
# Report on the High level Conference on Innovation Principle – Developing an innovation-friendly legislative culture

In Helsinki on 3 December 2019

EU2019.FI Finland's Presidency of the Council of the European Union

Ministry of Economic Affairs and Employment of Finland


EU2019FI
HIGH-LEVEL CONFERENCE ON THE INNOVATION PRINCIPLE
#InnovationPrinciple
Veronica Gaffey
Dirk Pilat
Antti Vasara
Harry Armstrong
Pekka Koponen


HIGH-LEVEL CONFERENCE ON THE INNOVATION PRINCIPLE
#InnovationPrinciple


REGISTRATION
EU2019FI

# Contents

# 1 Introduction

The High-Level Conference on the Innovation Principle was held by the Ministry of Economic Affairs and Employment of Finland in collaboration with the European Commission in Helsinki on 3 December 2019. The Conference was part of Finland's Presidency of the Council of the European Union.

This report has been written by the organisers and it is our reading of the Conference discussions.

**INNOVATION PRINCIPLE**

*The European Commission applies the Innovation Principle as an approach to ensure that EU regulation creates the best possible conditions for innovative activities of European entrepre-neurs, business and civil society, yielding the desired social and environmental benefits.*

## 1.1 The aim of the Conference

The aim of the Conference was to:

- *Build a shared understanding of the possibilities and challenges of legislation in creating markets for innovation and innovative business ecosystems*
- *Share experiences of forerunners and experiments in different fields both at the EU level and in the Member States*
- *Identify key areas where regulation could be a major driver for innovation*
- *Identify key policy questions on how to facilitate the use of the innovation principle*

## 1.2 Policy questions asked in the Conference

- *How could the Single Market be developed to encourage innovation activities and scale up of businesses?*
- *New solutions and technologies are needed in solving the big societal challenges. How can ambitious policy objectives be transformed into smart regulation which benefits the public good?*
- *Innovation is more sustainable when shared and real co-creation takes place. How can European rules be crafted to give the right space to innovators? What is the role of ethics in regulating technology?*
- *Digitalization is changing innovations and markets. How can we ensure that European companies will succeed in the digital era? What kind of policies are inclusive for citizens and companies?*
- *What are the new skills and capabilities of the future public sector? What is the role of stakeholder engagement, outreach and co-creation in this?*
- *How can policy lessons be drawn from experimentation?*

## 1.3 Conference participants and their engagement

The Conference was attended by over 170 people from 26 countries. The majority of participants represented the public sector, industry, research and NGOs. Ten students between the ages of 13 and 16 also contributed to the discussion in the form of the Future Generation Panel. The live stream of the conference was followed by 162 individual viewers.

The Conference used various ways to engage participants and enhance the discussion. The Future Generation Panel composed of young people acted as a sounding board, presenting sharp ideas on innovation and public policy. Ample time was devoted to questions and comments from the audience. Speakers, participants and web stream followers were active on social media with their key messages. A conference app helped polling views on the way forward for the Innovation Principle.

# 2 Summary of the Conference discussions

## 2.1 General conclusions

- *The Innovation Principle is needed for promoting sustainable growth and it can help to achieve social and environmental benefits from research and innovation activities. An innovation-friendly single market and incentives for the scaling up of solutions are needed for the renewal of companies towards sustainability goals.*
- *The Innovation Principle is an important approach in addressing key socio-economic transitions such as the transition to carbon neutrality and the circular economy as well as in responding in an agile way to rapid technological advances;*
- *The European Green Deal is a good example of a programme where safety and innovation play a vital role. It will aim to comply with sustainable objectives to save our health and environment while stimulating the development of new solutions;*
- *The quality of the regulatory environment in relation to innovation is becoming an asset for competitiveness internationally. For instance, digital business models are often global and European companies need a competitive regulatory framework to grow and succeed in intense competition;*
- *To keep the regulatory environment in pace with technological advances, the European Union needs a wide variety of tools: policy foresight, horizon scanning as well as tools such as outcome-oriented legislation, experimentation, sandboxes and innovation deals. In addition, the EU needs even more agile, more dynamic ways of law making to help companies to scale up their businesses in a sustainable way;*
- *We have already many good policy examples of innovation-friendly regulation in the Member States (e.g. mobility as a service in Finland) and at the EU level (e.g. platforms to business regulation);*

## 2.2 Priority issues identified in the discussion

- *Human creativity has inherent value. At the same time, innovation can have unintended outcomes and is not always desirable. Assessment of responsible innovation is essential;*
- *The Innovation Principle is a core issue for the design of other policies (climate, environmental, health, food, competitiveness and industrial policy);*
- *People's skills are a key success factor in delivering regulatory innovation. Human-centric approaches, design thinking and user focus can help public organisations to do better;*
- *The Innovation Principle is to be seen in the context of "people, planet and prosperity". It is implemented through awareness-raising, foresight, impact assessments and innovation deals;*
- *The way forward for the innovation principle involves convening, commitment and partnership with all stakeholder groups: civil society, business, academia and citizens.*

## 2.3 Main recommendations

- *The Innovation Principle should be a core issue for the design of all relevant policies (e.g. climate, environmental, health, food, competitiveness, industrial) in Europe and should be actively used in giving direction to and speeding-up key socio-economic transitions;*
- *Increased focus should be given to the development of an innovation-friendly European single market making it possible for European businesses to scale-up, invest and grow sustainably. The EU should also develop more agile and more dynamic ways of law making;*
- *It is important to go forward decisively, to build consensus on the main policy objectives for the Innovation Principle and to identify the most important areas for its application in Europe;*
- *A new mindset, skills and tools should be developed both in the public and private sector. People's skills are a key success factor in delivering regulatory innovation. Human-centric approaches, design thinking and user focus can help public organisations to do better;*
- *The Innovation Principle is to be seen in the context of "people, planet and prosperity". It is implemented through foresight, impact assessments and innovation deals;*
- *The way forward for the innovation principle involves convening, commitment and partnership with all stakeholder groups: civil society, business, academia and citizens.*

