

## **The Helsinki Manifesto 20.11.2006**

***"We have to move fast, before it is too late."***

The Conference "Networked Business and Government: Something Real for the Lisbon Strategy", held in Helsinki, on 23-24 October 2006, arranged under the auspices of the Finnish Presidency in collaboration with the European Commission, the Finnish Government's Information Society Programme, the Center for Knowledge and Innovation Research CKIR at the Helsinki School of Economics, the European Union Member States, the banking sector, industry and other relevant stakeholders,

**manifests that new, concrete measures are needed for turning the Lisbon Strategy into a living reality and making Europe more competitive and innovative in a human-centric way.**

The Finnish Presidency has given priority to the need to strengthen European global competitiveness and innovation in the framework of a revitalized Lisbon strategy, the i2010 policy and the European Programme for Competitiveness and Innovation (CIP) through necessary structural reforms and more efficient use of information and communication technology (ICT).

There are justified concerns about European global competitiveness in productivity and creativity for innovation. The productivity gap with the United States is increasing and European companies invest less in R&D compared with USA. Strong economic growth in Asian countries such as China and India attracts not only international manufacturing and services but also international R&D units for innovation.

The Helsinki Conference considered that in order to improve its global competitive position, Europe needs immediate and strong measures to boost its economic growth through productivity and innovation for job creation in 2007-2013. There is also an urgent need for institutional, structural and financial changes at EU, national and regional level to facilitate focused and innovation-based growth for Europe's global competitiveness.

These measures should strengthen overall entrepreneurship and risk-taking as well as borderless mobility, interoperability and compatibility of EU-wide services and businesses, including the mobility of knowledge workers and knowledge work.

While the overall education level is very high in Europe, it is vital for Europe to take the opportunity to create a globally competitive unique profile as a knowledge-intensive service economy. The R&D for knowledge-intensive service economy business and technology innovations should also facilitate the creation of single European markets for jobs and growth.

Therefore the Helsinki Conference promotes the immediate deployment of concrete EU-wide measures to support the European policy for competitiveness and innovation. This calls for concrete measures also in terms of structural and institutional changes for productivity and innovation at EU and national level.

These measures should have a vitalizing impact on the way Europe implements mutually agreed on strategic priorities for growth and job creation. However, this also means reallocation of funding and other resources in favour of more dynamic and sustainable sources of competitiveness and innovation. These concrete measures to promote Europe's global competitiveness should be prepared and implemented right from the start of the first budget period of the 7<sup>th</sup> framework programme in the 2007-2008.

The Conference "Networked Business and Government: Something Real for the Lisbon Strategy" identified the potential domains where there already is a high readiness to boost European productivity and innovativeness for growth and job creation within the frame of the Lisbon Strategy, the i2010 policy and the European Program for Competitiveness and Innovation (CIP).

The Helsinki Manifesto road map for a self-renewing, human-centric and competitive Europe is set out below. There is also a need to clearly define who is responsible and what must be done to achieve these goals. The process should be continually monitored and evaluated to keep it on track and rectify slippages. All these initiatives would boost EU competitiveness but there is still a need to prioritise. Priority should be given to measures where it can already be demonstrated that the economic gains and other benefits can quickly and easily be achieved.

## **1. Opening EU-wide procurement of R&D for innovation within public services**

The Helsinki conference noted that the service sector accounts for 70% of Europe's GNP. In Europe the share of public services of GNP, about 30% on average, is bigger than that of USA or Asian economies. The European public sector faces unprecedented societal challenges relating to health, population ageing, security and the environment. These challenges can only be addressed by ambitious transformation and innovation. The current situation reflects an under-utilized opportunity for productivity gains and innovation for job creation. However, it can be turned into success stories for European lead markets in global competition, especially with the help of ICT and ICT uptake.

To make this happen, the public sector should use its procurement power to leverage innovation and drive the take-up of research into innovative products and services. Pre-commercial procurement of innovation and public-private partnerships (PPP) in R&D for innovation are untapped opportunities for Europe.

