

## Innovation principle: EU must think big and take risks

Written by Lambert Van Nistelrooij on 4 November 2016 in Opinion  
Opinion

Europe needs to think big and take risks if it wants to be a leading tech sector innovator, argues Lambert Van Nistelrooij.



Lambert Van Nistelrooij | *Photo credit: European Parliament audiovisual*

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The nine years between my first and latest visit to California's Silicon Valley seem very short to me but are a lifetime in the tech sector. Mind you, in 2007 Facebook was just a small start-up.

This and the previous visits, consecutively organised by the European Internet Foundation in 2007, the European Internet Forum in 2012 and Parliament's IMCO committee in 2015, have left quite an impression.

San Francisco's Bay Area is a mixture of many nationalities; young people from all over the world come to the Valley to start their own internet company or to work for larger tech companies. The

youngsters seize opportunities.

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Silicon Valley is characterised by optimism and the drive to succeed. The attitude over there is best described as, "give me a problem, I'll solve it and make a good living in the process".

This is fostered by educational institutions like Stanford University. They encourage their students to think and act as entrepreneurs. To solve real world problems hands on, not just in theory and research papers. Stanford professor Burton Lee told our MEP delegation more than once that "research is killing Europe".

He has a point. We have excellent scientists and science but we have to be better at using our knowledge to create the businesses and jobs of the future. It's not about input or throughput, but about output.

Europe should also be less shy about defending its economic interests through a robust industrial policy. Let's take the field of artificial intelligence; the current buzz word in the tech world.

It has the potential to revolutionise nearly all sectors of the economy, and the countries leading this development will benefit most.

Unfortunately, over the last few years, the best companies in Europe, and the related knowledge in this field, have been bought by American and Asian firms, with hardly anyone in Europe noticing.

Once again, history seems to be repeating itself. US firms such as Google and Amazon are taking the lead, and Europe risks missing this train.

In Europe, we do not want to copy Silicon Valley, but we can certainly learn from it and other global innovative start-up hubs, such as Tel Aviv, if we want to continue to be in the driving seat towards the future. Let's release our handbrakes and switch into a higher gear.

By clustering tech companies on campuses and due to the flourishing start-up ecosystem the new start-ups in Silicon Valley profit from the experience and facilities of bigger companies. They often sell their start-ups to international tech companies such as Apple, Google, Microsoft and Amazon. This way, these companies actually buy innovation and keep up to speed.

In decentralised Europe, in order to enhance conditions for start-ups to become unicorns and create the growth and jobs of the future, we need to focus our support on the connection of regional hubs, where the best companies in the regions are located.

We can do this by driving the development and rollout of key enabling technologies such as 5G and the Internet of Things, for example, through Vanguard models.

Using EU structural investment funds, we can then help spread and share knowledge throughout European high tech and knowledge hubs. When doing this, in order to attract the brightest minds from across the world, we should always keep in mind the global battle for talent with the US and Asia. Be attractive and show it.

All of this, in my opinion, stands for the new European way: combining competitiveness 3.0 and solidarity 3.0 through the connection of multiple European tech hubs and valleys.

There's also a mentality issue. Here we can learn from the Silicon Valley model as well. Innovation in the valley and in Asia takes place via the 'Innovation Principle': start-ups that dare to think big and take risks succeed. The average 'exit' (the moment when you sell your company) is within a year from founding it. In Europe, we too often seem to want to innovate via the 'Precautionary Principle'.

All too often, we tend to see the risks rather than the opportunities. We need to create an environment that encourages risk taking, and where entrepreneurs can get a second chance, if needed.

Another issue we need to address is company funding in Europe in some areas, especially when scaling up a business. We are working to correct that, for example through the capital markets union and the Juncker investment plan.

Another element is entrepreneurship Commissioner Elżbieta Bieńkowska's Start-up Initiative which will be unveiled later this month. I will be working on this initiative in the IMCO committee, as well as the recast of the Electronic Communications Code.

On 9 November, I will also be hosting a breakfast meeting with the European Internet Forum (EIF) to discuss the outcome of this summer's Silicon Valley study trip. Furthermore, together with Knowledge4Innovation,

I am organising the 8th European Innovation Summit from 14-17 November in the European Parliament. All the Parliament Magazine's readers are most welcome to join and listen to the many high-level speakers as they discuss the future of EU innovation policy.

## **About the author**

Lambert van Nistelrooij (EPP, NL) recently led a delegation of MEPs to Silicon Valley

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