# 3 The Innovation Principle is an approach to promote sustainable growth and to help achieve environmental and social benefits

*The Sustainable Growth Agenda for the European Union was one the Finnish Council Presidency priorities. The role of research and innovation in boosting sustainable growth was discussed by the ministers in an informal Council meeting in Helsinki in July. The Competitiveness Council continued discussion of this topic on the basis of the Presidency conclusions in September. The Innovation Principle Conference discussions focused on the use of innovation-friendly regulation as an approach to promote innovation-driven sustainable growth and the creation of incentives for the scaling up of solutions for the renewal of companies towards sustainability goals.*

Europe's success in the key socio-economic transitions to sustainable growth requires a common commitment and joint efforts to address them through high-quality research and innovation. Developing an innovation-friendly legislative culture is an integral part of this and getting it right is fundamental for Europe's future success.

There are several reasons why it is important, at this moment in particular, to take a fresh look at the way we understand and use regulation.

First, in this new wave of innovation, the pace of development is intense. To remain relevant on the global playing field, the EU must meet the demand for continuous innovation. For instance, digital business models are becoming increasingly global and European companies need a competitive regulatory framework to grow and succeed in intense competition.

Second, alongside the changing landscape of innovation, sustainability, and especially the mitigation of climate change, is becoming a central driver for global competitiveness and the wellbeing of citizens. While we definitely need to solve pressing European and global challenges, these challenges also provide opportunities for Europe to turn sustainability into a competitive advantage.

Third, Europe needs to do better in the uptake of research results and in the deployment of innovations. Europe needs more companies that want to grow quickly and a well-functioning European single market is a crucial element in boosting the growth of companies and scaling up.

In the development of the future single market, it is important to put increased emphasis on building the best possible ecosystem for innovation activities. Success in the single market is a solid stepping stone on the way to global success and we should ensure that it serves this purpose more effectively.

The new role of the public sector calls for new kinds of skills and competencies. The traditional duty of the public sector to maintain stability and continuity is being transformed into a responsibility to promote sustainable growth and innovations. Further, citizens and their needs are at the centre of policies, which are based more and more strongly on partnerships and collaboration. All of this places new requirements on the way the public sector works and also requires a new mindset and skills.

---

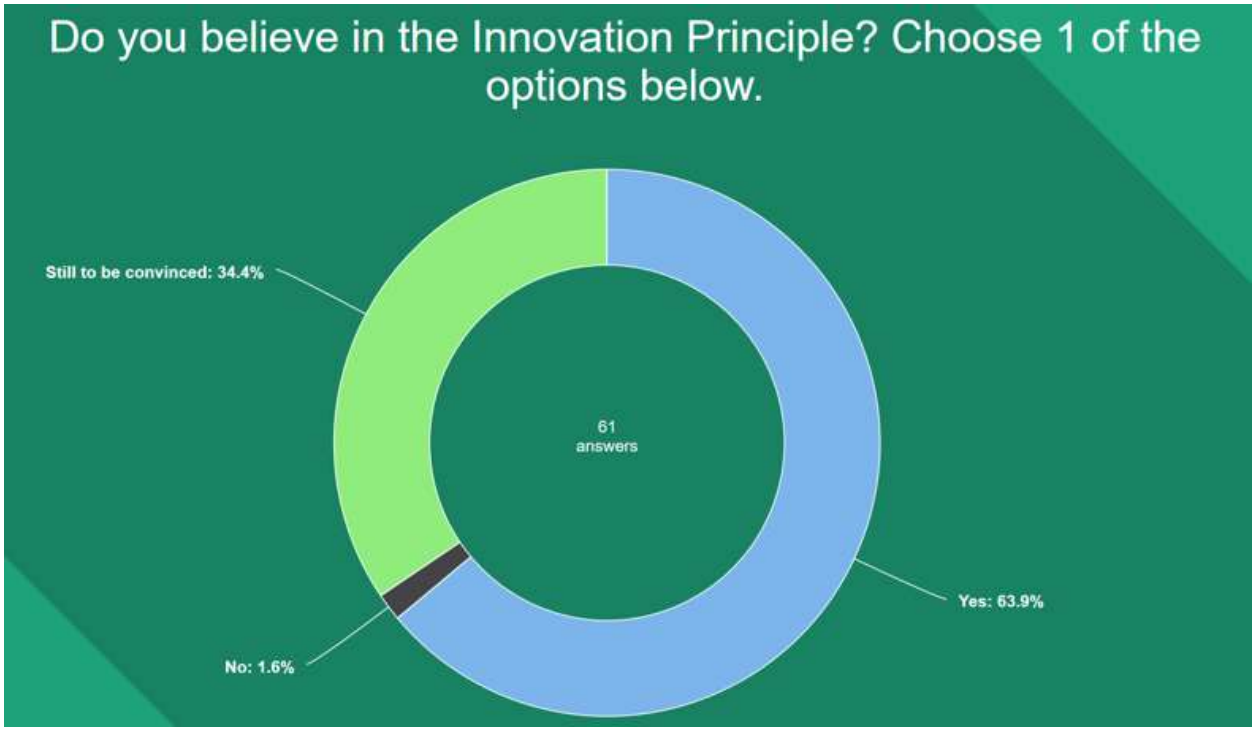
*In a recent BusinessEurope survey, companies ranked innovation-friendly EU regulation as the second most important issue (after R&D funding) that the EU should improve in order to help companies to scale up their R&D and innovation investments.*

*Also the European Commission's Strategic Forum for Important Projects of Common European Interests (IPCEI) has emphasised the importance of deepening and integrating the single market to enable the development of strategic and future-oriented industrial sectors.*

---

*In its intervention, the Health and Environment Alliance (HEAL) emphasised that innovation is needed to tackle the double climate challenge (i.e. warming and pollution) but precaution remains important for protecting health and the environment. It is also important to involve the civil society in innovation and there are many ways to do this.* Click the link for the full video message from HEAL, presented by Anne Stauffer

---




At the end of the morning session, the audience was asked whether they believe in the Innovation Principle. Of the respondents (n 61), 63.9% replied yes, 34.4% are yet to be convinced and 1.6% replied no.

