

## **Expert group for the EU Observatory on the online platform economy**

### **Work stream 3: Innovation workshop series**

#### **Concept note**

##### **1. Policy context**

Innovation plays an increasing role in our economy, providing benefits for both consumers and workers in the EU. It is essential to creating better jobs, building a greener society and improving our quality of life, but also to maintaining EU competitiveness in the global market. The importance of innovation policy is widely recognised and is strongly linked to other EU policies, such as those on employment, competitiveness or industry. With a view to boost innovation in the EU, the EU has developed the concept of an 'Innovation Union', which aims to make the EU a world-class science performer and remove obstacles to innovation.

The platform economy has changed business models and opened doors to innovation. At the same time the policy debate regarding innovation in this area may be sometimes seen as constraining policy goals and instruments that are available to boost new trends, actions and processes. There is a broad agreement that emerging regulation should not impede technological innovation, the establishment and development of new players, and methods and solutions in the digital sphere. Similarly, regulation should attempt to influence innovation with the purpose of increased economic growth. Hence, there is a need for a public discussion on how to implement this broad societal agreement into the everyday life of policy-makers.

##### **2. Research/Policy questions and methodology**

This work stream should take into consideration the 14 industrial ecosystems developed in DG GROW, CNECT and DEFIS<sup>1</sup>. It could also build on the following questions, which were considered interesting:

- How the different types of innovation (sustaining and disruptive) take place in the platform economy? What are the main commonalities and differences across sectors?
- What are the main innovation capabilities needed in the platform economy?
- Which EU policies could take to stimulate the innovation in the platform economy?

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<sup>1</sup> See Annexe 3 of the COMMISSION STAFF WORKING DOCUMENT Annual Single Market Report 2021 Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery [SWD/2021/351 final]; See also, Industrial Ecosystem document attached with this proposal.

- Will and how the emerging EU regulatory framework will stimulate the innovation in the platforms economy?
- Which are the innovation capabilities and enablers in the platform economy?
- Which are the barriers to those capabilities?
- What, if any, could be the role of economic regulation and antitrust in unlocking those capabilities?
- How the EU laws and regulation - in particular competition law and the forthcoming Digital Markets Act - could contribute to unlocking those innovation capabilities and which ecosystems could hold the most potential?

### **3. Possible focus of workshops**

The main idea is to select the most interesting topics for an in-depth workshop or alternatively, three topics chosen to run as three sessions in one day or spread over multiple days.

The workshops will invite experts from the private sector and academia to present their point of view and then discuss them with the Expert Group. The objective of the series of workshops is to look at some specific trends, use cases and technological innovation to consider how policy-makers can address challenges that these produce as well as areas for study and analysis – with special focus on the 14 industrial ecosystems as identified.

In particular, workshop options 1 and 2 should focus on concrete cases of successful and promising business models, in specific ecosystems. Moreover, these two workshops could be run on the same day.

#### **Workshop Option 1 – Developing the innovation that venture capitalists spot. A discussion with Venture Capitalists**

This workshop aims to explore what are the growing interests of Venture Capitalists in new business models of platforms. Based on the focus of private investors’ interests (i.e. areas of innovation they are investing in), it could explore:

- What are the potential challenges for innovation - What is holding this back in the EU?
  - Is it the regulatory framework?
  - Is it a lack of skills?
  - Is there a lack of scalability?
    - What causes this: is it sector specific? Is the shape of the market? Is it the lack of tools to support this (e.g. incubators, accelerators), legal certainty?
- What could the EU do (e.g. financial support, best practice exchange, lessons learned from other jurisdictions)?

#### **Workshop Option 2 – Platformisation: innovators & adaptors which new business models are leveraging the twin transition?**

This workshop aims to focus on the role of platform business models in transforming and innovating, to serve the goal of having more digital and green ecosystems. Based on presentations good practice

examples (use cases) and the adaptations made by traditional firms (e.g. in their processes) to 'go to market' more digitally and green with their existing offer. The discussion could focus on:

- The potential for such best practices to be used in other ecosystems (i.e. examine their transferability, lessons learned).
- The challenges.
- Identify which are the innovation capabilities and enablers in the platform economy,
- Which are the barriers to those capabilities?

### **Workshop Option 3 – Augmented Reality and Metaverse: what the future will bring?**

This workshop aims to explore the possibilities for platform innovation in a new augmented reality (AR) space. The metaverse combines aspects of social media, online gaming, augmented reality, virtual reality (VR), and cryptocurrencies to allow users to interact virtually. Workshop participants may debate the dynamics for innovation in such a space, particularly as they will apply to software application developers, a community that is essential for the development of AR. Some specific topics for the workshop may include:

- To what degree a “metaverse” should be centralised or decentralised?
- How to balance interoperability with security and privacy?
- Opportunities for the industrial metaverse in the different ecosystems (e.g. in the manufacturing and automotive sectors),
- How blockchain and artificial intelligence interact in the metaverse?
- How advertising, marketplace, social media and app store platform business models will adjust to AR?
- What are the opportunities for both product and platform innovation?