



# Innovation, Business, Education – Regional, National and European Policies 2020

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**Abstract.** This report examines the choice of innovation strategy, which is based on an analysis of the innovation capacity of the region in: innovation, business and education. Set is a set of features that facilitate and support innovation. The purpose of the analysis is to identify the main features and to what extent they have.

**Keywords** – business, education, innovation, politics.

## I INTRODUCTION

*EU Innovation Union – new programme under Europe 2020 strategy*

Innovation in its widest sense represents fresh thinking which provides value. It is our capacity to achieve the future we desire. As such, innovation provides new sources of growth.

The gradual emergence of the EU from the financial crisis, coupled with the need to tackle global challenges, has rendered innovation more crucial than ever. Challenges such as climate change, energy, food security, health and an ageing population can only be solved through innovative, new solutions.

Looking back, we can see almost 20 years of EU-level innovation policy, remarkable achievements and a continuous improvement of Europe's innovation performance. However the world is changing rapidly, as this is the nature of innovation, and it is against this background that the Commission has prepared, as part of the Europe 2020 strategy [4], its proposal for an "Innovation Union".

The Innovation Union focuses on innovation which addresses the major social challenges identified in Europe 2020, pursues a broad concept of innovation and aims to involve all stakeholders and regions in the innovation cycle.

Its underlying objectives are the following:

- **Strengthening Europe's knowledge base** and reducing fragmentation - by promoting excellence in education and skills development, delivering the European Research Area and promoting the European Institute of Innovation and Technology. As a recent study has demonstrated, meeting our target of investing 3 percent of GDP in R&D could create 3.7 million jobs and increase annual GDP by up to €795 bn by 2025.

- **Getting good ideas to the market** - by enhancing access to finance for innovative companies, creating a single innovation market, promoting openness and capitalising on Europe's creative potential.

- **Removing social and geographic disparities** - by spreading the benefits of innovation across the EU

with smart specialisation and higher social benefits (with public sector and social innovation).

- **Pooling forces to achieve breakthroughs** - by launching specific initiatives, called "European Innovation Partnerships", aimed at simultaneously tackling all bottlenecks, on both the supply and demand side, and bringing the benefits of innovation to ordinary Europeans as quickly as possible.

Examples of key policies include:

- **Access to finance** - surveys continuously show that companies consider poor access to finance the biggest barrier to innovation, right next to red tape.

Public investment should help leverage private investment. To date, the €400m contribution from the EU's Competitiveness and Innovation Programme to loan guarantees and Venture capital has leveraged investments of €9bn, benefiting some 70 000 small businesses. This, however, is not enough. Europe invests some €15bn less a year in venture capital than the US. The Innovation Union therefore proposes a cross-border venture capital regime, work with the European Investment Bank to scale up current EU financial schemes and the appointment of a leading figure to strengthen cross-border matching of innovative firms with investors [3].

- **Procurement of innovation** - public bodies spend over €2 trillion on supplies, labour and services every year. Little of this money goes to innovative products and services – a huge wasted opportunity. The reasons are wrong incentives, lack of knowledge and capabilities and fragmentation in demand. We will therefore provide financial support for public authorities across the EU to develop tools like innovative specifications.

- **Design thinking** - although often associated with aesthetics and the 'look' of products, the application of design is much broader. It is increasingly recognised as a key discipline and activity in bringing ideas to market, transforming them into user-friendly, appealing and high quality products. When applied to services, systems and organisations, user-centred design thinking drives business model innovation, organisational innovation and other forms of non-technological innovation. We will therefore launch a

European Design Innovation Initiative, an open and flexible platform for working out concrete proposals on how to better integrate design, user aspects and other non-technological aspects into innovation policy and support.

- **Public sector innovation** - building on the success of the European Innovation Scoreboard, which measures innovation performance in EU countries and provides incentives and evidence for national policy measures, we will pilot a *European Public Sector Innovation Scoreboard*, to share information on the characteristics of public sector innovation and, over time, evidence for effective policy making and benchmarking.

**Social innovation** - in 2011, the Commission will launch a *European social innovation pilot*, which will provide expertise and a "virtual hub" for social entrepreneurs and the public and non-profit sectors.