---

## THERE ARE MANY IMPORTANT SOCIO-ECONOMIC TRANSITIONS UNDERWAY WHERE REGULATION AND MARKET DEVELOPMENT PLAY AN IMPORTANT ROLE

*Governments and the EU can play an important role in directing and speeding up the on-going transitions. This requires a systems-based approach in the formulation of public policies. It is necessary to consider a broader set of issues such as infrastructure, governance, citizen's engagement, markets, regulation, industrial structures and how to overcome resistance to changes in systems.*

***Smart mobility systems.*** *The global transport market is growing rapidly. The main drivers of change are emissions reduction, congestion, technologies and data. This disruption and transformation is creating business opportunities and new markets. For example, the platform economy provides opportunities to develop globally scalable services, but this requires close collaboration between the public and private sectors in building innovation ecosystems. Also global leadership is needed in developing the EU and international and national regulatory frameworks to accelerate the change.*

***Digital health.*** *Data, AI and digitalisation are revolutionising healthcare. The use of data is enabling innovations, more accurate diagnostics and personalised treatment. The market for digital health and well-being services is growing fast and companies are looking for ways to develop new personalised treatments using big data and advanced analytics. E.g. in Finland the health ecosystem is being developed as a whole and is built on public-private-partnerships. The health ecosystem is based on the combination of world-class biobanks, a relatively isolated gene pool, extensive healthcare registries and innovation-friendly and ethical regulation.*

***Climate change mitigation.*** *The mitigation of climate change can lead to the restructuring of business sectors across the economy. This restructuring requires new investments and service concepts which need to be enabled to emerge. The targets for climate change mitigation have already had an impact on the market. Demand for low-carbon solutions is increasing and research and innovation can reduce the costs of new technologies. European industries have an important role to play in reducing greenhouse gas emissions in the European Union and globally.*

***Data economy.*** *Data in all its forms has become a central source of open science and innovation, and an important factor for economic growth. In the era of digitalisation and artificial intelligence, the quality, availability and strategic use of data is a growing focus area in many policy fields. The growth of a data economy and the exploitation of artificial intelligence are dependent on data availability. Developing a balanced framework to utilise this important asset is critical. Data use can be facilitated through regulation, agreements and self-regulation by industry. In the process, the differences of the sectors must be taken into account.*


HIGH-LEVEL
CONFERENCE ON
THE INNOVATION
PRINCIPLE


HIGH-LEVEL
CONFERENCE ON
THE INNOVATION
PRINCIPLE
future policies?


HIGH-LEVEL
CONFERENCE ON
THE INNOVATION
Moderator
Ilona Lundström
Ministry of Economic
Affairs and
Employment


HIGH-LEVEL
CONFERENCE ON
THE INNOVATION
PRINCIPLE
#InnovationPrinciple


HIGH-LEVEL
CONFERENCE ON
THE INNOVATION
PRINCIPLE
#InnovationPrinciple

# 4 Key points from keynote addresses

## 4.1 Relationship between innovation and regulation | Professor Karen Yeung, Interdisciplinary Professorial Fellow in Law, Ethics and Informatics, Birmingham Law School & School of Computer Science, University of Birmingham, UK

In her keynote address, Karen Yeung emphasised that human creativity is inherently positive but not all innovativeness is wholly positive. Innovation and new technologies might have harmful impacts on society. She used different examples to illustrate the importance of paying attention to those who have the power to utilise these innovations, the redistribution of social benefits and burdens of innovation as well as the possible impact of digital innovation on fundamental rights and freedom. For potentially controversial technological applications, especially those which entail the use of biometrics, open public debate, discussion and transparency are essential.

Regarding the Innovation Principle, Yeung noted that currently it focuses on innovation as a process and as an end in itself, irrespective of the purposes of the innovation. She called for a principle of responsible innovation, particularly when aimed at responding to grand societal challenges.

## 4.2 Developing innovation-friendly legislative culture in Europe – potential and bottlenecks | Deputy Director-General Signe Ratso, EC, DG for Research and Innovation

Signe Ratso began by stating that sustainability is at the core of all objectives of EU institutions and policies. Building an innovation-friendly legislative culture needs time and wide discussion with different stakeholders about how to improve the world.

She emphasised that clarity about the Innovation Principle is needed. However, the Innovation Principle in practice in Europe does not mean innovation per se, but innovation that delivers social and environmental benefits together with economic advantages.

Further, Ratso noted that regulation can be a strong driver for innovation and provide signals to the market about future developments. Environmental regulation in the EU is an example of innovation-friendly regulation where the EU is a world leader. The European Green Deal is a good example of a programme where innovation will play a vital role. It will aim to stimulate the development of new solutions while complying with sustainable objectives to save our health and environment. To keep regulation in pace with technological advances, the European Union needs a wide variety of tools: policy foresight and horizon scanning as well as outcome-oriented legislation, experimentation, sandboxes and innovation deals. In addition, the EU needs even more agile, more dynamic ways of law making to help companies to scale up their businesses.

The new Commission has a priority also in making Europe fit for the digital society but with a human-centric approach: Europe has started to regulate AI but also to design ethical rules for utilising data. The Commission works with everybody in order to prepare regulation in a transparent and inclusive manner, and is ready to acknowledge resistance. Scientists, researchers, civil society, business, entrepreneurs, investors, citizens and European consumers – all need to be engaged in the preparation in order to provide human-centric and sustainable solutions.

