

## **Future Internet Horizon 2020 Consultation**

“Governing radical change ahead with Next Generation Internet through powerful startup and venture ecosystems”

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The future Internet is being shaped by various cultural, technology and market forces that are likely to strongly impact on people, companies and society at large. Several technology trends are ripe for opening new waves of radical innovation and change our every day life: Internet of things, the Blockchain, digital fabrication, artificial intelligence, big data, robotics, augmented reality, crowdfunding. It is impossible to predict how these waves will really impact society and change the way we work, learn and play. We just know they will bring radical transformations in most sectors.

These new technologies should be deeply investigated with basic research to gain technology leadership, discover new things, explore new boundaries. However how all of this will be used by people is impossible to predict. Therefore technology discoveries should be transferred to the market and exploited through startups in order to gain market leadership.

***The way to govern radical changes and embrace technology driven innovation is by nurturing a strong and culturally rich startup and investor ecosystem in Europe: a distributed living lab of applied research.***

Well connected hubs of tech savvy entrepreneurs coupled with properly skilled and adequately funded venture capitalists, angels and corporate investors are the key ingredients to succeed in company formation and technology transfer.

The European startup ecosystem should be the ‘applied research lab’ of Europe, and should be strongly connected with all the relevant institutional stakeholders and basic/applied research. It should be the main source of entrepreneurial and managerial talent for our society, a way to access new markets, globalize businesses and feedback all of these values into the corporate world.

It should be the main engine to generate new sustainable jobs in technology driven competitive companies.

***Horizon is be the engines that fuels European basic, applied research and technology transfer.***

Europe has a very powerful academic and research infrastructure, with multiple points of excellence in each country. This environment should be

networked and strongly connected with the market and technology transfer activity should be strongly supported to be experimented in the market.

We have enough human and capital resources to compete with the US and Asia on innovation, but currently this '*European innovation lab*' does not really exist. We are still a network of loosely connected and fragmented small markets and local hubs. However we see throughout Europe a vital number of local ecosystems and an entrepreneurial wave sweeping young generations. This is the real capital of Europe we should invest into.

We are different from US and Asia, both culturally and in terms of market environment. We should work on our specificity and strenghts to identify our unique way to exploit innovation for the good of our communities. The Commission should operate to remove all possible barriers to market fragmentation and obstacles to creating and scaling startups. Digital Single Market and Single Financial Market policies are key policies that can reduce barriers that slow down our innovation ecosystem and can support a healthy and pan-european investor environment to drive more capital and focus on innovation. But probably are not enough.

***We must find a European continental way to capital formation and technology innovation. A Single Startup Market.***

Policies and resources should aim to bring technology innovation benefits to the people and should work to connect and strenghten as much as possible the European ecosystem by linking its various hubs and champions.

Startups should be able to operate cross country in Europe with no differences and no additional complexity compared to their US and Asian competitors. A common startup policy regime could reduce this friction and we should be active in incentivating cross-border activity, cross-cultural fertilization, cross-country investments to build these links.

This Startup Market should be strongly linked with the corporate world. Small, medium and large companies can rely on startup to enter new markets, acquire technology and IP, be more competitive and efficient, digitalize their processes, grow, attract top talent. Startups are the opportunity to renovate our industrial base.

**Let's put money back to work**

We have entered the digital knowledge age, everything changes. In the past work generated capital, from now on it's capital that must generate work. We need to recognize that global competition in the technology arena forces us to build a solid investor infrastructure in order to generate the steady flow of highly competitive new companies and create the jobs Europe needs in the future.

In the first couple of months of 2016, the US has invested in startups pretty much the same amount of capital that all European investors have put in European startups throughout 2015. We need to fill this gap. Billions of capital assets are invested in all kind of financial products, that do not generate any impact on jobs formation. Large and long term institutional asset managers, should allocate growing resources to the venture and private equity asset classes, build an diverse ecosystem of long term investors, define long term investment strategy and fill gaps in the investor infrastructure. Long term capital asset managers, should put money into real assets that can generate jobs and growth.

Barriers to scaling in Europe should be removed, including the availability of adequate capital to compete. Equity crowdfunding should be regulated in Europe in order to create a solid and large investor base and startup culture that can match the US Jobs Act reform.