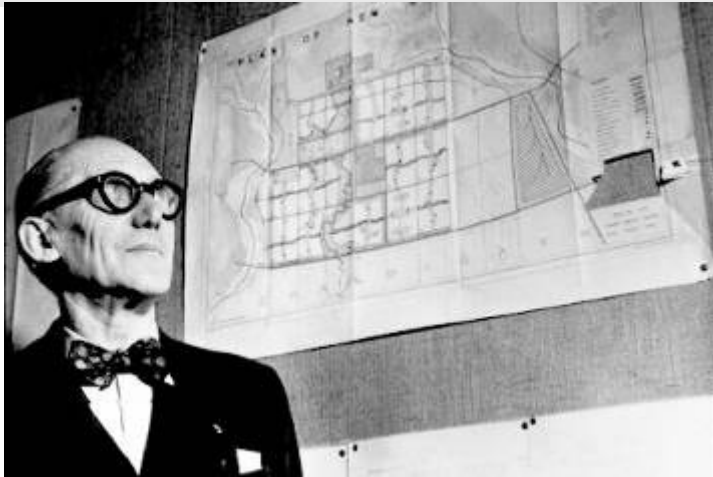


**Johannes Gutenberg
(1398-1468)
Printing Press**

Printing

Europe's leadership

Architecture



Le Corbusier
(1887-1965)
Modern Architecture

Art



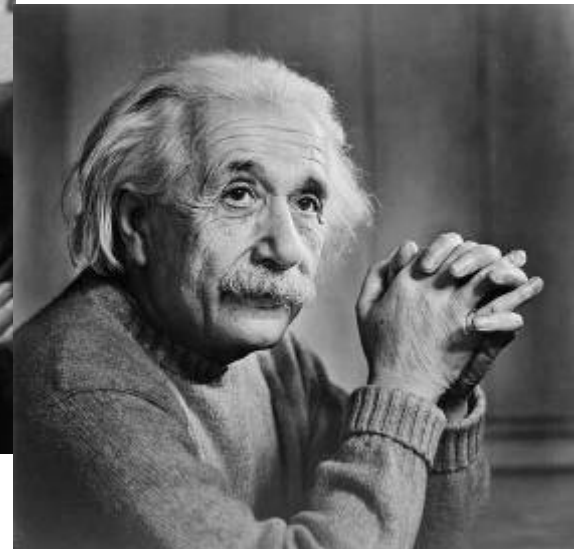
Pablo Picasso
(1881-1973)
Modern Painting



Coco Chanel
(1883-1971)
Fashion Icon

Hautecouture

Nuclear Power



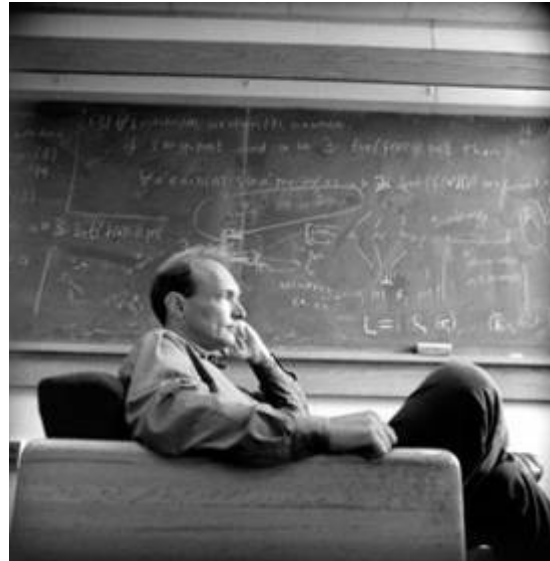
Albert Einstein
(1879-1955)
Modern Physics

Europe's leadership



Guglielmo Marconi
(1874-1937)
Radio

Radio



Tim Berners-Lee
1955-
World Wide Web

WWW.



Nikolaus Otto
(1832-1891)
Automobile Engine

Automobile



Alan Turing
(1912-1954)
Computer Science

Computer

Jobless recovery?



1st Priority: Stabilise Financial System



Banksy, Primrose Hill, London

2nd Priority: Stimulate Demand



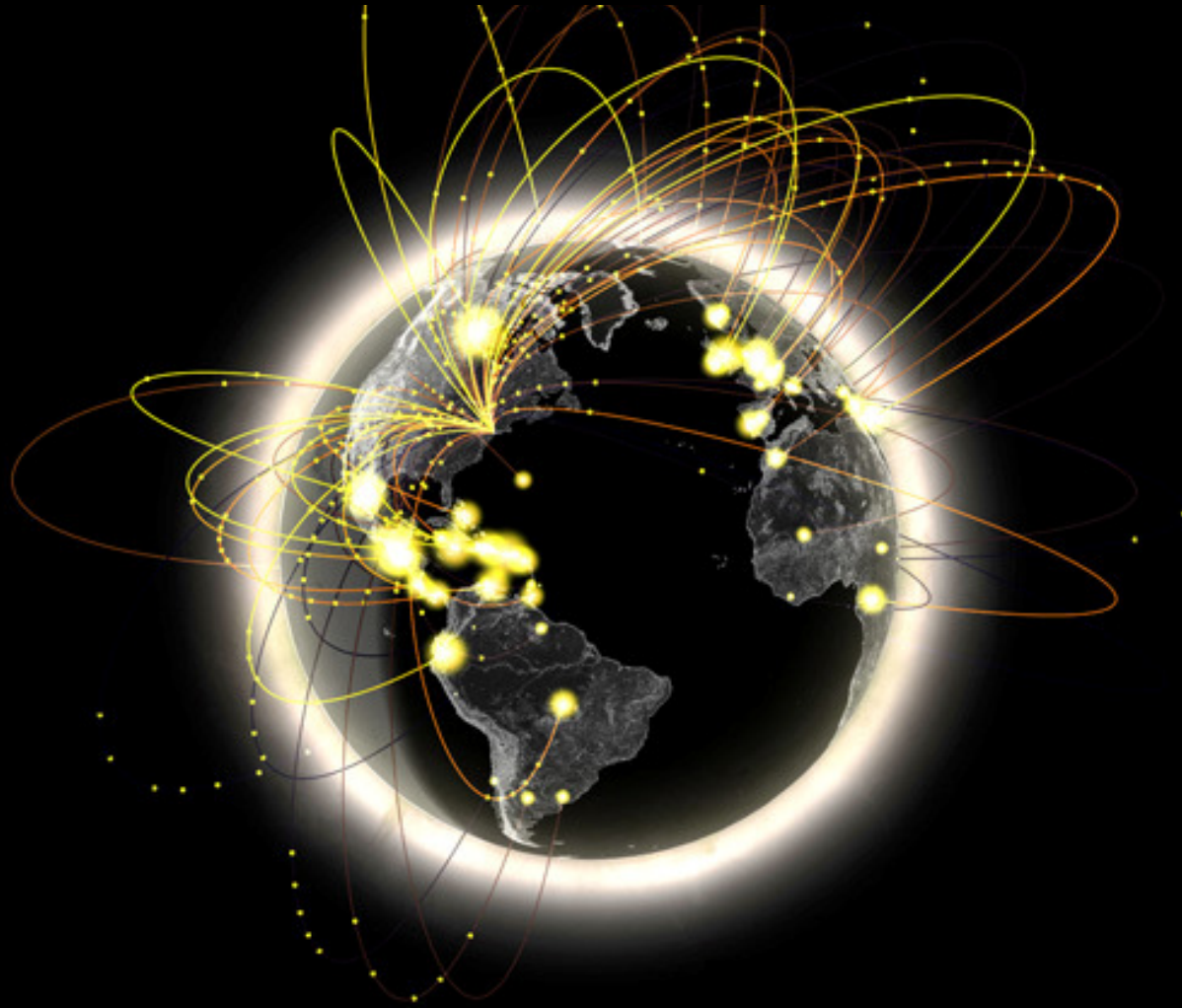
Next: Assure Sustainable Growth



Banksy, West Bank, Palestine

**“A Crisis is a Terrible
Thing to Waste.”**

Ten years after Lisbon Strategy, Europe has not achieved its full goal of being the most competitive global...