## 4.3 Possibilities and challenges of using legislation to drive innovation and growth: Case of the Act on Transport Services | Director-General Olli-Pekka Rantala, Ministry of Transport and Communication, Finland

Finland has sped up the transition to a smart mobility system with the new Act on Transport Services. The law enables digitalisation and new business models, such as Mobility as a Service (MaaS), in the transport sector.
Click the link for the video of the Act on Transport Services case presented by Olli-Pekka Rantala

**THE KEY MESSAGES IN OLLI-PEKKA RANTALA'S KEYNOTE PRESENTATION WERE:**

1. The Ministry had an important role as a facilitator in bringing different actors together to work collectively to promote the digitalisation of the transport sector. Close cooperation and open preparation of legislation were important as the Ministry wanted to understand the customer and make sure that all involved share the common vision.
2. The end-users are the most important customers of the new Act. This mindset shift of the regulators and decision-makers is the most important factor and a vital approach. Service providers are partners, but legislation is always justified by the needs of users. The service user is the master of the market.
3. The regulatory authority and the service provider can come together and cooperate, even though the end-user is at the centre. A vibrant transport sector is in the consumer's interest.
4. Embrace disruption and be bold. The regulator should not make choices on behalf of the customer. The regulator should not favour old or new operators. The regulator should not favour any technology either.
5. In Finland, certain commercial transport provider data was opened to competitors. The openness of interfaces was guaranteed but the technological means were not specified. Some friction between the regulator and operators is unavoidable but then the regulator needs to focus on the customer.
6. The right use of market mechanism is important, for example, lessening the requirements for market entry and operation. This does not mean that the law of the jungle would reign, but that competition and consumer regulation are still in place.
7. Regulation may not always strike the right balance even if the intentions are good. E.g. if regulation aims to protect consumers, but the price gets too high, it is not in the interest of the user. It is important to monitor the impacts of regulation. In addition to good regulation, competent supervision is needed to implement the Act.

## 4.4 Innovation skills and capabilities of the future public sector | CEO Christian Bason, Danish Design Centre, Denmark

Christian Bason started by reminding the audience that disruptive innovation does not always bring about positive change. Therefore, the public sector needs new skills to design future-oriented policies and regulations i.e. skills to study both forward- and backward-looking evaluation. Further, Bason emphasised the need to be aware of the biases current data may have when using facts and data for making decisions for the future. New skills for new challenges are an emerging global agenda. The question is not only about innovation but also in many ways about new skills for new challenges that are not just regulatory.

The new challenges demand new governance models in order to provide right governance framework for innovations to grow. The Danish Design Centre is a government-co-founded organisation, which helps to empower leaders, both in industry and the public sector, to understand what it takes to shape the future, providing also tools and mindset for the change.

The Danish Design Centre collaborates with the World Economic Forum, which has set up an expert group for agile governance and regulation. Its purpose is to provide practical guidance for policy makers as well as private and civil stakeholders to implement agile governance principles and practices. In a complex, turbulent and emergent setting, the important question is: What is needed to make a shift from adapting to change to anticipating it?

**THE WEF EXPERT GROUP ON AGILE GOVERNANCE HAS DEVELOPED TOOLKITS FOR**

- identifying innovations that require new governance: e.g. shared economy, platforms, data-driven technologies and AI, cloud-based machine learning
- selecting methods to create new policies depending on where the experiment should take place (in the field/in the lab) and the number of participants
- identifying what kind of governance models or policies are applicable, e.g. strong legislation vs. self-regulation

Bason also explained that the OECD's Observatory of Public Sector Innovation (OPSI) has developed a framework for identifying the kind of role governments can play in driving changes. The framework describes which kind of innovation policy (mission/enhancement-oriented, adapting/anticipatory innovation) works best for different situations. E.g., whether the change is predictable or not and whether there is a clearly defined mission or a need to encourage disruptive change (Facets of innovation). In practice, there is need for combinations of different facets.

At the end of his presentation, Bason emphasised that we need new partnerships and new tools i.e. design scenarios, to revitalise foresight and tools for concrete policy development for alternative futures. User-oriented design needs new ways to listen to users. Designing scenarios requires the involvement of hundreds of people. This is also a question of resources, cost, timing, working with different cultures. An adaptive, future-oriented approach requires new expanded skills in government: design thinking, data science, problem solving and embracing ambiguity, discovering emerging evidence and future making, but also new types of leadership.

**WHAT KIND OF FUTURE SKILLS ARE NEEDED IN ADDITION?**

**Current skills**

- Law, economics, political sciences
- Solution focus
- Seeking predictability
- Applying evidence
- Decision-making

The focus was to perform as bureaucratic, accountable organisations with an emphasis on operational efficiency.

**Expanded skills**

- Design thinking, data science +
- Problem focus
- Embracing ambiguity
- Discovering emerging evidence
- Future-making

In addition, we need to embrace adaptive, future-oriented approaches

# 5 Building policy with innovation in mind: Examples

The session presented good policy practices of innovation-friendly regulation from different sectors and countries.