Europe can open significant new innovation markets within public services if it is prepared to reallocate 2.5 % (40 billion euros) of its public procurement spending to R&D for innovation. Innovative public-private partnerships (PPP) in R&D can have a revitalizing effect on innovation within public services.

## **2. Creation of EU-wide standardized and harmonized banking and financial eServices**

The Helsinki Conference also promoted standardised and harmonised electronic invoices and payments (both e-payments and m-payments), as well as other economic transactions between and within the public and private sectors. Workable technologies and business models for EU-wide borderless electronic payments already exist, and have even wider applications in business processes, electronic banking and financial market operations. The productivity gains from enhanced EU-wide standardisation and harmonisation in these areas are substantial. They will be even more substantial if they are accompanied by EU-wide harmonization of legislation, administrative and accounting practices with consequent institutional changes.

In their joint statement of 4 May 2006, the European Central Bank (ECB) and the European Commission promoted efficiency and productivity in European retail banking by supporting the introduction of the Single Euro Payment Area (SEPA), designed by the European banking industry. They also encouraged the European public administration to become an early adopter. The SEPA-project will create a new EU-wide competitive environment for retail payments. The ECB also proposes the provision of settlement services for security transactions (TARGET2 securities-project), as an area which the Eurosystem has recently decided to investigate as a potential provider.

Another important field of action with regard to efficiency and productivity through integration is the convergence of supervisory practice and the harmonisation of the framework for financial services, as set out in the Lamfalussy process. A strong political commitment would enable the Lamfalussy committees to make the progress needed for a more integrated financial system.

## **3. European Network of Living Labs as a way to enhance European innovativeness**

The Helsinki Conference proposed renewal of the European innovation system to create a new open, user-centric and networked innovation environment in Europe. As a first step the EU and national stakeholders should create a European-wide network of Living Labs through which emerging knowledge-intensive services, businesses, markets, technologies and even industries for jobs and growth can be developed, tested and validated.

The first phase of the European Network of Living Labs consists of 20 Living Labs in 15 Member States. It is a cross-regional, cross-national and pre-market network, which creates multi-stakeholder co-operation models for public-private-citizen-partnerships (PPCPs). The European Network of Living Labs establishes a European platform for collaborative and co-creative innovation, where the users are involved in and contribute to the innovation process. Living Labs will provide a platform and infrastructure for innovation services to SMEs, international corporations, public sector agencies and individual citizens.

This systematic and organized approach will ensure that common methodologies and tools are developed across Europe that support, stimulate and accelerate the innovation process. The European Network of Living Labs also has a strong regional growth and development impact by facilitating and fostering regional innovation as interlinked with a European innovation system with a global reach.

#### **4. Increasing interoperability and creating EU-wide standards and eServices**

The Conference also noted that it is vital to implement existing best practices for public services and SMEs. These services include authentication services provided by the banking sector. Use of these authentication services is common practice e.g. in Finland and Estonia, but the public sector in many other of the 25 EU countries does not make use of the opportunities they offer.

Open standards create a platform for innovation and lower barriers to market entry through freely available specifications and interfaces that are not controlled by any single company. Open standards are also critical for achieving true interoperability enabling business operations to be integrated and reconfigured, and to respond rapidly to business challenges and market changes. The adoption of open standards leaves businesses free to focus on value added differentials and opens the way to entirely new business designs, giving organizations options not previously feasible.

A practical way forward could be developing cross-border networks within interrelated sectors of crucial importance for Europe. This is achievable by consensual co-operation amongst all relevant stakeholders: SMEs and their associations, suppliers of ICT solutions, e-business policy makers, academia and other intermediaries. The ultimate objective would be to harmonise and standardise the business processes and data exchange models of the participants. The experiences gathered in the pre-market sphere within the Living Labs Network could come to practical use also within this initiative.

## **5. Setting up a Strategic Task Force over the Presidencies in 2007-2008**

The Helsinki Conference proposes establishing a Strategic Task Force for 2007-2008 to prepare for concrete measures to boost European competitiveness and innovation in close cooperation with the Finnish, German, Portuguese and Slovenian EU Presidencies, the European Commission and leaders from industry and academia.