**...and is not investing effectively in the infrastructure,
competences, creative environments and businesses
needed for 21st century innovation**



A black and white photograph of Charlie Chaplin in his iconic 'The Tramp' persona, wearing a bowler hat and a small mustache. He is shown in a state of physical struggle, leaning against and trying to turn massive, interlocking industrial gears. His facial expression is one of intense effort and frustration. The scene is set within a dark, complex mechanical environment, likely a factory or a large machine. The lighting highlights the textures of the metal gears and Chaplin's clothing.

Public support for innovation is primarily provided through
complex, slow and uncoordinated programmes

People, entrepreneurs and companies with ambitious and creative
ideas **find limited support and numerous barriers**

Challenges

A glowing, translucent globe with a map of the world is positioned in the lower-left quadrant of the slide. The globe is illuminated from within, casting a warm, yellowish glow. It is set against a background of tall, green grass blades that are slightly out of focus, creating a sense of depth and connection to nature.

- Economic growth
- Fighting unemployment
 - Climate change
- Ageing population
- Social exclusion
- Public sector innovation

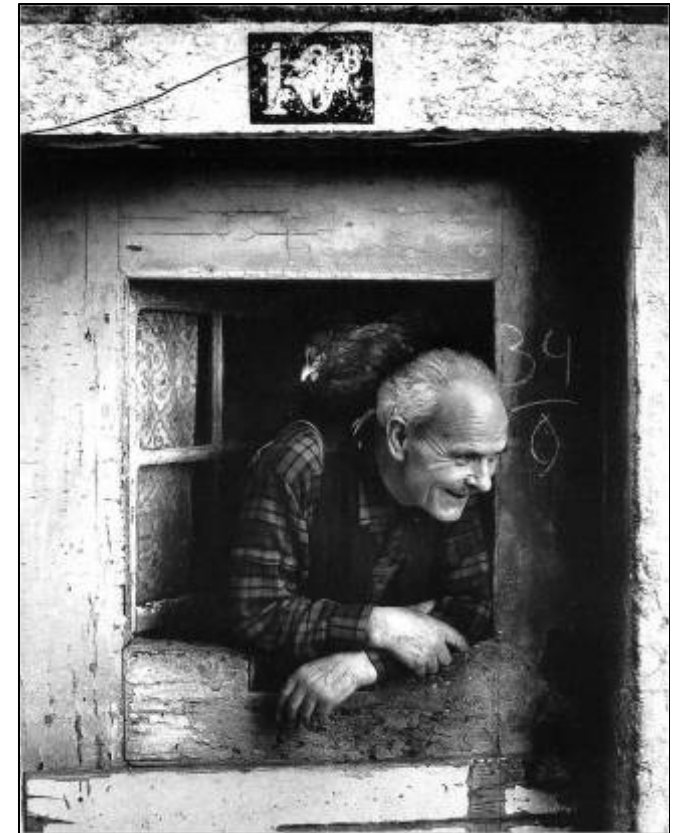
Challenges facing Europe

- **Economic growth** - restarting economic growth, ensuring **long-term sustainability and competitiveness**. In 2009, GDP fell by 4% . Cumulative output loss amounts to 5% across EU (3 times more than the average loss in the previous 3 recessions.) All EU states have been affected, albeit unevenly. 2009 contraction ranges from roughly 2% in France to 4.5%-5% in Germany, Italy and the UK.
- **Fighting unemployment** – especially youth unemployment. Rate across Europe is 9.8%, highest in Latvia (20.9%) and Spain (19.3%). In October 2009, **the youth unemployment rate (under-25s) was 20.7%** in the EU27 (October 2008 was 16.2%). Spain (42.9) and Latvia (33.6%) have the highest rate youth unemployment



Challenges facing Europe

- **Climate change** –will require major changes: new sources of energy, new infrastructures, working patterns, methods of production and distribution
- **Ageing population** – by 2020, 25% of population will be over 60. The 80+ will double before 2050 - **a ratio of 2:1 workers to retirees**. Increase of costs linked to pensions, social security, health and long term care by 4-8% GDP by 2025.
- **Social exclusion** - due to ageing, poverty and/or cultural diversity. **New solutions needed better access** to health, care, housing and education and opportunities for learning and employment.
- **Public Sector Innovation** – growing social needs, together with budgetary constraints, call for **radically new public service models**.



From the TO World...