## MAIN POLICY LESSONS

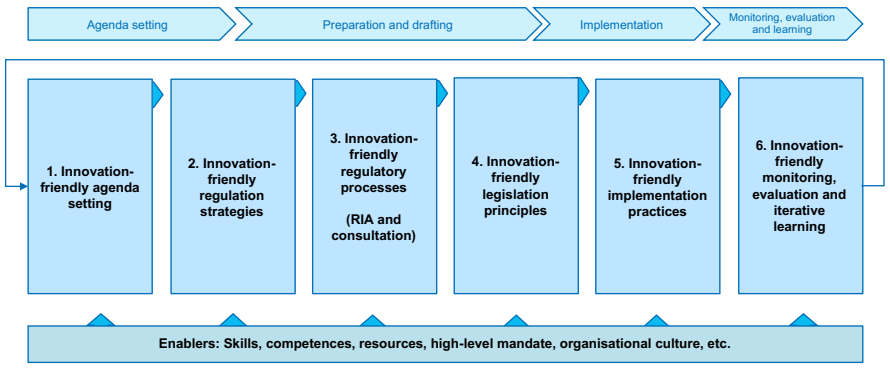
- *Authorities need to understand how new business models work in order to be able to deal with the regulatory questions related to them. Stakeholder engagement is an important way to learn.*
- *Innovation-friendly policymaking requires a holistic approach and a full policy toolbox, including design thinking, user perspective and communication.*
- *Government facilities can act as "Beta Sites". While companies benefit from field testing options, at the same time public infrastructures are exposed to high-end innovative solutions and can adjust regulations to promote innovation. This can be encouraged with funding programmes.*
- *Systemic change calls for proactive changes in regulation. This creates not only a lead market, but enables and speeds up systemic change.*
- *Regulatory changes combined with RDI funding are a powerful way to support private business development and a better life for citizens.*
- *EU rules, such as state aid rules, can be implemented in a way that encourages innovation without interfering with markets or competition.*
- *There is a need for hands-on practical tools to implement innovation-friendly regulation.*

## FRAMEWORK FOR INNOVATION-FRIENDLY REGULATION IN FINLAND

The purpose of the framework, building on previous literature and expert views, is to structure the key elements, tools and requirements for implementing innovation-friendly regulation in practice.

It is intended especially for Finnish regulators and government officials working with regulation, but can hopefully be useful in other countries and contexts as well. The framework – and related approaches and practices – will be further elaborated based on case studies on best practices. The final report is scheduled for publication in March 2020.

### Elements of innovation friendly regulation practices




Kimmo Halme & Vesa Salminen, 4FRONT

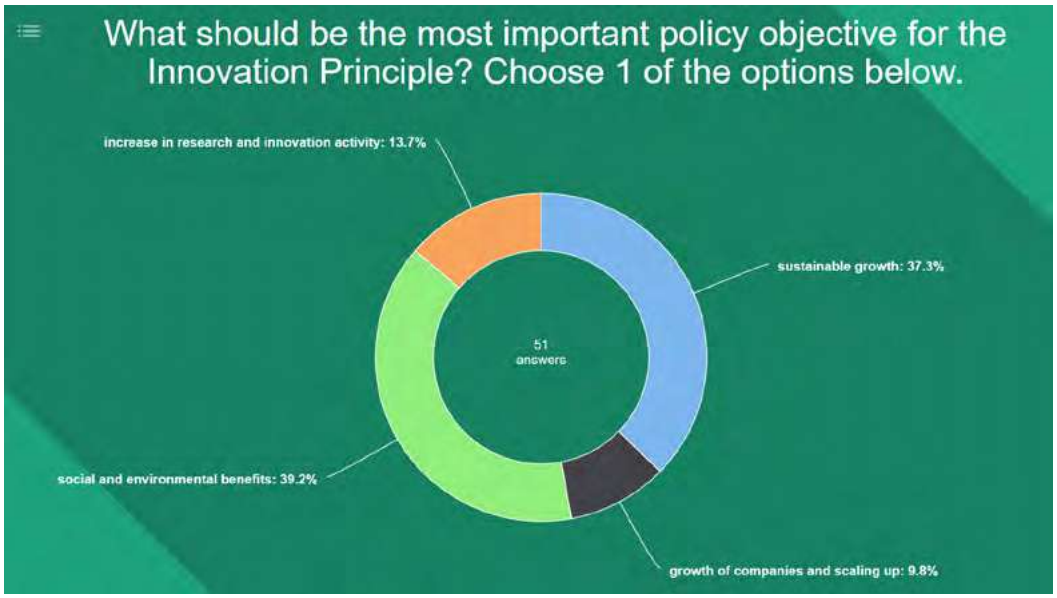
*Based on a study conducted as part of the Finnish Government's analysis, assessment and research activities by a consortium of 4FRONT, MDI Public, KPMG, Technopolis Group, Otto Toivanen and Tuomas Takalo.*

# 6 The closing panel: Way forward with the Innovation Principle

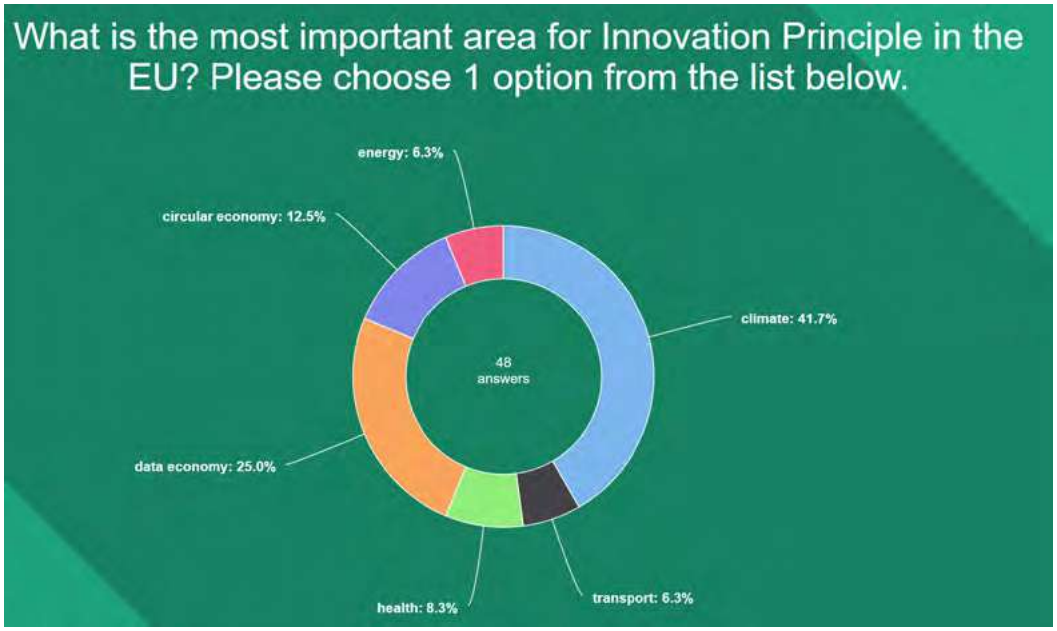
### THE MAIN QUESTIONS DISCUSSED BY THE PANEL:

1. What should be the most important policy objectives for the Innovation Principle?
2. What are the most important areas for the Innovation Principle in the EU?
3. How can we take the Innovation Principle forward effectively at the EU-level?