The Task Force's first action would be to prepare an Implementation Plan, identifying responsible parties, timetables and funding methods and tools. At the same time it is also important to analyze the benefits, the economic effects and possible obstacles and to create indicators for the follow-up.

## **6. The horizontal programme within the 7<sup>th</sup> framework programme for EU-wide knowledge-intensive service society development**

The Helsinki Conference considers that the agreed strategic priorities, work programmes and budgets within the 7<sup>th</sup> framework programme and the CIP to be a move in the right direction, especially in terms of strengthening European Technology Platforms (ETPs), such as Artemis, and Joint Technology Initiatives, as well as overall technological competitiveness in ICT, energy and environmental technology, based on the CIP.

Besides this the Conference proposes the preparation of a horizontal research programme for innovation under the 7<sup>th</sup> framework programme. This Programme should be for knowledge-intensive society development, including the required services, business, and related open technological architecture development, and consequent institutional and structural changes. The horizontal programme should be ready for implementation from the beginning of 2008 onwards.

## **7. Enabling working environment**

The role of ICT and ICT uptake in European global competitiveness can be significant. For realising these scenarios, R&D investments within the European ICT sector itself should be increased. Moreover, in order to enhance the ICT uptake all across the European economy, the Member States should accelerate their efforts to remove the still remaining barriers and obstacles for this development, whether of legal, administrative, economic or technological nature.

The Helsinki Conference also discussed Europe-wide harmonization of standards and IPR (Intellectual Property Rights) policies as a concrete way of boosting European competitiveness and innovation.

Governmental innovation policies, R&D budgets and programs have historically focused on engineering and manufacturing. There is a need for rebalancing this situation, given the fact that services are the main source of jobs and economic activities in Europe.

Governments, industry and universities together must enable the creation of a new academic discipline relating to services sciences, management and engineering to bring together ongoing work in computer science, operations research, industrial engineering, business strategy, management sciences, social and cognitive sciences, and legal sciences to develop the skills required in a services-led economy.

There will be a change from ICT workers with specialized technical skills towards hybrid professionals with skills in business or scientific areas going beyond traditional ICT, who will be able to respond to the challenges of a more dynamic service-oriented economy. Well targeted education policies will have a significant positive effect on the competitiveness of European ICT and knowledge service providers given the sector's dependability on highly skilled workers.

**Appendix** List of the proposed measures to boost European competitiveness and innovativeness during the Conference "Networked Business and Government: Something Real for the Lisbon Strategy"

## **APPENDIX TO THE HELSINKI MANIFESTO 20.11.2006**

*List of the proposed measures to boost European competitiveness and innovativeness during the Conference "Networked Business and Government: Something Real for the Lisbon Strategy"*

### **The 12 most supported measures**

1. Implementation of a European Network of Living Labs, a user-centric platform for products and services in co-creation processes
2. Reap the benefits of re-using bank infrastructure: realize e-invoicing with interoperable standards
3. Break down internal borders for ICT services (keywords: roaming, ICT-interoperability, eID, secure pan-European e-services)
4. Renewing of the European innovation system
5. Creation of a market for innovative products and services supported by sufficient resources for R&D and innovation
6. Focus on services innovation, and establish services science, management and engineering as an academic discipline for driving innovation in services throughout Europe
7. Concrete funding and support for technology start-ups; an enabling entrepreneurial environment with both government and private sector funding available, commitment of early buyers beyond the project scope
8. Ensure data integration between IT-solutions to enable productivity in service provision
9. Intensify integration of retail banking market with full and prompt implementation of the Payments Services Directive (realise a single market in payments) and integration of key financial market infrastructure (Target2-Securities)
10. Implementation of European wide compatible e-invoicing system – common standards and definitions
11. Move from an organization-centered system to a citizen-centered system
12. Bring people actively to the information society (good basis for great PPP initiative – for example to give ICT skills to 10 million adult people in Europe over a 3-year period)