Knowledge and learning
from **experts to people**

Organisations as **hierarchies**

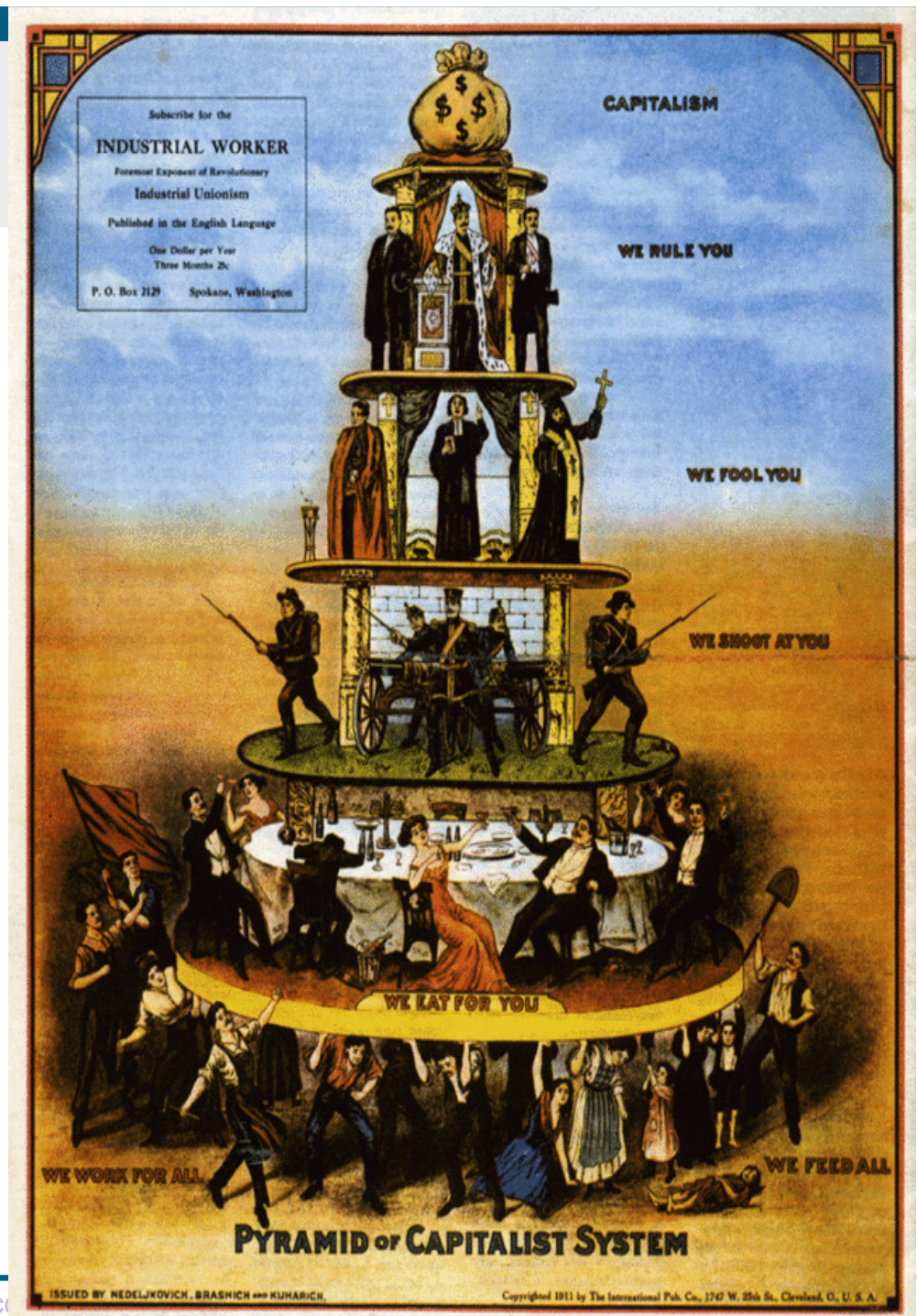
Authority **top down, centralised**

Services that **deliver for & to you**

Politics that speaks **for you**

Value created by **transaction**

Charles Leadbeater



...to the WITH World

Knowledge and learning co-created, ProAm

Organisations as networks, partnerships

Authority earned peer to peer, distributed

Solutions that co-produced, negotiated

Politics is your voice in conversation and argument

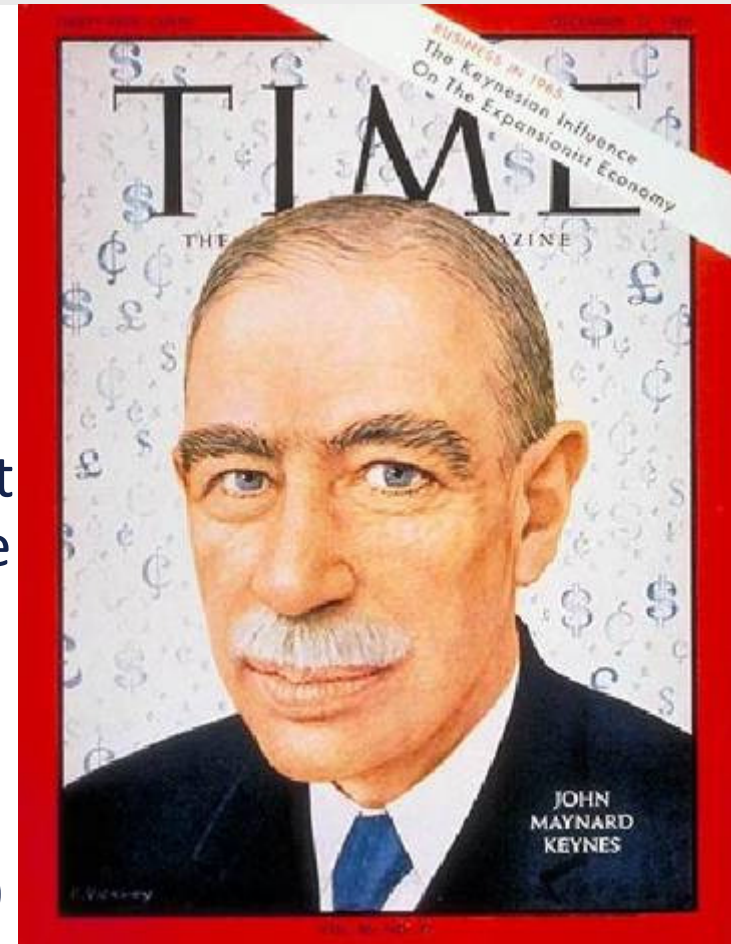
Value created through interaction

Generating capabilities/building on assets

Charles Leadbeater

From Keynes...

- Keynes had very little to say about the underlying dynamics of the real economy, about **innovation** and **new infrastructures**
- International experiences from the 1960s to the 1970s shows that Keynesian policy design **alone** will not contribute to the improvement of the current situation
- “Keynes is responsible for the **extreme short-term focus** - a major weakness of policymakers, both in government and in business”(Druker)