### TWO OF THESE QUESTIONS WERE ALSO PUT TO THE AUDIENCE.




The audience was asked what they thought the most important policy objective should be for the Innovation Principle. The replies (51) were divided rather evenly between growth aspects and social and environmental benefits. Social and environmental benefits were chosen by 39.2%, sustainable growth by 37.3%, increased research and innovation activity by 13.7% and growth of companiesand scaling up by 9.8% of the respondents.




The audience was also asked what the most important area is for the Innovation Principle in the EU. The priority order of the respondents (n 48) was climate (41.7%), data economy (25%), the circular economy (12.5%), health (8.3%), energy (6.3%) and transport (6.3%).

## CONCLUSIONS OF THE PANEL DISCUSSION:

- *The Innovation Principle is an approach to promote sustainable growth and help to achieve important societal objectives. Strong sustainable growth and economy are a prerequisite for social and environmental benefits.*
- *Regulation can spur innovation. The Innovation Principle is not only about technical innovation.*
- *Active and broad engagement with citizens is an important part of public policy development and efficient government in general.*
- *New ways to design public policies bring new perspectives, room for innovation and increased impact: end user at the centre of policy development (MaaS in Finland), agile law principles (Denmark), dialogue with regulators and innovators (European Innovation Centre, Danish One-stop-shop for new business models), co-design of health policies in Denmark and eGovernment in Estonia, which is an example of a data economy with a human-centric approach.*
- *Innovations and new technologies bring possibilities but also risks for citizens which need to be handled properly. New policy innovations are needed: the KOMET Committee in Sweden advises government on responsible innovation, emphasises the need for a holistic approach and can propose amendments to the law.*
- *Compensate in Finland is developing a model for a voluntary carbon tax, where carbon capture can be reimbursed in transparent and ethical way. The objective is to show how the compensation works and brings value to businesses and citizens. Regulators can then learn from these experiences and amend laws as required.*
- *Real change happens outside politics. How do you change a government that is by definition risk averse? How to take risk, tolerate risk and be able to fail?*
- *Status quo is not an option. E.g. climate change is forcing us to change. Policymakers should look at a 20-year horizon but act on an 18-month perspective and use "systems acupuncture" in important points of the system.*
- *There should be more room for experiments and more explanation and shared understanding, not merely a binary choice of something being either permitted or illegal. New working methods are also needed and this is where leadership and co-creation are important. Legislation provides objectives but should also allow room for flexibility.*
- *The way forward with the Innovation Principle is about convening, commitment, ownership and partnerships with all stakeholder groups: civil society, business, academia and citizens.*

# 7 Engagement

## 7.1 Stakeholder engagement: purposeful and multi-channel

- *In the run-up to the Conference, the Commission published an expert report on the use of the Innovation Principle*
- *"Future Generation Panel" composed of young people acted as a sounding board, presenting sharp ideas on innovation and public policy;*
- *Ample time was devoted to questions and comments from the audience;*
- *Speakers, participants and web stream followers were active on social media with their key messages;*
- *A conference app helped polling views on the way forward for the Innovation Principle;*
- *Engagement through art was also used.*
- *At the end of the day, a Finnish choir known as "A Shout from the Law" (Lain Huuto) performed a couple of popular songs.*

## 7.2 Social media

#InnovationPrinciple received an overall number of 720 clicks from 26 November to 10 December 2019. Of those clicks, 431 took place on the day of the Conference. The overall potential reach of the hashtag on the day of the Conference was calculated as 1.2m people. The top countries using the hashtag were Finland, Belgium, UK, France and USA.

The accounts that had the top reach included @EUScienceInnov (DG RTD), @valtioneuvosto (Government of Finland) and @FriendsofEurope (think tank). The posts that had the biggest engagement came from @ratsosi and @nina_holland



Filomena Chirico
8th grade Finnish students want something to relate to in politics so that they can participate. Like Article 13 for example. They also have strong views on taxing capital gains and AI and robotics in surgery #Innovationprinciple
HIGH-LEVEL CONFEREN THE INNOV PRINCIPLE
Innovation Principle and EU2019FI


Jarmo Sareva
#InnovationPrinciple conference: keynote by @ratsosi @EUScienceInnov underlining the role of smart regulation as an engine of human-centric innovation. Also: we must help European startups scale up in Europe! Growthups must grow up before they're acquired by big corporations!
Signe Ratso


Signe Ratso
Creating a culture that embraces #innovation for the sake of sustainability, and putting together a context that feels appealing for all stakeholders is not going to happen overnight. Nothing in this journey is possible without people #InnovationPrinciple
EUScience&Innovation and 9 others


Christian Bason
Impressive: Finnish 8th graders sharing their insights on #innovation with #innovationprinciple conference. Undaunted, sharp and engaged. Don't see that a lot at these type of events!

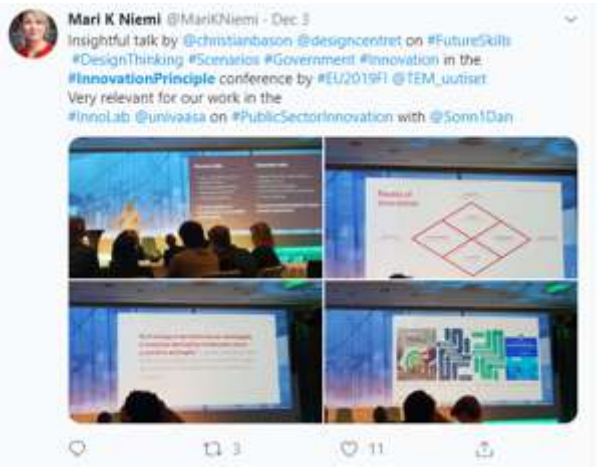

Ilona Lundström
Responsible innovation is in the core of #InnovationPrinciple Promoting human rights and European values in creating the solutions and tech we need to solve societal challenges. A balanced approach being created in Helsinki #EU2019FI Thank you Karen Yeung for your talk!


