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## VI International Economic Forum OPEN INNOVATION: from the Creativity of the Individual to an Innovative Science- Based Economy

### CONFERENCE PROCEEDINGS

On September 21-22, 2023, the **VI International Economic Forum "OPEN INNOVATION: from the Creativity of the Individual to an Innovative Science-Based Economy"** took place in the Latvian Academy of Sciences with the **aim** to analyse the role of human creativity and the potential of international ecosystems for the development of open innovations, as well as to present the world's best practices and evidence-based, practical solutions to achieve a higher level of well-being in our globalised society.

Main organizer of the Forum – Institute of Economics of the Latvian Academy of Sciences. The Forum was organised with the expertise of the knowledge partner – the **University of California, Berkeley**. The following partners supported the organisation and execution of the Forum: **The United**, the **EQUALS-EU** consortium, the **Latvian Business Angel Network**, researchers of the **EKA University of Applied Sciences**, among others. Assistance with publicity and social media coverage was provided by: **rus.NRA.lv**, **Freecity.lv**, **Dialog TV**.

**210 participants** from **30 countries** all around the globe attended the Forum in person during the two days of the event. Multiple ambassadors graced the Forum with their presence - the **Ambassador of Spain to Latvia, H.E. Manuel Alhama Orenes**, the **Ambassador of Denmark to Latvia, H.E. Morten Jespersen**, the **Ambassador of Kazakhstan to Latvia, H.E. Timur Primbetov**, the **Ambassador of the Republic of Korea in Latvia, H.E. Tong-Q Lee**, the **Ambassador of Canada in Latvia, H.E. Brian Szwarc**, the **Ambassador of Estonia to Latvia, H.E. Eerik Marmei**, the **Ambassador of People's Republic of China in Latvia, H.E. Tang Songgen**, as well as the **Ambassador of Turkey in Latvia, H.E. Şule Öztunç**.

The VI International Economic Forum commenced with a grand opening ceremony that set a collaborative and forward-thinking tone for the proceedings. The event began with a captivating musical performance that provided a harmonious prelude to the series of addresses by distinguished leaders and academics.

As the notes faded, the audience was greeted by the esteemed Member of the European Parliament serving on the Committees on Economic and Monetary Affairs & Environment, Professor *Dr. Inese Vaidere*. Her address underscored the importance of sustainable development and economic cooperation within the European framework.

Adding to the wealth of knowledge, the President of the Latvian Academy of Sciences, Professor *Dr. Ivars Kalvins*, offered his perspective on the intersection of scientific research and economic development. *Dr. Kalvins* discussed the role of scientific advancements in solving economic challenges, and the importance of investing in scientific endeavours to drive progress.

Finally, the Director of the Institute of Economics of the Latvian Academy of Sciences, Associate Professor *Dr. Nina Linde*, provided a scholarly viewpoint on the economic trends and policies shaping Latvia and the broader international context. *Dr. Linde* emphasized the importance of evidence-based policymaking and the need for economic research to inform both national and international economic strategies.

The VI International Economic Forum showcased an array of speakers who addressed various dimensions of innovation in the contemporary economy. The content presented at the Forum covered a broad spectrum of issues and opportunities related to open innovation, business models, economic development, and the integration of gender perspectives in innovation, among others.

- *Dr. Solomon Darwin* from the University of California - Berkeley spoke on "Business Models Innovation in Contemporary Society";
- *Dr. Kannan Vishwanath*, honored by the Latvian Academy of Sciences and an expert in international trade in pharmaceuticals, took the stage to emphasize the timeliness of "Open Innovation"
- *Dr. Kunsulu Zakarya*, President of the National Academy of Sciences of Kazakhstan, outlined the main areas of focus for science in the nation.
- *Tamara Dancheva* from the GSMA illuminated the forum on "Driving Social Innovation via Mobile," leveraging her roles in international relations and gender equality partnerships to discuss the impact of mobile technology on societal changes.