John Maynard Keynes
Born in 1883, Cambridge, England
Died in England on 1946

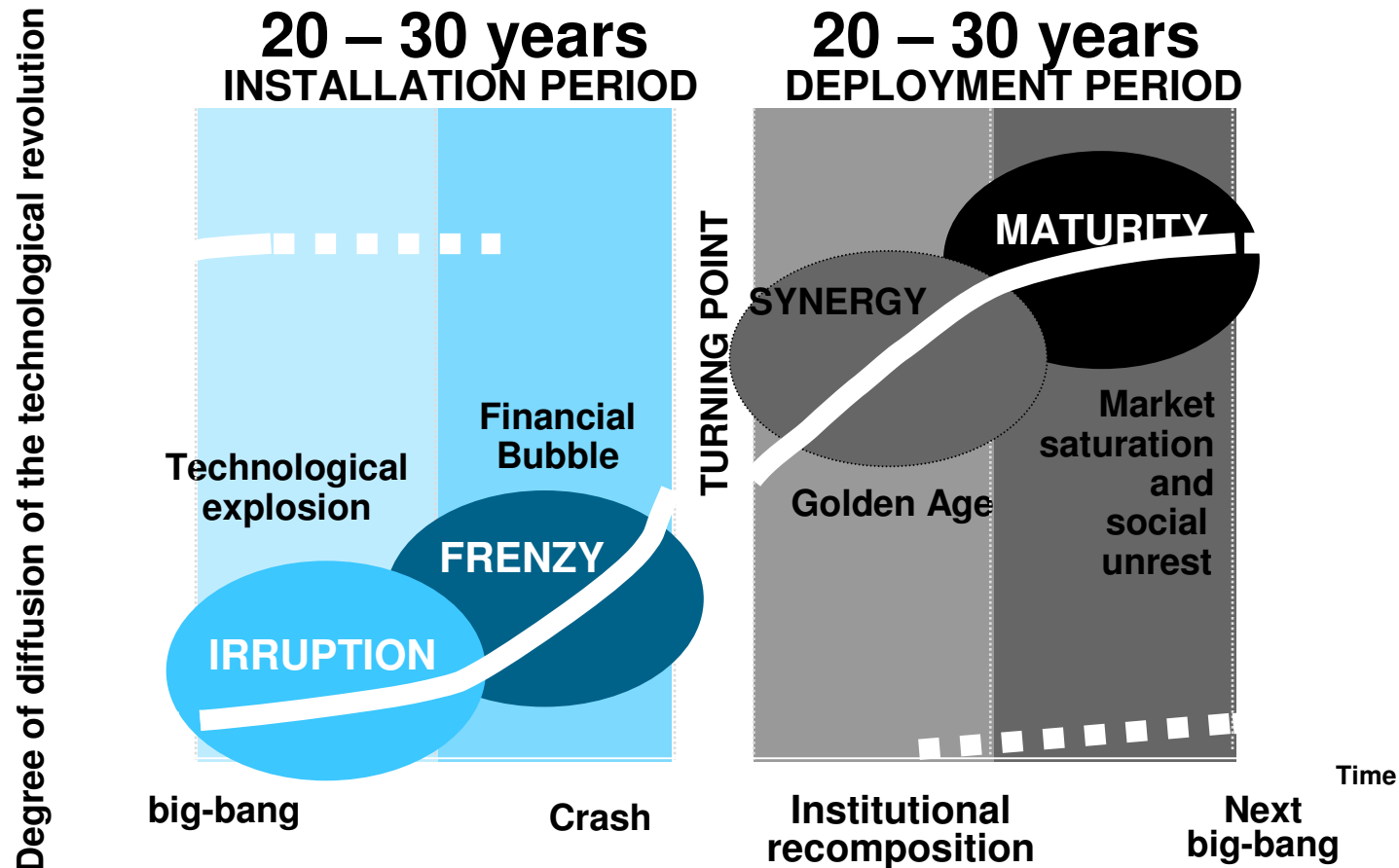
...to Shumpeter

- Every major recession of the past has been followed by radical changes to the industrial structure, with the surging **growth of new industries** often supported by **new infrastructures**
- The destruction of old industries is both **unavoidable** and often necessary to the dynamics of growth
- “Story of capitalism is studded with **violent bursts and catastrophes**”
- “Innovation (by **entrepreneurs**) propels the economy”.



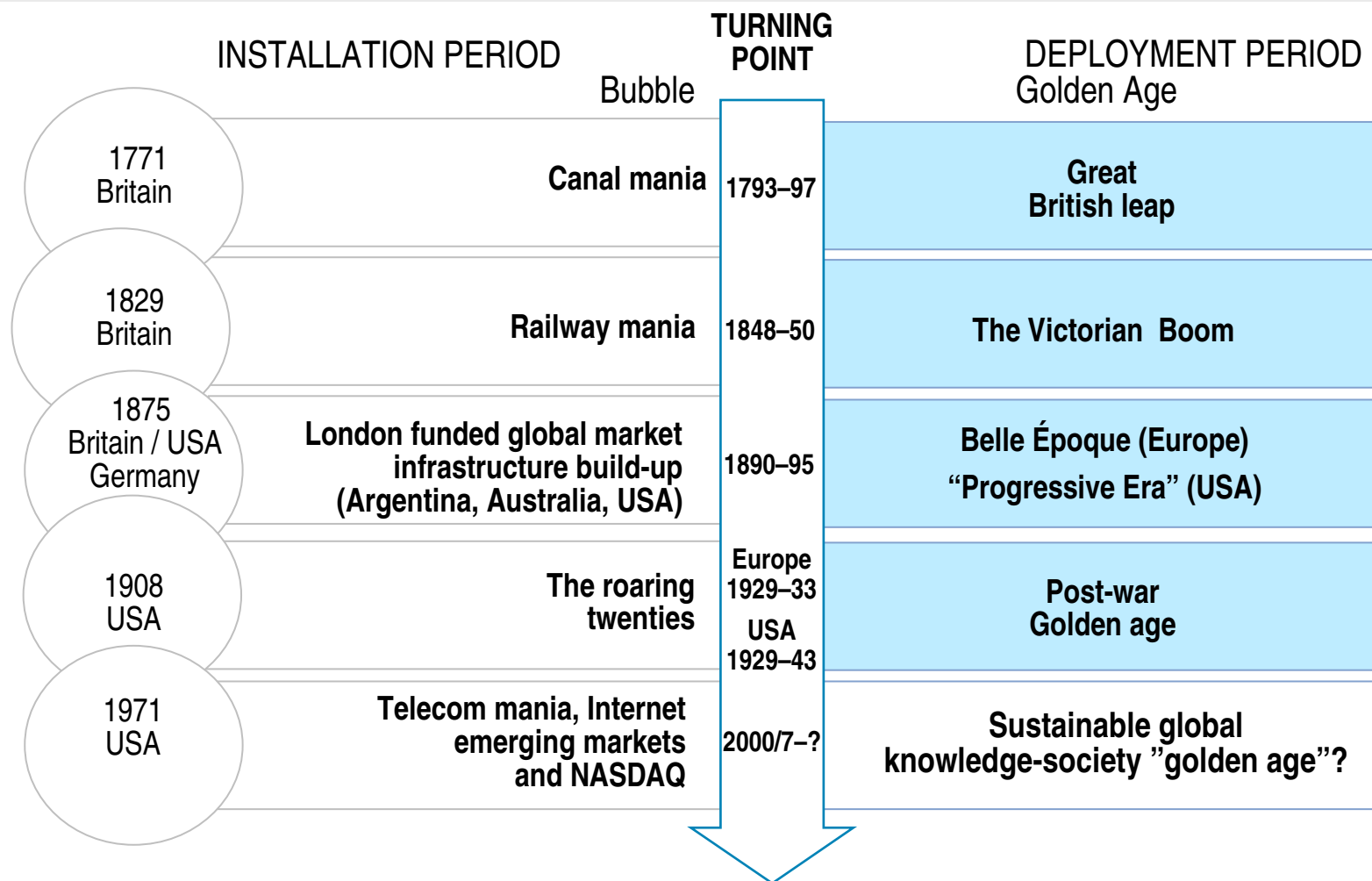
Joseph A. Schumpeter
Born in February 8, 1883, Austria
Died in Connecticut on January 8, 1950

Crisis can unlock a new golden age



Carlota Perez, Technological Revolutions and Financial Capital, Edward Elgar 2002

The historical record



Carlota Perez, Technological Revolutions and Financial Capital, Edward Elgar 2002

A New Approach to Innovation

“Growth, sustainable public finances, tackling climate change, social inclusion, a strengthened industrial base and a vibrant services sector are not alternatives.