## All proposed measures

### I Session

1. Creation of a market for innovative products and services supported by sufficient resources for R&D and innovation
2. Improving the structural mobility of Europe
3. Building positive attitudes and a culture favorable towards entrepreneurship and risk-taking
4. Improving e-skills for ICT practitioners: multi-stakeholder partnership
5. Framework conditions for SMEs online: sectoral solutions with lead-market approach
6. Intensify integration of retail banking market with full and prompt implementation of the Payments Services Directive (realise a single market in payments) and integration of key financial market infrastructure (Target2-Securities)
7. Make a political commitment to unified supervisory practices: Lamfalussy process and beyond
8. Focus on services innovation, and establish services science, management and engineering as an academic discipline for driving innovation in services throughout Europe.
9. Adopt IP reforms that maintain a balance between proprietary and open development, which are both equally necessary to our growth and success

### IIa Session

1. Reap the benefits of re-using bank infrastructure: realise e-invoicing with interoperable standards
2. Create positive incentives for early adopters, use forcing measures in a selective manner + ensure availability of resources for addressing the key obstacles and key enablers
3. Create a common vision for cross-sector initiatives and information-sharing
4. Convergence on a single common methodology for standard definition
5. Full support for web services and funding of common web service modules
6. Building the European Communication Highway – powerful VPN-backbone
7. Harnessing the public sector to lead the Mobile society-networking in private-public partnerships



8. Identify key end-user-centric processes where ICT can increase productivity
9. Ensure data integration between IT-solutions to enable productivity in service provision

## **IIb Session**

1. Standardization and making European e-Health systems interoperable
2. Implementation of European wide compatible e-invoicing system – common standards and definitions
3. For elderly people – IT-enabled intelligent homes & health care
4. For young people – IT-enabled networking European top university
5. For leaders – cooperation and sharing information in a secured network around Europe
6. Move from an organization-centered system to a citizen-centered system
7. Adopt pre-commercial procurement
8. Renewing of the European innovation system
9. Create a European Nasdaq – special support for SMEs

## **III Session**

1. Concrete funding and support for technology start-ups; an enabling entrepreneurial environment with both government and private sector funding available commitment of early buyers beyond the project scope
2. Promote university and industry collaboration. Monetary incentives, lean processes, professor nominations, etc.
3. Attract talent to Europe with special programs and incentives; attract individuals, start-ups, and established corporate
4. (Business) Evaluation criteria on impact (x-domain expertise – technology and business research)
5. Investing in next generation innovators & entrepreneurs – imagine cup innovation accelerator, network access to innovation service provider and venture builders
6. 3i Skills Training for Employability: innovative, interactive, inspiring
7. Connecting SMEs to Funding and Innovation – European Union Grants Adviser

8. Implementation of a European Network of Living Labs, a user-centric platform for product and services co-creation processes, user-centric approach to ICT design
9. Establishment of a European virtual innovation environment for the co-creation, exchange and sharing of ideas, e.g. by application of serious gaming approaches to the innovation process

## **X Session**

1. Break down internal borders for ICT services (keywords: roaming, ICT-interoperability, eID, secure pan-European e-services)
2. Bring people actively to the information society (good basis for great PPP initiative – for example to give ICT skills to 10 million adult people in Europe over a 3-year period)
3. Set up target (within ten years) when all major public services in Europe are based ICT usage with homogenous interaction principles
4. Leapfrog to mobile internet with 3G and unlicensed wireless with seamless European wide free roaming
5. Establish User Innovation as a policy priority with the European Network of Living Labs as the Centre of Gravity
6. Dedicate European R&D funding for applied research into collaborative innovation processes
7. Active support for open source communities as a show case for users innovation (CIP and regional funding)
8. Build systematic innovation into business processes and embed ICT-functionality for end-users co-creation into new products/services
9. Increase EU investment in horizontal human-centric ICT R&D, targeting innovation for the new net-based service economy