Report of the High Level Group Meeting

Salzburg - 14 December 2018

CONTEXT

This High-Level Group has been asked to focus on public sector innovation because of the institutional system´s dysfunctions. Rethinking the public sector system and introducing an extra push of innovation in it, is crucial to any policy goal. For instance, if the new objectives for a circular economy and/or the objectives of the Paris Agreements are implemented within the current regulatory system, the objectives will not be achieved. It is not the objectives that are being questioned, but the methods.

This High-Level Group was also asked to reflect on social Europe and welfare state innovation which will be influenced by technology and other developments. This is a challenging task as it is not competence of the EU to rule upon this matter, so new and innovative means of collaboration between member states are needed.

Main conclusions of the round table organised the day before the meeting

One of the challenges for future welfare systems will be what the labour market will look like and what are the challenges of new technology. The World Economic Forum expects 85 million jobs to disappear and at the same time 133 million new jobs to be created. However, those jobs will have little resemblance to the ones destroyed, so the question is where these new jobs will be created.

We need to think about those jobs and what skills will be needed for them., We also have to think about which competences distinguish us as people from machines. Looking at that picture, we really need to provide the right format of learning to achieve those competences to have a fully prepared and correctly skilled society.

Considering the evolution of the education institutions in the past 20 years where governments had to face a serious challenge of massification, competition between the various institutions and also the fact that commodification, which is the evaluation of the academic skills on the same metric systems, has had consequences for the governance of the universities, such as relating financial incentives to performance, also linked to the international rankings. This was also based on how the education system is seen and the way innovative thinking within the education system is managed. It has had an impact on teaching, which became less important than research, since ultimately it is research that brings in money for the universities.

Therefore, it is time to see innovation in a different way, as a tool to help resolve the challenges of the new era of digitalisation and in addition have the capacity to consider what matters to institutions in order to deliver education and teaching the appropriate skills to achieve a trained society which can respond to the growing trends of the innovative technologies. The challenge is how we can help universities to provide people with the skills needed to help innovation and deliver trained people for the eventual use of this innovation.

Another pillar which faces significant changes in welfare systems is public health.

We see a number of significant advances at cell and gene level, at such a speed that we risk the health sector not being able to cope with them. One of the things that we see increasing is digitalisation. The main question is how are we going to absorb it all. The public health systems were not designed for all the challenges they face nowadays, so topics like this one need to be reflected on. The price cannot be an issue, certainly when the medicines are needed. The big question that remains unanswered is how we can make sure that industry, government and academia work together to find a solution to the challenges of the health sector.

Group discussion

The main challenge identified is how to connect the challenges on the labour market and in the education sector, and how to develop synergies between the two. We have already seen some examples adopted in the USA, proving that a different approach is possible by making universities or academia involve companies to develop programmes which educate and train people preparing them for a more digitalised market.

We can aspire to cross-border networks of companies that help people work in different company departments and collaborate with the other companies in the network. In order to achieve this, we need to break the silos in the disciplines and rephrase what we mean when we talk about a social Europe. A social Europe is, as the Austrian presidency rightfully pointed out, a Europe that protects but also a Europe that enables and creates the grounds for society to flourish.

Nowadays, Europe is very proud of what we build, but individuals are less proud of what can be done outside the system in Europe. For a social Europe to triumph, we need to deconstruct risk aversion which is very prominent in our universities. People are very critical of the current system but not quantitatively. Operationally and of the amount of consideration it shows people.

To identify where can we foster innovation, we need to find who is dictating the transformation of the structures in which we operate. In the case of companies, the private sectors are themselves ensuring that they have a place from which to extract their work force: the universities, business schools, etc.

People are also concerned about security. They don't want to be protected. They want to be enabled. They can only be innovative when they have a certain level of security that shows them that they can do things while their back is covered. This the case for the development of technology and how the system can guarantee them a certain amount of security that will enable them and how can they live in that system.

At present there is no concept of belonging to a social Europe. The concept of belonging needs to be added on top of the concept of security, complementing it, both key concepts to consider for defining a new welfare system for Europe. Creating such a feeling or concept of belonging to a social Europe is not an easy task. However, there are already some examples that can be useful such as creating a digital citizen. This makes a person more linked to a city for instance and ultimately will open up opportunities to tackle the development of these communities, integrating society into a community and enabling that sentiment of belonging. There are different levels of the concept of belonging. One is the nation state, and another is the city. However, neither of them is useful to us, as we need to search for different frameworks which can link a social Europe and a feeling or concept of belonging.