We need new sources of growth to replace the jobs lost in the crisis” ¹

*“We must develop a **broader understanding of innovation**. The report of the Business Panel we set up to advise us on future innovation policy will be published today. I urge you to read it.”* ²

President Jose Barroso

1. EU 2020 Consultation 2. Opening speech European Innovation Summit, 13 October 2009



REINVENT EUROPE
FROM A KNOWLEDGE SOCIETY TO AN INNOVATION SOCIETY
THROUGH INNOVATION

*“We propose to base EU action around
compelling social challenges,
to finance venture and social **innovation**
funds, to incentivise large scale
community level innovations,
to **transform the public sector**
and to unlock the potential of new
infrastructure and new types of
partnerships”*



Recommendations by a Business Panel on future EU innovation policy
Supported by an online debate at <http://blogs.ec.europa.eu/innovationunlimited/>

http://ec.europa.eu/enterprise/policies/innovation/files/panel_report_en.pdf



Diogo Vasconcelos

Distinguished Fellow Cisco IBSG
(Chair)



Dr Anne Stenros

Vice President, KONE Corporation



Gianfranco Corini

President, NEXT-Ingegneria
dei Sistemi S.p.A



Prof. Ruediger Iden

Senior Vice President, BASF



Jan Lamser

Member of Board CSOB Bank



Prof. Maureen McKelvey

University of Gothenburg



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Re-invent **Europe** through innovation

Discuss, debate, share ideas here

Business Panel on Innovation Message

We propose to base EU actions around compelling social challenges, to finance social innovation funds, to incentivize large scale community level innovations, to transform the public sector with a budgetary innovation target and to engage the young and the old



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Collaboration

People



Openness

Transparency

Access



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1. **Broaden the concept of innovation**
 - ▶ Pro People
2. **Speed and synchronisation**
 - ▶ Pro Access
3. **Invest in future infrastructure**
 - ▶ Pro Openess
4. **Innovative financing models**
 - ▶ Pro Transparency
5. **New places for new types of collaboration**
 - ▶ Pro Collaboration



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1. Broaden the concept of innovation

► Pro People

Business innovates for return on investment, society for social returns. Cross-cutting public responses, to address grand societal challenges

from business to social innovation



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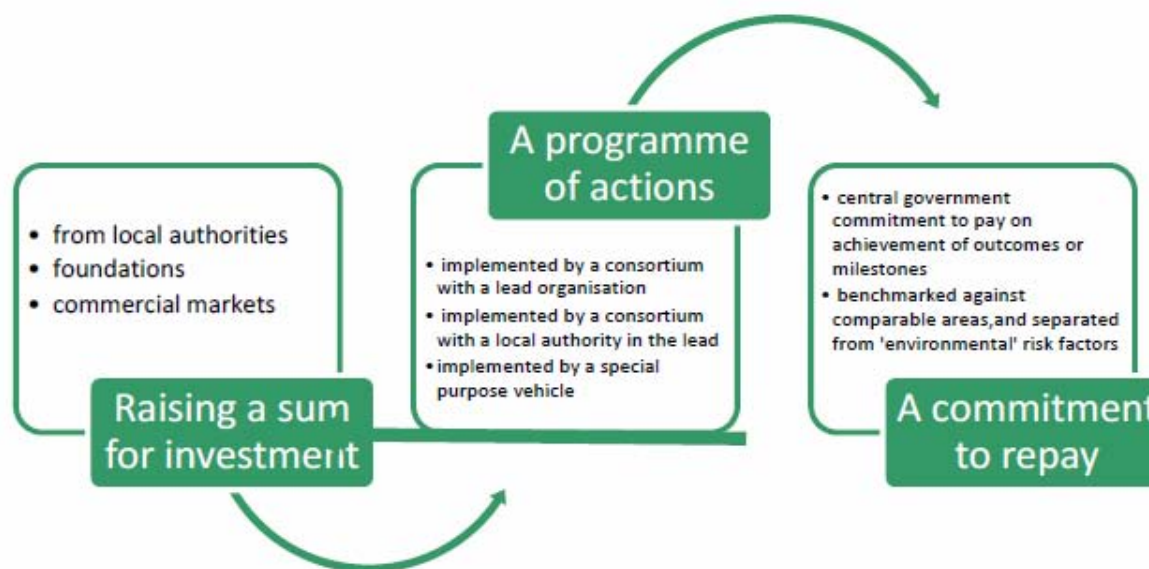
Discuss, debate, share ideas here

People Proposal:

- Base EU action around compelling challenges
- Finance social innovation funds
- Incentivize large scale community innovations
- Transform the public sector
- Engage the old
- Teach the young an innovative mindset and managerial techniques for creativity

New Funding Mechanisms

Innovation Procurement
Commissioned base outcomes
Social Innovation funds
Social impact bonds



Example: 1% budget for open innovation funds

Dedicated innovation funds

HM TREASURY
CABINET OFFICE

Invest to Save Budget

<http://www.isb.gov.uk/hmt.isb.application.2/index.asp>

Investment provided in
provided in return of reform

US Education Innovation Fund:
available to school districts and
partnerships between
schools/education bodies and
third sector groups with strong
track record of improving
student achievement





“I am too short to grab a handle in the subway. I need a lower handle”. One of the ideas that was turned into reality as a result of the [Seoul Ideas Bank](#).



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INNOVATION UNLIMITED

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2. Speed and synchronisation

► Pro Access

Speed & scale required for innovation. Speed the uptake of solutions & tech, especially in public sector.

from fragmented bureacracies to flexible partnerships, from better regulation to pro-innovation regulation



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INNOVATION UNLIMITED
Discuss, debate, share ideas here

Access Proposal:

- Set clear innovation targets
- Develop ambitious European initiatives to synchronize actions
- Ensure EU directives and regulation support innovation
- Change public procurement
- Open government data
- Focus policy on the innovation value chain

Opening up public data for reuse

The screenshot shows the data.gov.uk website. At the top left is the HM Government logo. To its right is the text 'data.gov.uk'. Below this is a navigation bar with links: Home, Blog, Data, SPARQL, Apps, Ideas, Forum, Wiki, Resources, and About. A search bar is on the right of the navigation bar. The main content area features a large banner with the text 'Unlocking innovation' and 'Working with UK Public Sector information and data' next to a blue molecular structure graphic. Below the banner, there is a paragraph about the site's purpose, followed by a 'Latest news:' section with three bullet points. On the right side, there are three vertical panels: 'Subscribe by RSS' with an RSS icon, 'Community Log in / Sign up', and 'Local Data Panel'. At the bottom right, there is a panel titled 'What is the Semantic Web?' with a small icon and text about combining data sources.

HM Government

data.gov.uk

Home Blog Data SPARQL Apps Ideas Forum Wiki Resources About

Unlocking innovation

Working with UK Public Sector information and data

Advised by Sir Tim Berners-Lee and Professor Nigel Shadbolt and others, government is opening up data for reuse. This site seeks to give a way into the wealth of government data and is under constant development. We want to work with you to make it better.

We're very aware that there are more people like you outside of government who have the skills and abilities to make wonderful things out of public data. These are our first steps in building a collaborative relationship with you.

Latest news:

- Read about our latest [site changes](#)
- information about the [Local Data Panel](#)
- [applications](#) in the news

Subscribe by RSS

Community Log in / Sign up

Local Data Panel

What is the Semantic Web?