- *Dr. **Janis Priede*** of the University of Latvia provided insights into "Innovations and Economic Development"
- *MSc **Pamela Bernabei*** discussed "Creativity and Business Intuition as a Source of Innovations," highlighting the humanistic aspects that drive innovative processes.
- *MBA **Cyril Golub***, from the Latvian Business Angel Network, tackled the challenging subject of "Making Investment Decisions with a Deliberate Lack of Initial Data," a topic that bridges the gap between intuition and analytical decision-making.
- *Dr. **Jo Cramer***, Associate Professor from the Oslo Metropolitan University, presented "EQUALS-EU" a project aimed at fostering gender equality in innovation, funded by the EU's Horizon 2020 program.
- *Dr. **Bao Leiping*** from the Shanghai Academy of Social Sciences shared his perspective on the "Developing Digital Society" and the unique opportunities and challenges faced by Generation Z.
- *Dr. **Satya Brahma*** brought insights into "Open Innovations: New Frontiers of Government's Public Policy," discussing how public policy can help in steering the direction of open innovation.
- *Dr. **Anthony Giannoumis*** from Inclusive Creation (Norway) presented "The Sins and Wins of Inclusive Leadership".
- *Dr. **Nina Linde*** took the stage to discuss the "Analysis of the 'Capital Repair' of the Financial and Capital Market System."
- Lastly, *Ms. **Liza Aizupiete*** focused on "Igniting Innovation: Tax Waivers for Scientific Start-ups and the Case of Latvia."

The event also featured a panel of experts who engaged in discussions on several critical issues:

- Identifying what Europe, and the Baltic countries in particular, need to foster innovative solutions in the market.
- Determining the competencies required to search for new solutions and develop an innovative economy at both micro and macro levels.
- Strategies for effective technology transfer and scientific development.
- Accessing the world's leading technologies and competencies to enter and diversify new markets.
- Best practices for protecting intellectual property and controlling R&D activities.
- Practical applications of open innovation to triple the chances of success in developing new products.

Work at the VI International Economic Forum was divided into **three plenary sessions** and **seven parallel sections**:

1. **Creativity as a Source of Innovation** (Moderators: Prof., *Dr. habil. oec. Baiba Rivza*, Academician of the Latvian Academy of Sciences, Latvia; *M.Sc. Pamela Bernabei*, President of the Scientific and Humanistic Research Foundation, Switzerland / Italy)
2. **EQUALS-EU Symposium on Developing Gender-inclusive Innovation Ecosystems: Key Insights from the Project funded by the European Union Horizon 2020 R&I programme** (Moderators: *Dr., assoc. prof. Jo Cramer*, Project Co-ordinator, EQUALS-EU: Europe's Regional Partnership for Gender Equality in the Digital Age funded by the European Union's Horizon 2020 research and innovation programme, Oslo Metropolitan University, Norway/Australia; **Renars Raubiskis**, Project Manager at the Institute of Economics of the Latvian Academy of Sciences, Latvia)
3. **Innovations for Silver Economy** (Moderators: *MBA, PhD cand. Ieva Siliņa*, former adviser of innovation and technology to the Minister of Economics of the Republic of Latvia; **Ance Petrovica**, Project Manager at the Institute of Economics of the Latvian Academy of Sciences, Latvia)
4. **Circular economy as the basis of sustainable development** (Moderator: *PhD cand., Mg.oec. Edgars Cerkovskis*, Director of the EKA study program "Circular Economics and Social Entrepreneurship", European Commission expert on macro and regional economics, Latvia)
5. **Financial Literacy and Innovations in the Financial Sector** (Moderators: *prof., Dr. oec. Jelena Titko*, Researcher at the Institute of Economics of the Latvian Academy of Sciences, Vice-Rector for Science and International Relations of the University of Applied Sciences (EKA), **Aija Brikse**, Head of the Financial Literacy Division at the Bank of Latvia, Latvia)
6. **Venture Capital as a Key to Innovative State Success** (Moderator: *MBA Cyril Golub*, Chairman of the Board of Directors at the Latvian Business Angel Network (LatBAN), Latvia)
7. **The Industrial Development of Drones & Airspace Technologies as a Driver for the Innovative Economy in Latvia and beyond** (Moderator: *MBA Oskar Stachowiak*, Managing Partner at The Untitled Venture Company BV, Luxembourg/ Switzerland)

