Things almost never go as planned. This proposition is true in life at least as much as it is true in economics, politics and any time we are asked to make hard choices. Even this book did not land exactly where we had planned: a constant state of flux meant that our original plans had to be adapted to constantly changing situations.

We wrote this book in the middle of a perfect storm that hit financial and economic markets in the whole Eurozone and beyond. National economies are under attack by speculators and even the overall project of a united Europe is today at risk, which has never occurred before since the foundation of the European Union. The truth is that our economies are so vulnerable that we are compelled to ask whether something should have been done or whether something wrong was actually done. As a matter of fact, as the pendulum swings between unsustainable national public debts and fears of an unprecedented economic recession, the financial crisis is uncovering how national economies in Europe are far from competitive, sound and integrated. And how getting back to growth is essential for the future of the European Union.

Against this background, this book approaches innovation not as a medicine prescribed by some doctor, and not – as in a famous song by Bob Dylan – as “shelter from the storm”. To the contrary, we consider it as a structural policy, which works as a prophylaxis to prevent the sea level from rising again once the storm has passed. Every society has its own grand challenges that must be tackled through innovation and growth, irrespective of the performance of financial markets. This is not to say that innovation policy cannot do anything for the crisis: we just think that effective innovation policies would be required even if our attention were not captured by the roller coaster of our stocks, as they now are.

Today, there is widespread agreement among scholars, practitioners, industry players and policymakers that Europe is lagging behind other industrialised regions in terms of innovation, productivity and growth; as time goes by, leads become smaller and lags become larger. And as EU policymakers strive to catch up with current problems, they discover that markets are developing so quickly that any solution devised today is doomed to be incomplete and obsolete tomorrow, when it will be implemented. So far, Europe has mostly reacted to this “innovation emergency” by putting more public money on the table: but just like Sisyphus, policymakers have had to endlessly roll the boulder uphill, to watch it fall down again. Take the Lisbon
strategy, which aimed to make Europe the most competitive knowledge-based society by 2010. A decade has passed and the European Commission is working again on the same target for the next decade. A new dawn is expected, towards Horizon 2020, and countless policy actions and massive investments are expected in the field of innovation to achieve smart, sustainable and inclusive growth.

In its Communication “Reviewing community innovation policy in a changing world” in 2009, the European Commission clearly identified some bottlenecks in the framework conditions in which all players act: (a) in a number of areas the single market has not yet been completed, (b) the venture capital market is fragmented and there is low equity available, (c) there is still an incomplete framework for intellectual property rights, (d) the standard process is not yet synchronized with research results and market needs and (e) the triangle of knowledge between business, education and research needs to be further strengthened. This book moves along the main lines highlighted by the Commission and tries to provide a critical picture of the current state of innovation policy in Europe and of the legal tools that, at all levels, are harnessed by the European institutions to achieve their goals. Through the pages of this book, we observe that there is currently no well defined recipe for Europe’s innovation emergency: we claim that the road to a solution requires understanding that when it comes to innovation, quality is more important than quantity, and control is as important as speed.

Chapter 1 of this book provides a general conceptual framework on innovation and describes emerging trends in what is inevitably a moving target. Chapter 2 describes EU innovation policy by illustrating past and current actions, possible directions, mistakes and ambitions. Chapter 3 focuses on three of the main pillars of EU innovation policy: the transfer of technology, standardisation and the never ending saga of a unitary patent system for Europe. Chapter 4 concludes with some critical remarks on current developments in EU innovation policy, together with suggestions on how to bring Europe back on track.

Going through the pages of this book might leave readers with the impression that innovation policy in Europe is pure chaos. Quite paradoxically, part of the responsibility for this chaos can be attributed to those who, in good faith, have formulated new policies without necessarily assessing ex ante their expected impact and, even more importantly, without first learning from past mistakes. As a result, initiatives have proliferated, but problems have remained the same. But an even larger part of the responsibility, we believe, should rest with politics, not with technical difficulties. If there is one possible single conclusion that can come out of this book it is that an effective innovation policy in the EU can be attained only if backed by political commitment towards the achievement of a single market. But this goal, as recently testified by the “Monti Report”, is still largely an unfinished painting. Without a radical change, we predict that Europe in 2020 will be only slightly different, in terms of goals achieved, from Europe in 2011, but it will cost more. We might be wrong in our prediction and we hope so. For the time being, there are few elements that justify a more optimistic perspective. That said, in times of crisis and uncertainty policymakers cannot afford not to act; as a matter of fact, there cannot be a better way to predict the future than shaping it, to the extent possible, so that it brings prosperity.
and growth to European citizens. In this book we offer some suggestions that, in our view, would lead Europe in that direction.

The authors of this book share more than ten years of friendship and academia. Years in which the need to achieve collaboration between social sciences for both intellectual accomplishment and functional purposes has emerged with unprecedented momentum. Through our work, we have discovered that a lot more interaction with several other social and natural sciences would be needed to develop a full understanding of the patterns and directions of contemporary and future innovation. To be sure, things almost never go as planned; however, our research on innovation hopefully benefited from a bit of serendipity and brought us to land on some promising ideas.

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The book is the result of joint efforts of the authors. They co-authored Chapters 1 and 4, whereas Andrea Renda wrote Chapter 2 and Massimiliano Granieri Chapter 3.
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