Mika Tuuliainen
"Public funding without regulatory changes may at worst support anecdotal project dance". Well said #InnovationPrinciple
High-level Conference on the Innovation Principle


Andres Martinez @AMartinez_CDTI · Dec 3
#InnovationPrinciple @EU2019FI
What does innovation means? Sustainability, Prosperity, Creativity, Economic gains, etc. In any case, a more evidence-based approach is need to ensure an increased impact!!!


Mervi Karikorpi @mervikarikorpi · Dec 3
We need healthy #economy to address sosial & environmeltal #sustainability issues. Three dimensions of sustainability are at the heart of the new @EU_Commission. @ilonalu hosting a panel discussion on #InnovationPrinciple @EU2019.fi @TEM_uutiset


BUSINESSEUROPE @BusinessEurope · Dec 3
#InnovationPrinciple should be fully implemented across the whole policy cycle - says A.Affre at @InnoPrinciple conference organised by @EU2019FI. This is key to drive #research and #innovation and make companies invest in Europe
Innovation Principle and 3 others


Mari K Niemi @MariKNiemi · Dec 3
Insightful talk by @chrnstianbason @designcentret on #FutureSkills #DesignThinking #Scenarios #Government #Innovation in the #InnovationPrinciple conference by #EU2019FI @TEM_uutiset
Very relevant for our work in the
#InnoLab @univaasa on #PublicSectorInnovation with @Sonn1Dan


Dirk Pilat @PilatSTI · Dec 3
High-level Conference on the Innovation Principle about to start in Helsinki. Looking forward to the discussions. #InnovationPrinciple @EU2019FI @OECDinnovation
HIGH-LEVEL CONFERENCE ON THE INNOVATION PRINCIPLE
High-level Conference


Health and Environment Alliance @HealthandEnv · Dec 3
HEAL's @AnneHEAL3's intervention at #innovationprinciple conference stresses our view that innovation can only be the means to one end - ensuring a healthy planet for healthy people bit.ly/2RtmmlY
#EU2019FI @InnoPrinciple @TEM_uutiset @EU2019FI
HEAL's Anne Stauffer on Innovation Principle
HEAL's Director for Strategy and Campaigns, Anne Stauffer explains how innovation has to be a means t...
youtube.com


## 7.3 Future Generation Panel

**THE FUTURE GENERATION PANEL CONSISTED OF 10 STUDENTS BETWEEN THE AGES OF 13 AND 16 COMING FROM MAUNULA SECONDARY SCHOOL. THEY WERE ASKED TO ANSWER THE FOLLOWING QUESTIONS:**

1. How do you understand innovation?
2. What are the big issues of today where you think innovation is necessary?
3. What kind of innovation has changed your life the most?
4. Where in the world do you think most of the innovations are created in?
5. What kind of innovation would you like to see be born in Europe?

**HERE ARE SOME OF THE HIGHLIGHTS FROM THEIR ANSWERS AND SPEECHES AT THE CONFERENCE:**

*My definition of innovation is the revolutionary ideas that allow the world to go higher in the physical and intellectual level; those discoveries are what I believe to be innovations.*

- Abhishek S., Maunula lower secondary school

*Innovation is modifications and changes to already existing systems, or a new creation. It is what keeps society efficient and enables us to adapt to new challenges.*

- Elmo L., Maunula lower secondary school

*One problem that also needs some innovation is the ageing population. The global population is older than ever. Retirement pay and senior care continues to take up a bigger chunk of nations' budgets, and the size of national budgets is getting smaller as retired people produce only a small amount of tax revenue.*

- Sakari S., Maunula lower secondary school

*I would like Everyman's right, a law that has been in place in Finland, Sweden and Norway for a long time, to be adopted by other European legal systems. The main idea is that people are allowed to enjoy nature regardless of whether it is privately owned.*

- Elmo L., Maunula lower secondary school

*I feel that climate change is a huge problem due to its power of being able to make animals extinct, and the same thing with plastic because it can eliminate fish and other sea animals.*

- Alex A., Maunula lower secondary school

*Decision making. I think the decision making of either the EU or the Finnish legislature need to include the public more (especially children).*

- Benard B., Maunula lower secondary school

*Just as important as innovation is that lawmakers dare to put the helpful innovations to use. Innovations are meant to be new, even revolutionary. A lawmaker that is afraid to make changes is a bad lawmaker.*

-Sakari S., Maunula lower secondary school

# 8 Additional and background information - Annex

## 8.1 Full programme

Please note that the speakers' presentations and videos can be found here >>

**08.30 Registration**

**09:00 Introduction of the day**
*Moderator Kamilla Sultanova*

**09:05 Opening words**
*Permanent Secretary Jari Gustafsson, Ministry of Economic Affairs and Employment, Finland*

**09:20 Key Note: Relationship between innovation and regulation**
*Professor Karen Yeung, Interdisciplinary Professorial Fellow in Law, Ethics and Informatics, Birmingham Law School & School of Computer Science, University of Birmingham, UK*

**09:45 Key Note: Developing innovation-friendly legislative culture in Europe – potential and bottlenecks**
*Deputy Director-General Signe Ratso, European Commission, Directorate-General for Research and Innovation*

**Discussion**

**10:20 Coffee break**

**10:50 Panel: The Innovation Principle in regulatory practice**
*Video message from Director for Strategy and Campaigns Anne Stauffer, Health and Environment Alliance (HEAL)* - Video can be found here.