## MAIN CONCLUSIONS

- The Covid-19 pandemic has underscored the effectiveness of open innovation in fostering corporate collaboration and value creation, beyond the competitive norms. As businesses transition back to regular operations, they should institutionalize the practice of open innovation to not only address immediate crises but also to tackle ongoing global challenges like climate change. It is crucial for this collaborative ethos to be maintained and nurtured, ensuring that the ingenuity and collective strength observed during the pandemic become cornerstones of future innovation strategies.
- Kazakhstan's progress in science, marked by innovations such as QAZCOVID-IN and pioneering technologies, underscores the effectiveness of its new scientific management model and supportive measures for research and development. It is recommended that the nation continues to prioritize investments in science and streamline research processes to bolster the productivity of its researchers and reinforce its intellectual capital. Such sustained efforts are vital for ensuring science's ongoing contribution to Kazakhstan's growth and its evolving role in the international scientific arena.
- The mobile industry is a pivotal force in driving innovation and addressing significant societal challenges, including digital inclusion and climate change, particularly vital as economies recover from the COVID-19 pandemic. With GSMA research indicating that mobile networks have already impacted over 126 million lives and constitute the primary internet access in low and middle-income countries, the role of mobile operators is critical in fostering sustainable business models and socio-economic advancements for the underserved. To further amplify this impact, it is essential to continue leveraging mobile technology to bridge digital divides and support environmental sustainability in an increasingly connected world.
- Venture capital decision-making in early-stage investments is characterized by a complex blend of intuition and data, as demonstrated by practices of European venture capitalists and angel investors. This delicate balance between 'gut feel' and rigorous data analysis is pivotal, with the influence of entrepreneurial teams being a key factor in the process. Anticipating a significant role for Artificial Intelligence, the presentation advocates for a nuanced investment approach that reduces biases and synergizes the intuitive with the analytical to navigate the dynamic venture capital landscape effectively.
- The EQUALS-EU project, supported by the EU's Horizon 2020 program, has illuminated the systemic barriers to creating gender-inclusive innovation ecosystems, highlighting the importance of women's and girls' participation in research and innovation for digital inclusion and broader societal challenges

in Europe. Despite the tendency for innovation to be male-dominated, fostering gender-inclusive environments is key to unleashing a new wave of female inventors and addressing deep-seated gender inequalities across all stages of life and sectors of society. This endeavour necessitates robust cross-sectoral collaboration and multidisciplinary networks to enhance capacity, establish new connections, and ensure that ICT developments are secure, sustainable, and equitably beneficial.

- The evolution of global innovation underscores the significance of open innovation strategies, both inbound and outbound, as catalysts for growth and transformation in an increasingly complex world. Despite the apparent need to harness external partnerships to navigate constraints, companies from emerging economies show limited engagement in open innovation, signalling a critical area for academic inquiry. In an age marked by information overload, it is imperative for current practices to consciously incorporate open innovation, thereby ensuring that the opportunities we create now will benefit future generations and lead to sustainable progress.
- Inclusive leadership, characterized by active listening and the validation of diverse team perspectives, emerges as a crucial approach for comprehending organizational challenges and driving innovation. Such leadership necessitates the creation of safe spaces that empower all voices and the distribution of decision-making power to engender trust and collaborative efficacy. To actualize the full potential of inclusivity, leaders must embrace a paradigm shift, decentralizing their role and amplifying marginalized voices, as encapsulated by *Dr. Giannoumis's* advice for leaders to step back, facilitating an environment where every team member can thrive and contribute to the organization's progress.
- Strategic tax waivers serve as critical enablers for innovation, particularly for scientific start-ups, by providing the necessary fiscal support to thrive in the competitive global arena. Latvia stands at the cusp of transforming into a nucleus for scientific and technological advancements, with the appropriate tax incentives playing a pivotal role in attracting investments and promoting research and development.
- The projected demographic shift in Europe towards an older population heralds a significant change, presenting both challenges and opportunities. By 2070, the rise in the population aged 65 and above will necessitate adaptations across various sectors, from healthcare to the workforce. Recognizing and tapping into the silver economy can transform this demographic trend into a force for sustained economic growth, leveraging the potential of an aging society to drive innovation and market expansion.
- The enactment of the Corporate Sustainability Reporting Directive (CSRD) marks a paradigm shift in European business, particularly in Latvia, from