Through measures provided in the "Small Business Act", the European Commission make Europe more attractive for businesses and encourage people to become entrepreneurs. Europe's economy relies heavily on small businesses and realizing their potential. In the EU, 67% of private sector employees working in nearly 23 million small and medium-sized businesses that create 80% of new jobs

**The Act has already:**

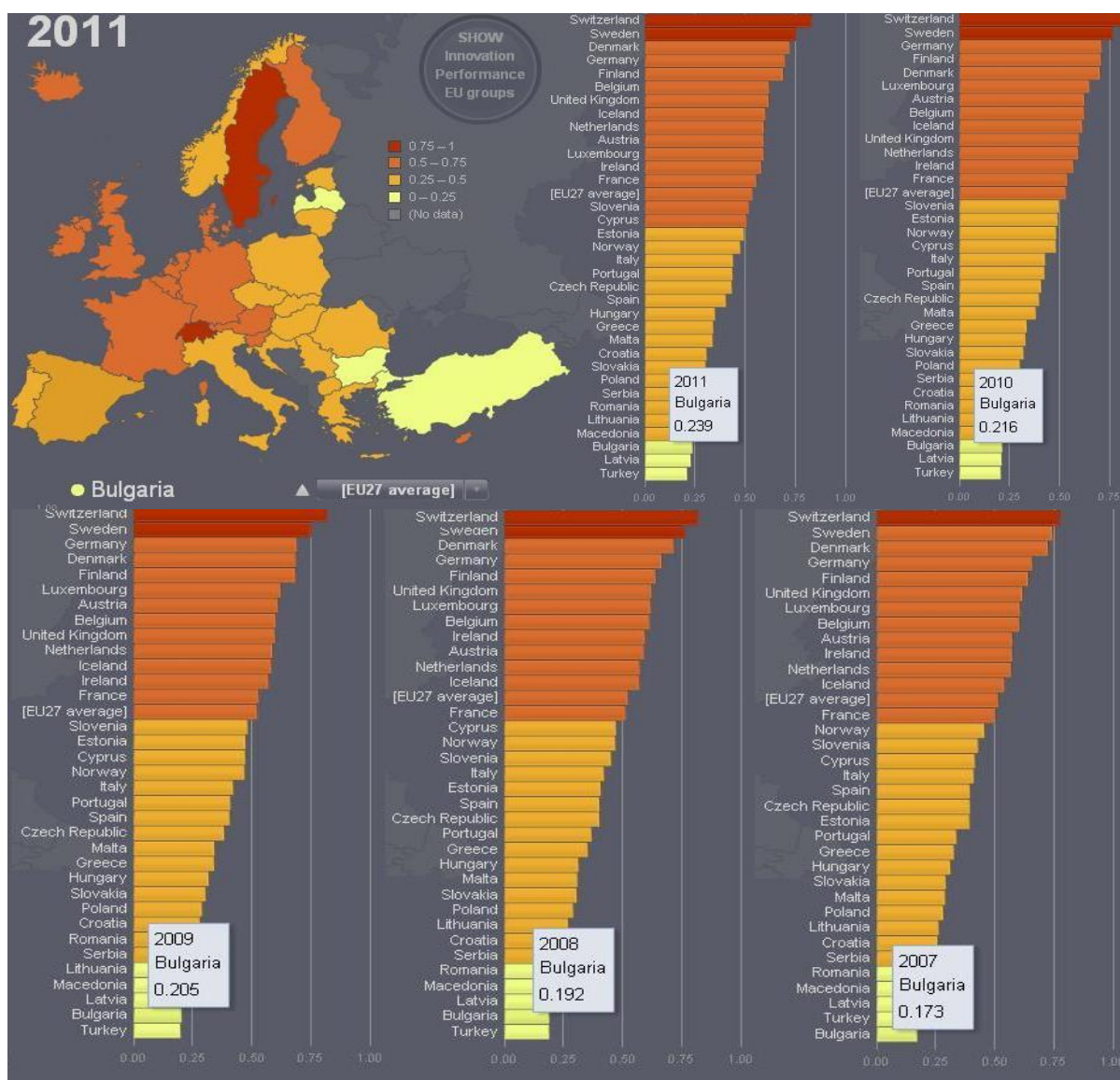
- helped streamline and simplify regulations and
- provided funding to more than 110 000 firms, with 200 000 expected to benefit by 2012.