- *Chair of the Regulatory Scrutiny Board Veronica Gaffey, European Commission*
- *Deputy Director Dirk Pilat, OECD, Directorate for Science, Technology and Innovation*
- *Chair of EARTO Executive Board Antti Vasara, President & CEO of VTT, Finland*
- *Head of Technology Futures Harry Armstrong, NESTA, UK*
- *Chairman, Innovation and Competitiveness Working Group, Technology Industries of Finland, Pekka Koponen, Spinverse Oy, Finland*
- *Discussion*

**12:00 Lunch**

**13:00 Possibilities and challenges of using legislation to drive innovation and growth – Case of the Act on Transport Services**
*Director-General Olli-Pekka Rantala, Ministry of Transport and Communication, Finland*
- Video can be seen here.

**13:20 Innovation skills and capabilities of the future public sector**
*CEO Christian Bason, Danish Design Centre, Denmark*

**Discussion**

**14:00 Building policy with innovation in mind: examples**

- *Danish one-stop-shop for new business models*
  *Chief of Division Camilla Hjermind, Ministry of Industry, Business and Financial Affairs, Danish Business Authority, Denmark*
- *EU Platform regulation and the Innovation Principle*
  *Policy officer Menno Cox, European Commission, Directorate-General Communications, Content and Technology* - Video can be found here.

**Discussion**

**14:30 Coffee break**

**15:00 Building policy with innovation in mind: examples - session continues**

- *Israel's policy and programmes to create an innovation friendly legislative environment*
  *Senior Director of Business Development Shomrat Shurtz, Growth Division Israel Innovation Authority, Israel*
- *One Sea - Autonomous maritime ecosystem*
  *CEO Harri Kulmala, Dimecc Ltd, Finland*
- *EU State Aid Rules – a view from an Innovation Policy Perspective*
  *Policy Officer Bernhard von Wendland, European Commission, Directorate-General Research & Innovation*
- *Building blocks for policy framework of innovation-friendly legislation*
  *Managing Director Kimmo Halme, 4Front Ltd, Project director of the Finnish Government Research project on innovation-friendly legislation, Finland*

**Discussion**

**16:00 Closing panel on key policy issues: The way forward with the Innovation Principle**
*Moderated by Director-General Ilona Lundström, Ministry of Economic Affairs and Employment, Finland*

- *Deputy Director-General Signe Ratso, European Commission, Directorate-General for Research and Innovation*
- *Director Alexandre Affre, BusinessEurope*
- *Chair of Committee for Technological Innovation and Ethics Jon Simonsson, Swedish Government*
- *Founder & CEO Antero Vartia, Compensate, Finland*

**17:00 Musical surprise – Lain Huuto**

**17.30 End**

# 8.2 Reports and publications

**In the run-up to the Conference, the Commission published an expert report on the use of the Innovation Principle.**

https://ec.europa.eu/info/news/innovation-principle-makes-eu-laws-smarter-and-future-oriented-experts-say-2019-nov-25_en

**Finland's framework for innovation-friendly legislation (in English)**

https://tietokayttoon.fi/julkaisu?pubid=33701

**BusinessEurope's survey on R&D**

https://www.businesseurope.eu/sites/buseur/files/media/position_papers/iaco/2019-09-09_position_paper_research_and_innovation_in_the_new_eu_political_cycle.pdf

**World Economic Forum's Global Future Council on Agile Governance**

https://www.weforum.org/communities/global-future-council-on-agile-governance

**OECD public sector innovation facets**

https://oecd-opsi.org/projects/innovation-facets/

**Nesta's work on anticipatory regulation**

https://www.nesta.org.uk/feature/innovation-methods/anticipatory-regulation/

# 8.3 There are different ways to influence innovation through legislation:

- *General legislation: typically ensuring a level playing field or balancing business risks and benefits: competition, procurement or bankruptcy legislation, etc.*
- *Specific legislation aiming at encouraging innovation: financial rules, technology transfer agreements, IPR legislation, etc.*
- *Sector legislation: targeting sectoral opportunities and incentives for innovation while ensuring the well-being of citizens and consumers.*

## Understanding the lifecycle of innovation is important for the development of a future-oriented regulatory environment.

- *At the research and development stage, various incentives related to sharing the risks and the benefits of R&D activities between society and businesses can be applied. Companies should be encouraged to share information and ideas, but at the same time, the returns on investments of individual companies should be protected.*
- *At the commercialisation stage, regulation addressing, for example, health, consumer and environmental protection, competition, sector-specific market entry (authorisations, etc.) may play a greater role.*
- *Taking the entire lifecycle of production into consideration is increasingly important (e.g. when targeting improved resource efficiency). Regulation that does not create rigid definitions tied to certain technologies (technology neutrality) or administrative practices is a key way to ensure that legislation is future-proof and enables innovations. In other words, legislation should only regulate the "outcome" and necessary public health and safety, etc. objectives and leave it to market actors to provide the best solutions.*

The principles of **Better Regulation in the European Union** provide a good starting point for developing innovation-friendly regulation. According to these principles, legislation should be based on research and knowledge, transparent processes and the involvement of stakeholders throughout the legislative process.

To promote innovation-friendly legislation specifically, the European Commission has introduced a concept called the **Innovation Principle**. It is an approach to help achieve EU policy objectives by ensuring that legislation is designed in a way that creates the best possible conditions for innovation to support the realization of defined social and environmental objectives as well as economic advantages.

The European Commission's Impact Assessment Toolbox (tool # 21) identifies five tools to promote innovation in/through legislation: 1) experimental legislation, 2) outcome-oriented legislation, 3) sunset clauses, 4) test of alternatives and 5) the top-runner approach. In addition, a number of other tools have been identified to promote innovation i.e. mutual recognition and country of origin principle, standards, the "right to challenge", innovation agreements and innovation action programmes.