Combining different data sources has never been easy but the Semantic Web will enable data to be joined

<http://data.gov.uk/>

Data easy to find, to license and to re-use



The screenshot shows the Data.gov homepage. At the top is the 'DATA.GOV' logo. To the right are social media icons for 'Share', Facebook, Twitter, and a star. Below the logo is a navigation bar with links: HOME, CATALOGS, STATE/LOCAL, FAQ, SUGGEST DATASETS, AGENCY PARTICIPATION, ABOUT, and BLOG. The main content area is split into two columns. The left column has the text 'DISCOVER. PARTICIPATE. ENGAGE.' followed by 'Search the following Data.gov catalogs:'. Below this are three catalog icons: 'RAW' DATA CATALOG (with CSV, XML, KML, SHP icons), TOOL CATALOG (with a wrench and hammer icon), and GEODATA CATALOG (with a globe icon). The right column is titled 'FEATURED DATASETS:' and contains a section for 'OPEN GOVERNMENT DIRECTIVE AGENCY DATASETS'. This section includes a paragraph about the December 8, 2009, White House directive and a link to 'VIEW THESE DATASETS'. To the right of the text is a graphic titled 'OPEN GOVERNMENT DATASETS' with the subtitle 'TRANSPARENCY . PARTICIPATION . COLLABORATION' and an image of a tunnel made of binary code.

DATA.GOV

Share | Facebook | Twitter | Star

HOME | CATALOGS | STATE/LOCAL | FAQ | SUGGEST DATASETS | AGENCY PARTICIPATION | ABOUT | BLOG

DISCOVER.
PARTICIPATE.
ENGAGE.

Search the following Data.gov catalogs:

CSV
XML
KML
SHP

"RAW" DATA CATALOG

TOOL CATALOG

GEODATA CATALOG

FEATURED DATASETS:

OPEN GOVERNMENT DIRECTIVE AGENCY DATASETS

On December 8, 2009, the White House issued an historic Open Government Directive (OGD), instructing Executive Departments to publish three high-value datasets online within 45 days. The Open Government Datasets showcase the high-value data sets agencies have published to fulfill the Directive and thereby increase accountability, promote informed participation by the public, and create economic opportunity.

VIEW THESE DATASETS ▶

OPEN GOVERNMENT DATASETS
TRANSPARENCY . PARTICIPATION . COLLABORATION

Open Government Datasets

Welcome to Data.gov

The purpose of Data.gov is to increase public access to high value, machine readable datasets generated by the Executive Branch of the Federal Government. Although the initial launch of Data.gov provides a limited portion of the rich variety of Federal datasets presently available,

NEW!! Open Government
Directive Agency
Datasets

<http://www.data.gov/>

Co-create services

The screenshot shows the 'Apps for Democracy Community Edition' website. At the top, it features the title and logos for the District of Columbia Office of the Chief Technology Officer. Two call-to-action buttons are present: a red one asking 'Got what it takes to mash-up DC's data to win some cash and tons of street cred?' and a blue one saying 'Then sign-up for Apps for Democracy and start coding here!'. A yellow banner announces the 'Final Round Winner' and promotes DC's new Open 311 powered iPhone, Facebook and web apps, encouraging users to leave comments. A 'What:' section provides details about the first edition's success, mentioning 47 apps created in 30 days with a value of \$2,300,000 to the city at a cost of \$50,000. It also mentions an innovation contest with \$34,000 in potential.

<http://www.appsfordemocracy.org/>

Competition to challenge citizens to come up with new applications using public data. The first edition yielded 47 web, iPhone and Facebook apps in 30 days - a \$2,300,000 value to the city at a cost of \$50,000.

In the UK, the “Power of Information Taskforce” selected the best ideas on how to reuse, represent, mashup or combine the information the government holds to make it useful

<http://www.showusabetterway.co.uk/>

Show Us a Better Way

Tell us what you'd build with public information and we could help fund your idea!

What public data is already available?

To give the more technically minded some raw material and a headstart on getting any prototypes up and running, we have brought together here a huge quantity of information for reuse.

Several exciting **new** datasets are being made widely available for the first time, including the [Royal Mail's Postcode File](#), [Neighbourhood Statistics](#) from the ONS, [Health care information](#) from NHS Choices, a list of all [ashcolts in England and Wales](#) from the DCSF and the [Official Notices from the London Gazette](#).

Below you'll also find listed a wide range of [other sources of public data](#), as well as some other [useful APIs](#).

[Submit Your Idea](#)

[Home](#)
[All your ideas](#)
[About This Competition](#)
[Examples](#)
[Frequently Asked Questions](#)
[Information sources](#)
[House Rules](#)
[Contact Us](#)



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Re-invent **Europe** through innovation

Discuss, debate, share ideas here

3. Invest in future infrastructure

► Pro Openess

Unlock the potential of digital and knowledge infrastructure. Combine infrastructure with innovation to deliver emerging technologies and services for major challenges.

from bridges to broadband, from control to open access



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Openness Proposal:

- Broadband enable citizens
- Implement integrated, cross-boundary smart grid
- Combine infrastructure with innovation objectives
- Stimulate exciting infrastructures for open innovation

Future Internet =Video



**A picture is a thousand words,
video is a million**

“In person” experience

64% of communication is non-verbal¹

**One third of the human cortex is
dedicated to vision²**

¹Kandola, Pearn “*The Psychology of Effective Business Communications in Geographically Dispersed Teams*”, Cisco Systems, September 2006

²Vision Group Research, FMRIB, University of Oxford, UK

Redefining How People Communicate



Redefining How People Communicate









<http://www.dialoguecafe.org>

Remote Care



James Ferguson, Clinical Lead, The Scottish Centre for Telehealth

Remote Care



Hôpital
Européen
Georges
Pompidou
et Hôpital
Gériatrique
Vaugirard

En 4 mois, 152 patients ont bénéficié de 192 sessions cliniques. L'âge moyen des patients est 85.7 ans. Les 192 sessions de Télémédecine ont concerné seize spécialités. L'orthopédie est la spécialité la mieux représentée (38%), dermatologie (16%), cardiologie (7%) et médecine vasculaire (7%).

Dr Pierre Espinoza – HEGP Télémédecine Janvier 2010



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4. Innovative financing models

► Pro Transparency

Radical approach to finance innovation, promoting partnerships and combining instruments to focus upon larger scale, and small projects.

from incumbents to entrants, from public vs private to public private partnerships



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Transparency proposal:

- EIF develop in new directions
- Accelerate pan-European venture capital (co-invest, PPP model)
- Incentivize EU model for IPR, including openness
- Broker bolder investment initiatives
- Rationalize information and regulation