**In addition, national governments have:**

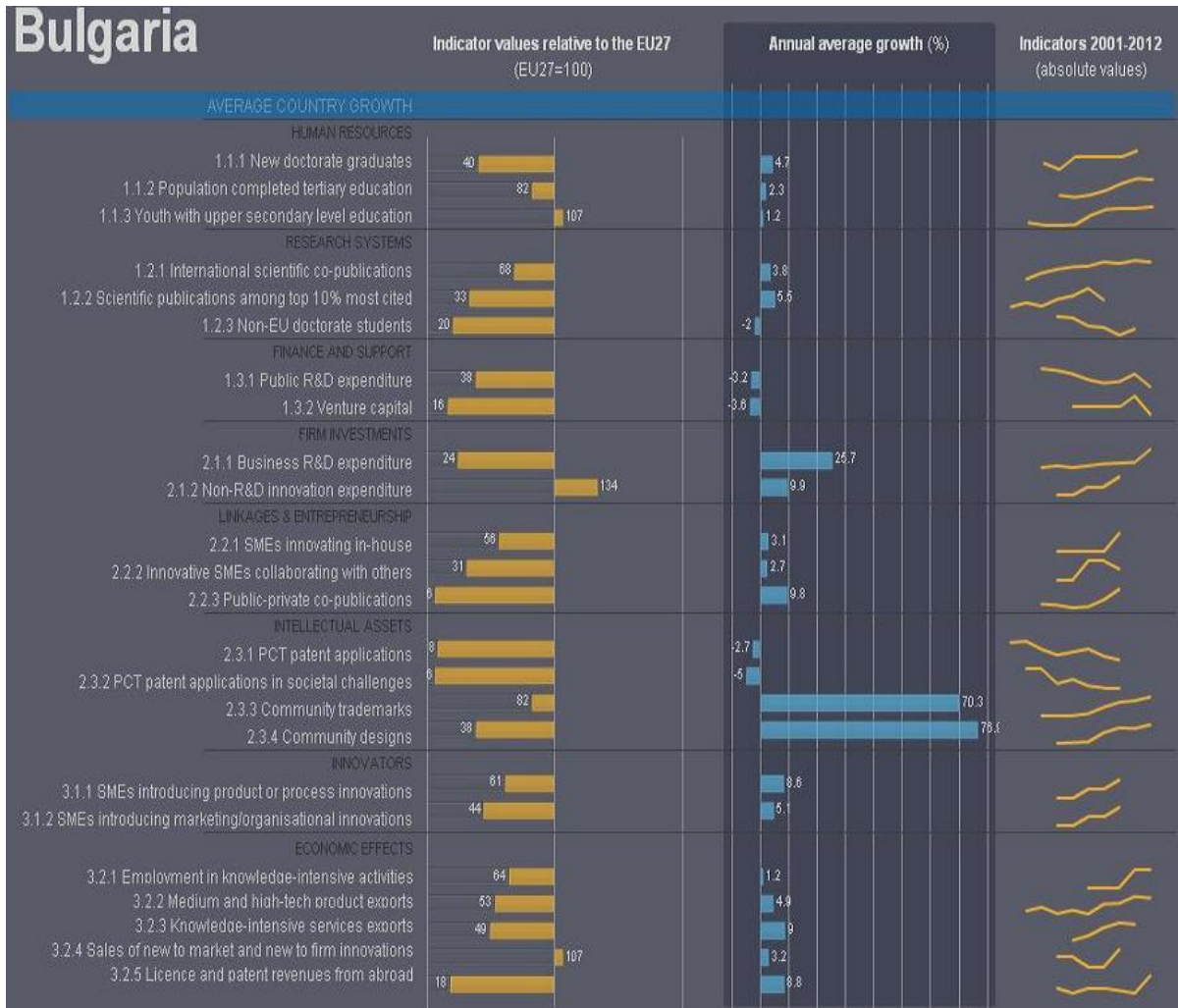
- cut the cost and time involved in setting up a company
- eased small businesses' access to credit and
- launched schemes to help firms do business in other countries