Conclusions of the debate

There is a need to rethink the future role of welfare systems, some interesting key words can serve as building blocks for the future of work. This includes the concept of protecting and enabling which is an extension of the traditional way of thinking, the idea of individual/collective responsibilities, and the shift from welfare as a quantitative issue to a qualitative one, leading to the security of future perspectives, enlarging the concept of security not as a passive system but as an enabling one.

When we say enabling, we need to focus on the educational side of it, using new technologies for that purpose. While developing these new forms of protecting and enabling, we should have bear in mind the concept of belonging which is multiple (family, religion, etc).

Around this scenario we can start to reflect on new systems. While we consider them, we also need to rethink the concept of European cooperation and the impact on how cooperation is structured, to find new and different forms of collaboration. A new way of structuring welfare systems into a dynamic system that secures the future.

DEBATE ON THE FP9

The group reflected on the potential role of FP9 as a tool for the redefinition of the welfare systems, remarking that the goal of FP9 is not to secure welfare systems.

When creating more genuinely European models to tackle the social concepts of Europe, we could start with an experimental model with forums for discussion between member states and

stakeholders. This could be a different model for dialogue between states and citizens. We could perhaps think about OMC systems for which cooperation can be more useful.

FP9 only dedicates a small part to innovation so in future proposals for subsequent programmes, we need elements that can be used for the construction of a welfare state. The missing bits are gaps between the programme and citizens, for example the connection with the European Regional Development Fund. FP9 has not been perfectly designed as it will mostly end up in richer member states, as the main capacities foreseen in FP9 can only be achieved in those rich countries. FP9 clearly requires a mission-oriented approach, enabling member states to deal with more European goals rather than design programmes. It is not about FP9 complementing other funds, but how other funds complement with FP9.

If we take the mission-oriented approach seriously and do not orient towards a technocratic approach, then the European framework should provide the means to achieve the mission, which in the case we are discussing, is the construction of the welfare systems.

In the box of new public management tools developed few years ago which is called ex-post evaluation, there is a need to put together an autonomous capacity at EU level which would be responsible for creating ex-post evaluations that study the impact of specific policies.

The downside of the FPs is that they bring in money, but not really anything new. However, FP9 has provided a new mission approach which opens paths to member states. It would be useful for a more social Europe if future FPS had a mission approach.

To achieve all these objectives, it is important to clearly define where DG Research and Innovation wants to be in the EU structure. Would it prefer to be more of an independent institution or more at the service of the other DGs?

The main problem is the inability to raise problems constructively in the government process. In the EU there is a need for swift review of policies causing problems when actually needed. For example, DG SANTE is really disconnected from the reality of the health sector. There are two sides of one and the same policy: giving funds for innovation whilst at the same time withdrawing the incentives. The problem is that it is always primarily a political decision. It is normal and justified to have an agenda, but what is not possible is that there is no way to bypass that agenda if it doesn't work or to adapt to reality.

In Europe we see various examples of independent systems with no consistency at European level. As soon as the ideas are hijacked by an organisation, they can handle it the way they want. We need to explore innovation to the point of effect and implementation.

Evaluations need realistic assessment of their studies. Sometimes academia is too "academic" and unrealistic, so there needs to be a more comprehensive approach in which the academic analysis cooperates others to get a realistic perspective. If independence is not an option or too complicated, we can always push for a transparent system.

High Level Group on Innovation Policy Management

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Conclusions of the group

➢ The importance of not diluting the right tools in the system (independent bodies or stewardship bodies that supervise the process).

➢ We work towards the transition of the welfare systems needed, starting with the current one that we have. We need to try and reach the different, appropriate actors who may be helpful in resolving the problem.

➢ Improving the level of Director General, having fewer generalists and improving the professionals at that level.

➢ Concept of stewardship, innovation of stewardship is needed in order to break silos and improve transparency.

➢ We need more focus on the member states.

➢ Focus on solutions to the concerns of the citizens.

➢ Finally, there is the participation part, and how to make sure we can consider all the stakeholders and how can we be creative with the norms.

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