

Presentation by
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Distinguished Guests, Ladies and Gentlemen:

Good Morning. I am pleased to represent Mrs. Louka Katseli, my Minister of Economy, Competitiveness and Shipping on this panel. She sends her warm regards to all of you.

Today, we are here to exchange ideas and thoughts on innovation for growth and jobs. We feel that, nothing could be more timely in Europe than this discussion.

I am pleased to be here and I know that I will gain a lot from this exchange and take home with me concepts and models that will enable us to do more. In Greece, the road to innovation is one that is still being charted and your experience and knowledge will help us further along this path.

As all of you know, the 2010 Innovation Summit, is the Lisbon Council's flagship event on innovation and creativity. It took place this year in March. At the event, participants were asked to comment on innovation. These are some of the comments that were recorded:

- “innovation is the conversion of ideas”
- “invention is putting money into ideas, innovation is putting ideas into money”
- “ innovation is a catalyst for economic growth”
- “innovation is a new product in government, in business or in any area of society
- “without innovation companies die, and without innovation societies die”
- “Innovation is turning ideas into commercially viable products”
- “Innovation is turning scientific research into products”
- “Innovation is not only about technology, it's about entrepreneurship, Information & Communication Technologies (ICT), social innovation, non-market issues, climate change, and infectious diseases”.

At the Lisbon Council's 2010 Innovation Summit on innovation and creativity, Máire Geoghegan-Quinn, European commissioner for research and innovation, called on Europe to step up its innovation performance, outlining how transformative changes should be used to address "grand challenges." *REF. 1

“It is the conversion of ideas”

I like this definition because it means that innovation can happen in any setting of society; from Health, Education, Environment, Management, Entrepreneurship to ICT.

Innovation has traditionally been linked to R&D (Research and Development).

In Europe, many firms consider a major obstacle to innovation the high R&D costs and excessive economic risks, and this is tied to a lack of appropriate sources of finance. Lack of qualified personnel, comes as a close second barrier.

I would like to share some thoughts on **national innovation capacity**. This is defined as the ability of a nation to not only produce new ideas, but also to commercialize a flow of innovative technologies over the longer term.

From this perspective, a range of factors are considered to be important for effective innovation effort. A sufficiently developed ‘supply’ side of R&D* (REF. 2) is a necessary condition for successful innovation. They are however insufficient.

Broader framework conditions are important as well, including a sufficient ‘demand’ for innovation to reward successful innovators. This requires sophisticated lead users willing to pay early on for innovations, effective intellectual property rights (IPR) schemes, a favourable macroeconomic environment and finally, effective competition in output markets.

With well functioning product markets, firms will have incentives to innovate to improve their competitive position, while new firms, incorporating new ideas, can flow into the market.

Furthermore, new business opportunities can only be taken advantage of, if appropriately educated and skilled workers can be hired under the right conditions. This, requires flexible labour markets providing innovators, access to researchers, and skilled human capital. Similarly, well functioning risk capital markets assure innovators access to financial capital, to finance their risky projects.

But, perhaps the most critical element in an innovation system, is the inter-relationship of its agents.

By that I mean, through networking among firms, researchers and governments, the supply of new ideas diffuses through the economy.

Of particular importance is the public-private interface, that is, the relationship between elements of the public sector, such as the Educational and Research system, and the industrial base.

However, innovation does not need to be linked only to Science and Technology, or R&D. It is now a panoply of issues, as I mentioned earlier.

I believe that we need to broaden our perspective on Innovation, in other words our **innovation capacity**.

Innovation capacity requires more than the ability to produce new ideas. It also includes the capacity to bring new products and procedures to market.

Or, as Máire Geoghegan-Quinn, European commissioner for research and innovation, termed it “a chain from research to retail”.

In this perspective, developing an innovative capacity involves not only the creation of new knowledge, but also the capacity to absorb new knowledge, to transfer and diffuse knowledge, and the ability to learn through interaction.

Viviane Reding, the European commissioner for telecommunications and media, delivered last July, the Ludwig Erhard Lecture, at the Lisbon Council's flagship event on economic modernisation.