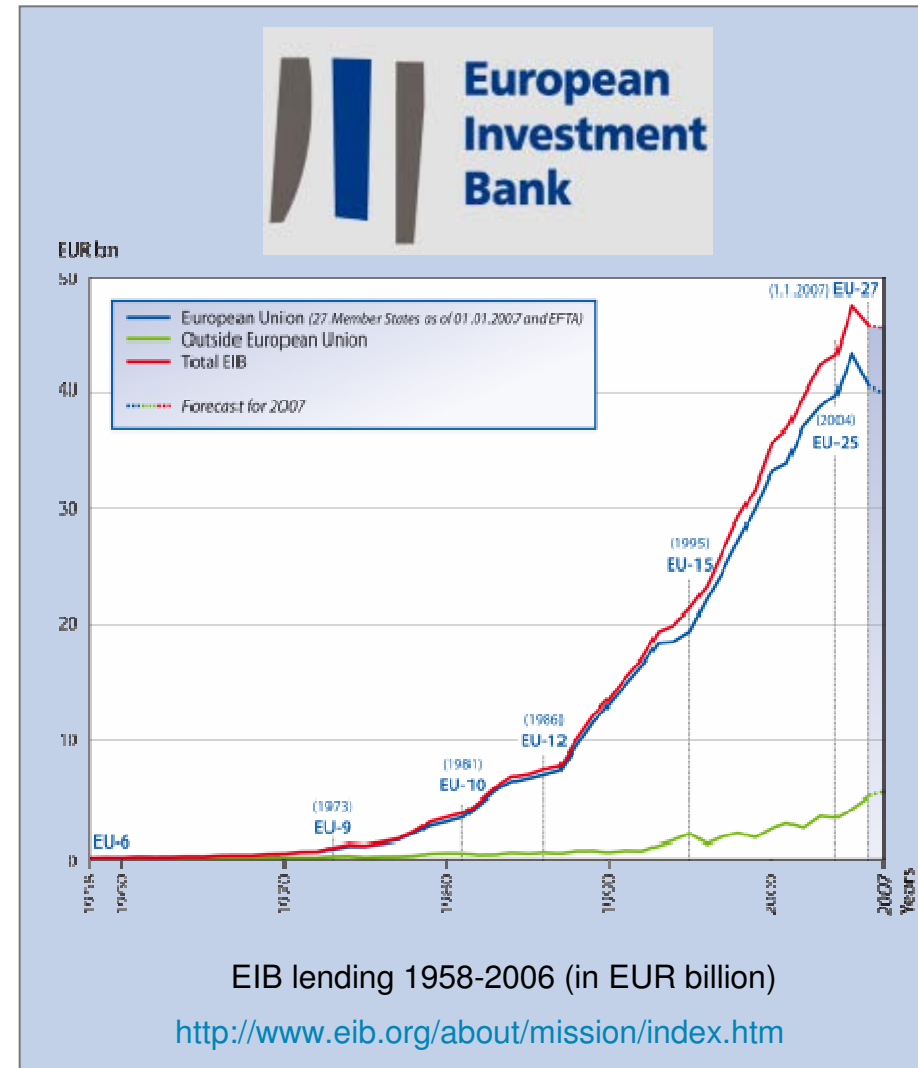
A major development of the EIF

- Accelerate **pan-European venture capital funds**.
- Such funds must **attract sustainable co-investment** from the private sector across Europe, including corporate venture funds
- Mandate to **create new models to fund trans-national partnerships**, corporate venturing and societal innovation funds.



EIB's Mission

- EIB is an European Institution, created by the Treaty of Rome in 1958 to provide **long-term finance** for investment projects promoting European integration
- **It's a policy driven bank**, with six clear policy priorities:
 - Convergence
 - Knowledge economy**
 - Trans-European networks
 - Environment
 - SMB
 - Energy
- EIF is EIB's **Venture Capital arm**





INNOVATION UNLIMITED

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5. New places for new types of collaboration

► Pro Collaboration

Innovation requires combining collaboration, diversity, and so policy must stimulate open innovation and networks, access.

from closed processes to the power of networks



INNOVATION UNLIMITED

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Collaboration proposal:

- Create, fund & network innovation labs
- Invest in cultural & creativity institutions
- Reinforce intermediaries to keep open the spaces, and their network role
- Develop major prize
- Stimulate public universities/labs to be more open and more international

Create New Spaces for New Collaborations



Health Launchpad provides funding and long term practical support from the germination of an idea through the pilot stage and finally to the delivery and scaled up application of the service

... And safe spaces for innovation

- France's virtual 27th 'region' is intended to provide the other regions with **the space and opportunity to design and develop innovative approaches to policy.**
- Its goal is to foster **creativity, social innovation and sustainability** in public institutions, through community projects, prototyping and design thinking.

La 27^e
Région



<http://la27eregion.fr/>

How to bring social innovation into regional governments ?

**Designers in Residences, a method to
encourage co-creation in public policies**

R

La 27e Région, transformation laboratory for the 26 French regions

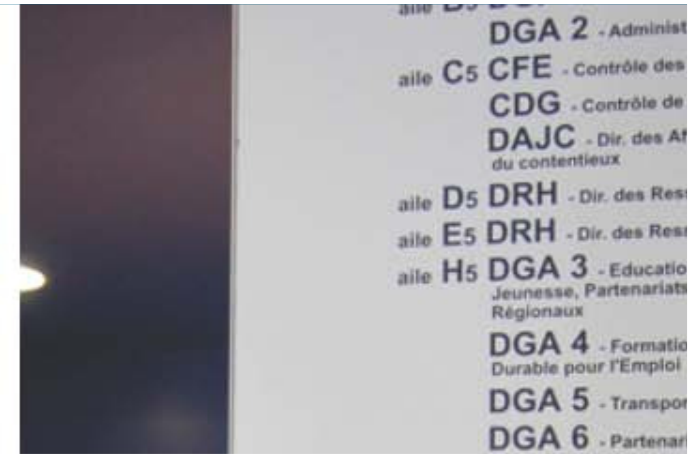
Next Generation
Internet Foundation

French regions
association

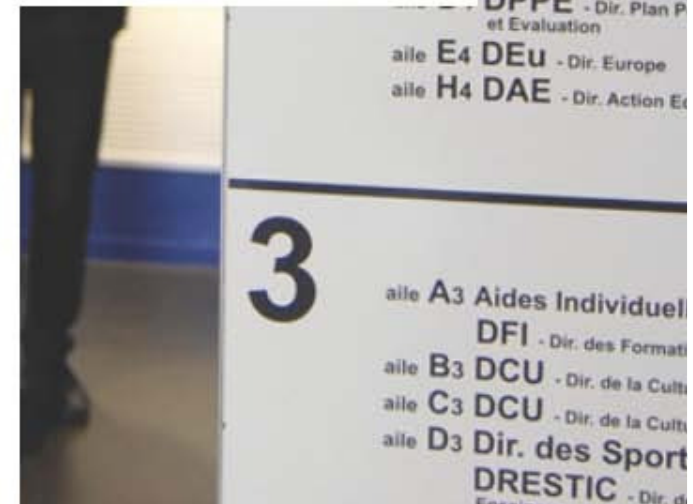
Caisse des Dépôts

European commission
(Europ'Act)





A crisis in “new public management”
 Vertical innovation, limited cooperation, opacity,
 bureaucracy-driven projects, service-delivering
 model, few reflexivity, no culture of risk, weak
 learning process...





Social uses for social networks in Rennes (Bretagne)



Co-design a regional energy programm with its users (Paca)



Implement "human sustainability" in a school in Tinquieux (Ch.Ardenne)

15 community projects (résidences) in schools, local authorities, health houses, railway station, cities, villages...