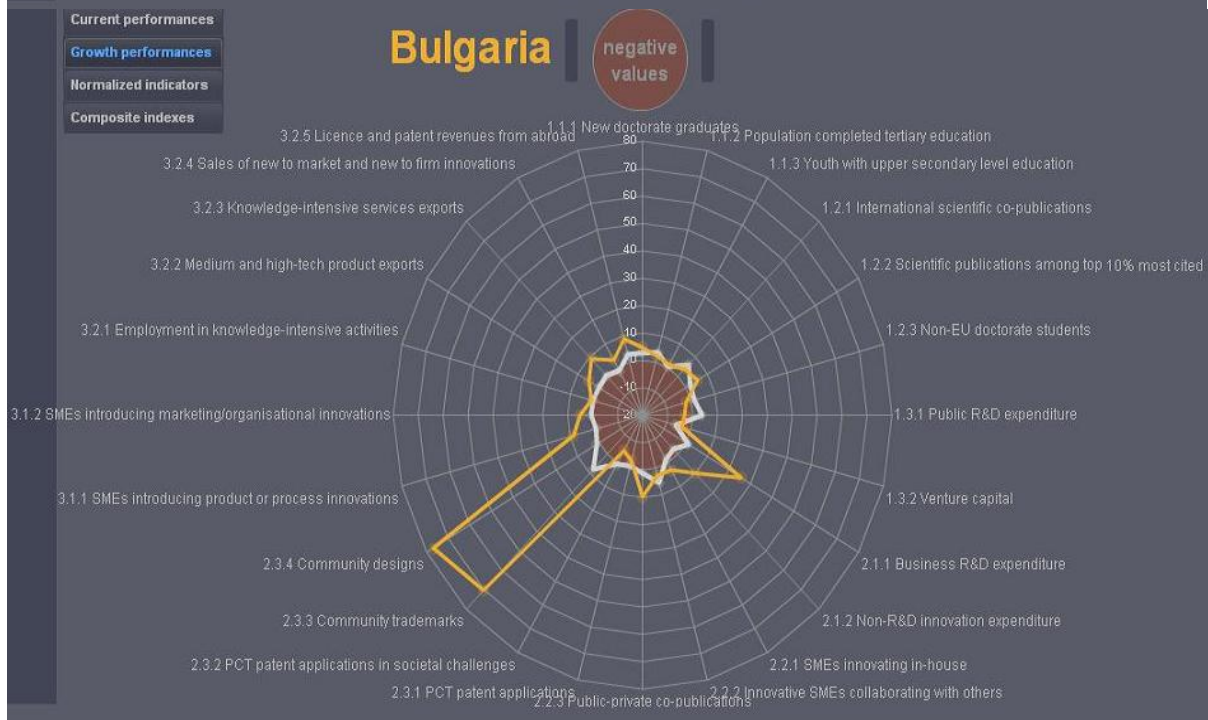
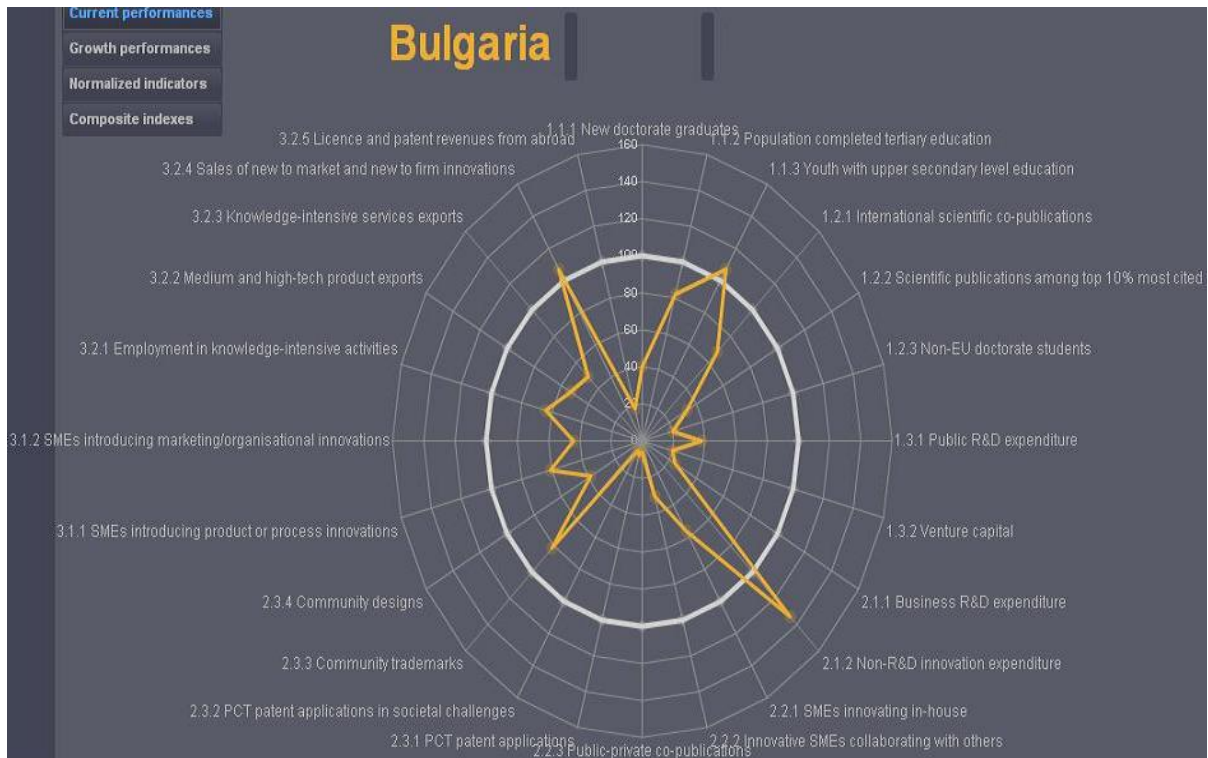
After research, data collection and summary, the following charts for Bulgaria:

II "SMALL BUSINESS ACT"



# Bulgaria







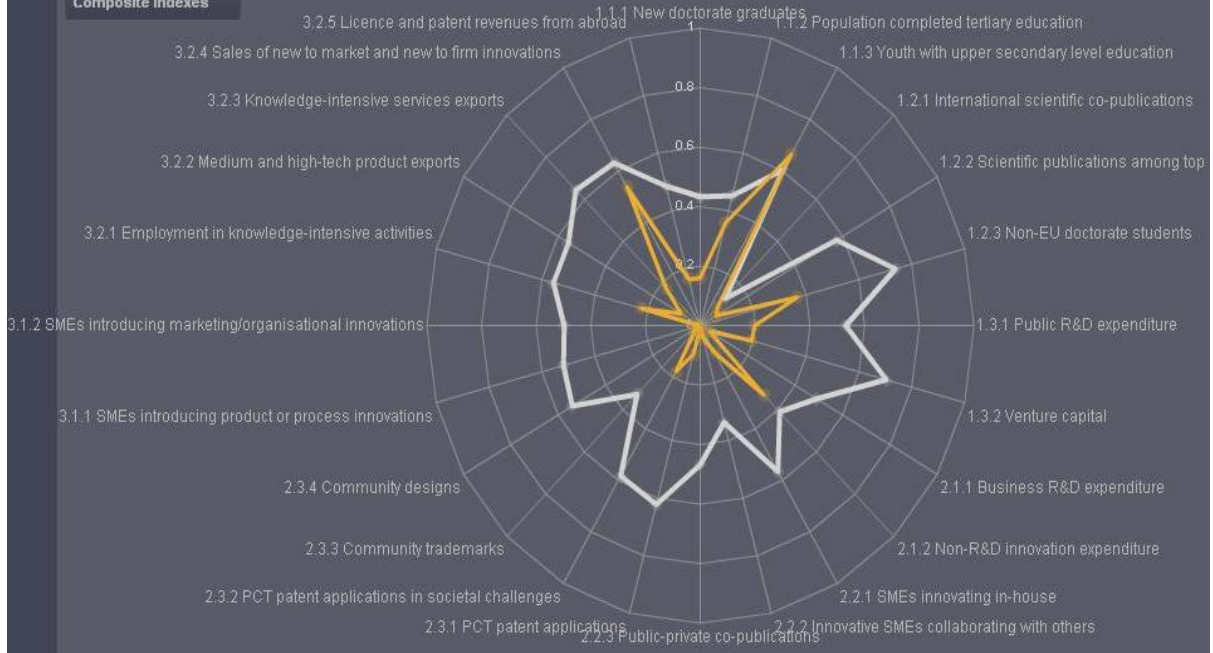
# Bulgaria 2007

Current performances

Growth performances

Normalized indicators

Composite indexes

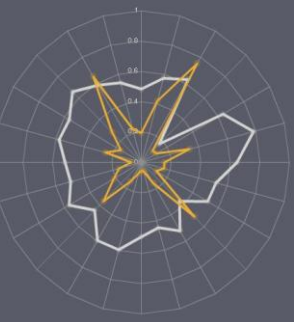


2008

2009

2010

2011



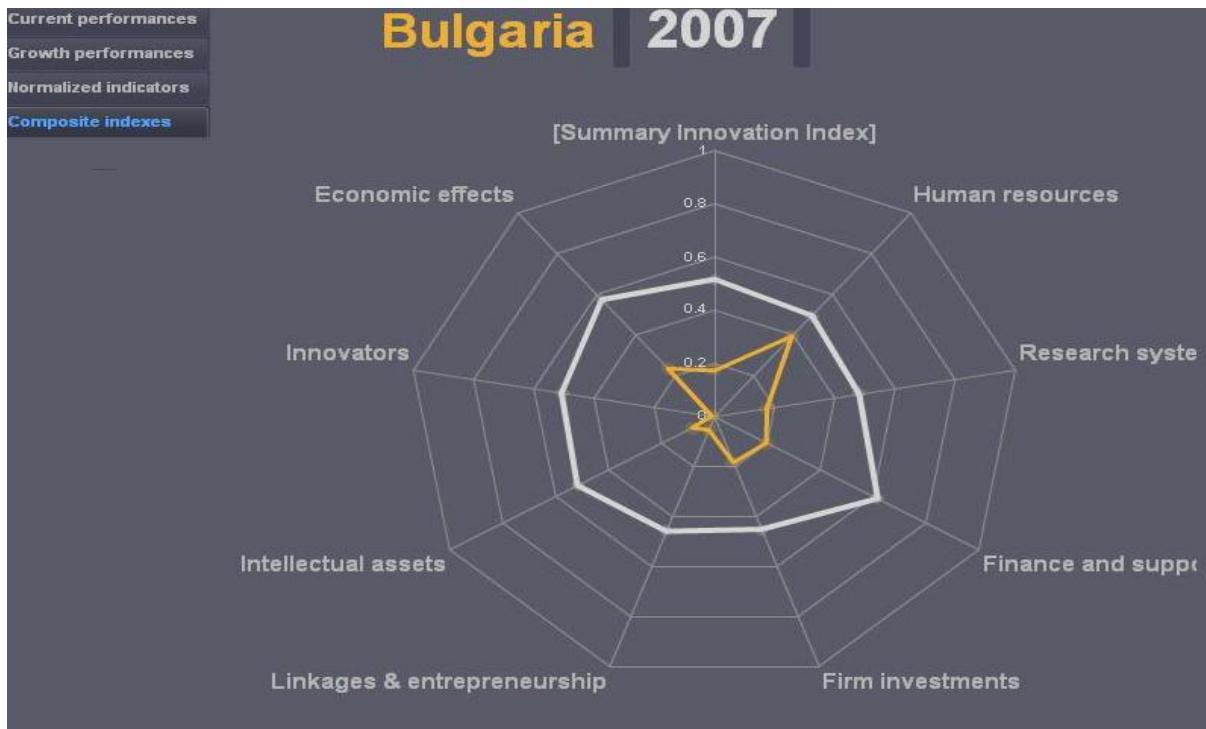


Fig. 1 Innovation potential of Bulgaria as part of the EU [4]

Finally, graphical interpretations shows that over the period the innovative potential of Bulgaria changed as of last place among 34 countries in Europe took three steps up (0.173 to 0.239) Support and financing activities of "lifelong learning", "Human Resources Management" and others. High is the percentage of Bulgarian citizens with higher education.

### III CONCLUSION

If you want to stimulate growth in Europe, it must begin by SMEs. The entrepreneurial potential of Europe and Bulgaria in particular is not fully utilized - 45% of all Europeans would like to work for yourself if you have this option, but today only about 10 percent are self-employed. If we can increase that percentage in their economies will have millions of new innovative and creative enterprises to upgrade the economic foundation of Europe will strengthen, will enable it to create more jobs and make it more stable during the turbulent economic times. Therefore, we should focus all his attention to the promotion of entrepreneurship, which is part of the Strategy for the Development of Bulgaria and Europe - Development of a liberal education as a tool for the management of key competencies in education, innovation and business.

Bulgaria has a strategy for the development of research, developed with the understanding that research, technological development and innovation are the driving force of modern economics in modern societies. Instruments for conducting policy research and innovation aimed at national thematic programs in priority areas and sectoral programs with ministries and agencies [2]. Provides support to research centers in priority areas and specific mechanisms for conducting research to urgent needs arise.

Innovation is the best tool for the recovery of the Bulgarian economy and tackling societal challenges. Getting out of the financial and economic crisis will be based on export-oriented innovative companies. Stable macroeconomic and fiscal position of the country allows to improve environment for innovative export enterprises by introducing sustainable and modern state innovation policy.

The main strategic objective of the country in this area is the development of a competitive industrial base innovative and modern infrastructure for the conversion of the Bulgarian economy into a knowledge economy based on sustainable growth, with opportunities to meet the challenges of a globalizing world.

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