In her landmark address, Commissioner Reding shared her thoughts about forthcoming initiatives on the digital dividend, high-speed broadband Internet, Intellectual Property Rights in the digital age, and m-commerce.

She also discussed the broader picture of the challenges the European Commission will need to meet in the next five years; and in particular the role she would like consumers to take in the evolving single market online.

In Spain, in January of this year, the leading associations of the European ICT industries (accounting collectively for more than €700 billion of revenue and 6 million employees) including the Hellenic Federation of ICT Enterprises(SEPE), stated:

- “Europe’s future competitiveness will depend to a large extent on its ability to facilitate a widespread launch of ICT in both the public and private sectors. For the sector to play its role, we call on the Commission and member states to give priority to measures that will expand the development of ICT services, products and networks throughout Europe”.
- “Already accounting for more than 40% of the productivity growth, ICT will not only play a key role in accelerating Europe’s economic recovery, but also its ability to move forward into the future”.

In Europe, broadband-based innovation has the potential to create up to one million new jobs and generate additional economic activity worth € 849 billion. The application and diffusion of ICT has the potential to reduce CO2 emissions by 15%, thereby contributing to Europe’s ambitious climate change objectives.

This, Ladies and Gentlemen, is what I call ***Innovation for growth and jobs***.

My Minister, Mrs. Louka Katseli, in her speech to the Hellenic Federation of ICT Enterprises (SEPE) at the beginning of May, called upon the ICT industry to assist in streamlining the public sector administration. The four priorities for the coming year are: e-procurement, electronic prescriptions, hospital information systems, and digital monitoring of the fuel market.

A major goal of our government is Transparency and Accountability in governance and functioning of the entire state, with rehabilitation measures to save resources, reform the administration, monitoring, transparency and accountability.

For us, the ITC industry and businesses are key partners in achieving these goals.

Our fundamental objective is to strengthen the competitiveness of the economy and revive it through digital services. This is a key priority for the Ministry, and a collective goal for the entire government.

In two words: “Digital Business and Entrepreneurship Overall”.

A digital archive will be developed to simplify all of the licensing and operation of enterprises in the second and third steps. A digital infrastructure, is also needed, for establishing a business, licensing and operation.

The new development law will have criteria to strengthen R&D, Technology, and Innovation. The contribution of each project to innovation, research, and competitiveness, will be the key criteria in the selection of a firm, or an investment plan.

Digital competitiveness for small and medium sized enterprises will be viable through various funding programmes. The major criterion will be to ensure that innovative digital solutions are implemented.

We want to change our business culture and put our country on the map of global entrepreneurship, to get fast track development in the creation of new jobs, and the promotion of export activities.

Improving competitiveness cannot exist without Digital Convergence. Improving the financial problem cannot be done without Digital Convergence. Improving the quality of services to citizens cannot be done without Digital Convergence.

We believe that the core concept of entrepreneurship is innovation. Entrepreneurship is the creation of new activities, that lead to new products and services and job creation. In other words, “Innovation for growth and jobs”.

This is for us an important condition for the future of our country.

The instrumentalization of innovative thinking, works as a structured mechanism, aiming to maximize the economic results.

Distinguished Guests, Ladies and Gentlemen:

Thank you for your attention.

References

REF. 1

Commissioner Geoghegan-Quinn's address was part of **The 2010 Innovation Summit**, which also saw interventions from [Prof. Dr. Martin Schuurmans](#), chairman of the board of the European Institute of Innovation and Technology (EIT), Anthony D. Williams, senior fellow for innovation at the Lisbon Council and co-author of bestseller *Wikinomics: How Mass Collaboration Changes Everything*, Andrew Wyckoff, director, science, technology and industry directorate at the Organisation for Economic Co-Operation and Development (OECD) and [Rian Liebenberg](#), engineering director of Google. What is innovation).

REF. 2

(as reflected in the amount of R&D investment carried out, the number of skilled researchers and S&T infrastructure)