- Interdisciplinary team (designer, architect, sociologist..)
- Cofinancing and partnership with the regions
- The whole design process is published: pictures, showroom, blogs, podcasts, books, feedback for politics



Solving medical exode in Pionsat (Auvergne)



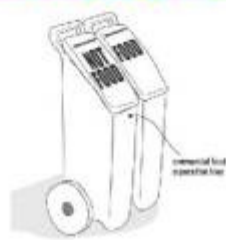
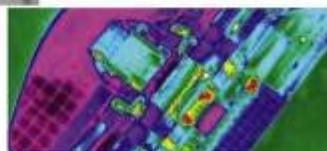
Open the school in Revin (Ch.Ardenne)



Fighting bureaucracy in a local authority (Nord-Pas de Calais)



Cité du Design as a living laboratory for territorial sustainability transition in Saint-Étienne, France...



© Strategic Design Scenarios

Design intervention



Source: Seed Foundation



<http://www.sicamp.org/>

Australian Social Innovation Camp





**Social Innovation
eXchange**

the global community for social innovation

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what's new with **SIX**



Sarah Schulman, InWithFor

"Its about working 'with' rather than 'for' people, and eventually services can be designed 'by' people"



SIX would like to wish everyone a great festive season, and is hopeful that 2010 will bring even more social innovations from around the world.

Merry Christmas and Happy New Year!

SIX talk (the blog)

[more six talk →](#)

what's your social innovation?

Charles Leadbeater

from **SIX**



upcoming events

[more events →](#)

13 May 2010

Deepening Democracy as a Way of Life.

Challenges for Participatory Democracy and

Citizenship Learning in the 21st Century.

Facultad de Ciencia Política y Relaciones

Internacionales, Universidad Nacional de Rosario



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Implications of the Business Panel proposals:

- EU policy/governance must take on new roles
- Base EU action around **compelling challenges**
- **Public sector and third sector** as sources of innovation
- New models **procurement**
- Think of society as open, networked, facing many challenges
- Business will move **upon business opportunities**
- Infrastructures support business as well as **social innovation**

Corporate Social Innovation

*Companies now “realize that global challenges such as climate change, the supply of clean water, epidemics and social needs constitute a huge new market. **By creating new and more responsible and sustainable solutions, companies can cultivate new business opportunities.** ‘Corporate social innovation’ may be an important new business area for private companies and a core driver of innovation.”*

The New Nature of Innovation, FORA et al – a report for the OECD



Combine Digital and the Social agendas

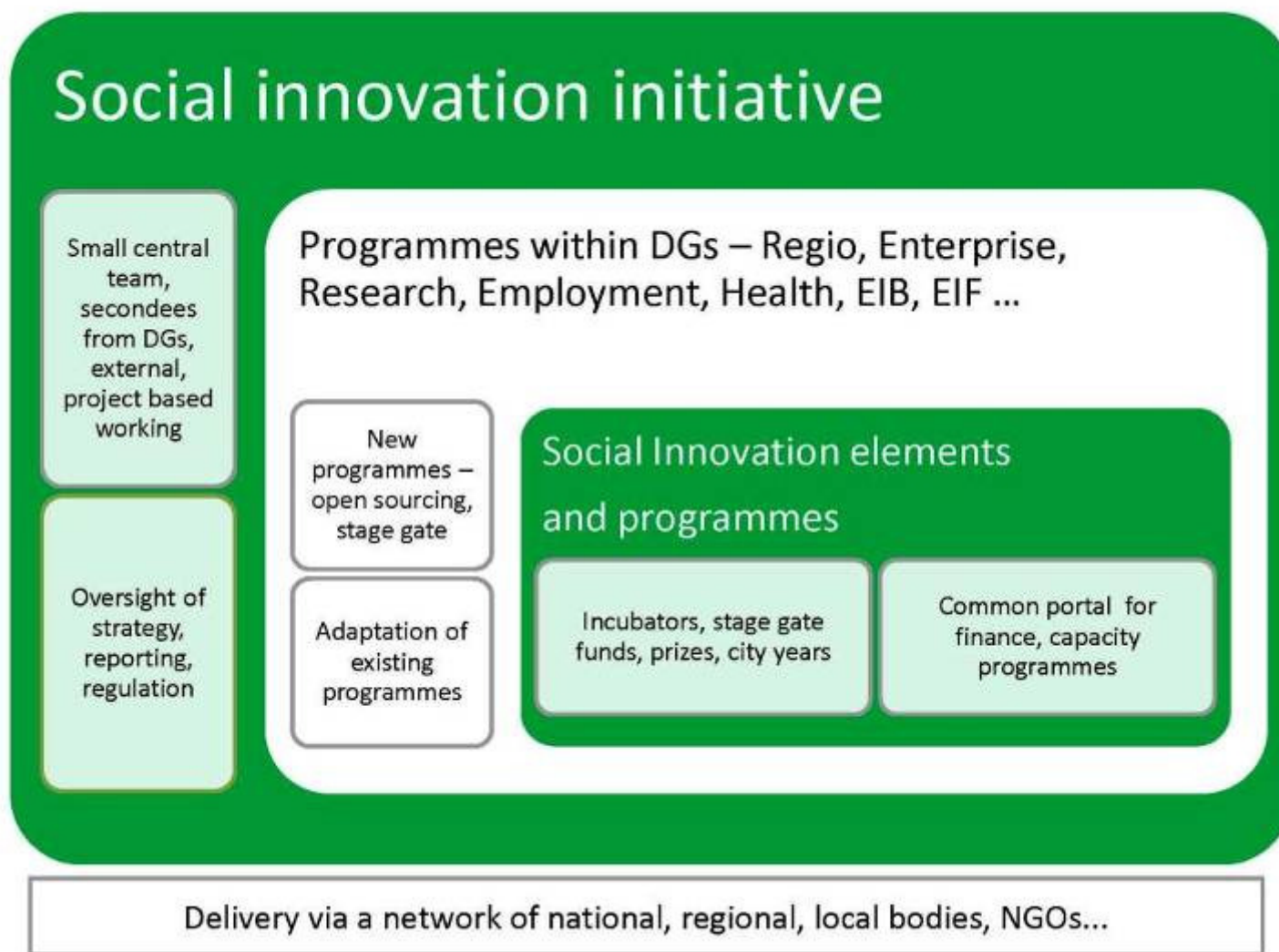
- Building the high speed networks has been identified by European Commission as a **key priority for the next Digital Agenda**.
- These new networks must be seen as **a major social infrastructure**.
- EU policies should encourage the creation and adoption of **next generation societal services** by both the public, private and third sectors, **bridging the gap between the Digital and the Social agendas**.



BEPA Workshop 'Europe and Social Innovation', Jan 2009



“Europe and Social Innovation” report



Conclusion: Time to Fix the Future

**A call for sustainable, entrepreneurial
and innovative growth**





A cartoon illustration of a grey cat with large white eyes and a wide, toothy grin. The cat is wearing a dark teal suit jacket over a purple shirt and a yellow tie. It is pointing its right index finger upwards. Two large, white speech bubbles with black outlines are positioned above the cat's head. The left bubble contains the text 'THE FUTURE STARTS IMMEDIATELY' and the right bubble contains 'AFTER THE END OF THIS SENTENCE'. The cat's expression is one of mischievous confidence, suggesting it is aware of the logical contradiction in its statements.

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