prioritizing profit to integrating sustainability as a core component of corporate strategy. This regulatory shift has transformed corporate social responsibility from a voluntary initiative to a competitive necessity, compelling companies to transparently communicate their impact on social, environmental, and governance issues. Furthermore, the CSRD fosters a more honest and robust internal evaluation of sustainability practices, necessitating a culture of transparency and loyalty within organizations and encouraging dialogue with society to address economic issues through innovative and sustainable business models, such as those based on circular economy principles.

- There is an urgent need for structural reforms in Latvia's financial sector to boost competitiveness and attract investment. Research of the Institute of Economics of the Latvian Academy of Sciences calls for a "tax amnesty," reduction of bureaucratic hurdles, and a stable legislative environment. Furthermore, it proposes a synchronized anti-money-laundering framework, support for fintech startups, and enhanced small-to-medium enterprise initiatives. Emphasizing the reduction of regulatory complexities and promotion of workforce excellence, it provides a strategic blueprint to reinvigorate Latvia's financial landscape, aligning it with the dynamism of neighboring Baltic economies.
- The industrial development of drones and airspace technologies has positioned Latvia as an emerging economic force, catalyzing job creation, innovation, and international collaboration that extends its influence beyond its borders. The nation's strategic partnerships between academia and industry, alongside the proactive role of local developers, are driving competitiveness and technological advancement, while drones' applications in security, defense, and sustainability underscore Latvia's multifaceted commitment to leveraging this technology. As Latvia continues to integrate drones into various sectors, its role in the international drone industry grows, highlighting the importance of global collaboration and knowledge exchange in shaping a future where drone technology is integral to economic and innovative prowess.

The conclusions drawn from the event closely align with the questions posed, showcasing a multifaceted approach to fostering innovation in Europe and, by extension, in the international arena. The discussions highlighted the need for a nurturing environment for innovation, which includes the implementation of strategic tax policies, like those suggested for Latvia, to catalyse scientific and technological advancements. The emphasis on open innovation as a path to sustainable business and socio-economic impact, as seen in the mobile industry's reach and the success of the EQUALS-EU project, reflects an understanding that tapping into diverse perspectives and skills is crucial for progress.

Moreover, the incorporation of AI in venture capital decision-making and the call for a balanced approach between intuition and data demonstrate the importance of human creativity in conjunction with technological tools. The discussions pointed out that while AI and data-driven strategies are vital, the human element—exemplified by inclusive leadership and the validation of diverse perspectives—remains irreplaceable in navigating complex decision-making processes.

The potential of international ecosystems for the development of open innovation is evident through the role of cross-sectoral collaborations and multidisciplinary networks. These networks are essential for addressing systemic barriers to gender inclusion, as mentioned in the EQUALS-EU project, and for enabling access to global technologies and competencies. By fostering environments where innovation is not only encouraged but structurally supported through policies and cultural shifts, countries and organizations can better leverage the collective ingenuity of diverse teams. This collective force is crucial in addressing grand societal challenges and ensuring that the fruits of innovation are equitably distributed and beneficial on a global scale.

The event's conclusions resonate with the initial inquiries, underscoring the integral role of human creativity and strategic policy frameworks in shaping vibrant, international ecosystems for open innovation. From Latvia's tax incentives spurring scientific start-ups to the mobile industry's pivotal role in digital inclusion, and the EQUALS-EU project's efforts in gender-inclusive innovation, a clear narrative emerges: fostering open innovation requires a harmonious blend of human ingenuity and inclusive leadership, supported by cross-sectoral collaborations and data-informed yet intuitively guided decision-making processes. The potential of such ecosystems is vast, with human creativity acting as the linchpin, enabling societies to navigate and harness the complexities of global challenges and technological advancements for equitable and sustainable progress.



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