

## Unlocking the innovation potential of EU and Italian SMEs

### Draft research idea

Small- and medium-sized enterprises (SMEs) play a key role in the EU economy. No less than 99 out of every 100 enterprises active in the EU non-financial economy are SMEs, and that these firms account for about 65% of the total employment and some 55% of the overall added value produced in Europe. Enhancing the competitiveness of European SMEs is, therefore, essential to foster the competitiveness of the EU economy as a whole. And since the competitiveness of European SMEs in the global arena largely depends on their ability to innovate, **unlocking the innovation potential of SMEs becomes pivotal to fostering growth and jobs in Europe.**

The need to stimulate innovation and encourage a larger participation of SMEs in research and innovation programmes was acknowledged by the EU institutions and duly taken into account when designing Horizon 2020. Horizon 2020 represented a breakthrough compared with past Framework Programmes: for the first time, in addition to the traditional support for research and development, the programme placed great emphasis on innovation and close-to-market activities. In addition, the rules for participation were streamlined and made more SME-friendly. The Commission also aimed at granting SMEs a certain share of the overall Horizon 2020 budget. The last Horizon 2020's calls were closed at the beginning of 2021 and the programme was replaced by Horizon Europe. It is, therefore, time to **assess whether Horizon 2020 managed to make European SMEs more innovative** and see what lessons can be learnt to make sure that Horizon Europe and other EU and national initiatives will manage to **bridge the start-up gap and the scale-up gap that are still characterising the EU innovation ecosystem.**

In this context, Italian SMEs are lagging behind their European peers. Reportedly, after recording a quite good performance during the first years of the Horizon 2020 programme, they have not been shining since the European Innovation Council pilot was launched. While assessing the role played by Horizon 2020 in financing innovative SMEs, a **special focus could be put on Italian SMEs** in order to identify their strengths and weaknesses and **provide recommendations to national policymakers and enterprises** to improve the Italian innovation performance.

### Methodology

The research idea proposed above is a preliminary draft that is expected to be discussed and refined with the research team. The research questions will be answered by relying on a mix of qualitative and quantitative research. Ideally, after conducting a **review of the relevant academic and grey literature** on the topic, the research team will perform a **quantitative analysis of public available datasets** (e.g. the H2020 Data hubs and Dashboard) and conduct a small number of **in-depth interviews** with policymakers, innovation policy experts, investors and entrepreneurs.

### Deliverables

The research team will aim to prepare a **short research report** (about 8,000 words) to be published, after peer review, either in an academic journal or as a CEPS research paper. The main results of the work will be also summarised in a **policy brief** (about 1,500 words) to be published, after peer review, on the website of a reputable think tank.

### Research team

The work will be performed by a research team led by [Felice Simonelli](#) (Associate Senior Research Fellow, CEPS) and composed of two to three additional members. Overall, the research team should be familiar the following topics: **economics and management, data analysis, innovation policy**. Some knowledge of web scraping techniques and experience in EU policy and EU law would be a plus. Candidates interested to join this research team should apply by sharing their **CV and a short cover letter**. They could also decide to

submit their **suggestions to improve the research idea** and/or the methods to answer the main research questions.