The European Parliament supporting research and innovation for economic growth and competitiveness

Background and focus questions for panel debate

Many EU policy areas in research and innovation have great potential to bring innovation solutions to the markets, and need strong political support from the European Parliament going forward. The EP and ITRE committee should remain committed to supporting smart growth policies that fully capture the potential of research and innovation as sources of renewed economic growth in Europe.

In the current environment of potential economic recovery, both the European Research Area (ERA) policy and the Innovation Union (IU) Strategy need a renewed and full investment commitment from Member States. Excellence needs to be at the heart of research and innovation policy, for excellence is a prerequisite for international cooperation and competitiveness[1]. The strategy development process and use of public investments in R&D needs to focus on engaging business stakeholders and leveraging private capital. R&I programmes need to be relevant and accessible to businesses, including through reducing administrative burdens to participation, accelerating time to grant and monitoring business involvement[2].

What policies and investments in Europe are needed for bridging the "innovation gap" e.g. supporting the cycle of knowledge, product and service creation in Lab-to-Market activities?

During the Horizon 2020 negotiations between the European Parliament and European Council, EP proposed several changes through instruments that are designed to speed up investments in areas of key technologies and fast growth and to increase the participation of industry, SMEs and first time applicants.

The European Parliament and the European Commission face the challenge to foster innovation and remove red tape for a more coherent Single Market and overcoming the "valley of death", referring to the difficulty of covering negative cash flow in the early stages of bringing innovative solutions from labs to the market. From the Member States perspective, the Europe 2020 strategy and recent Annual Growth Surveys emphasize the need to sustain R&I expenditures within overall fiscal consolidation efforts which is also reflected in the 2014 European Semester Country Specific Recommendations[2,3].

Europe's universities are facing a "skills challenge", in terms of attracting, developing and retaining talent that has the qualifications required by future employers and a more competitive world economy. Universities are advised to reinforce the knowledge triangle between higher education, business and research by developing comprehensive internationalisation strategies, including capacity-building partnerships with industry[4].

How can Member State's policies support more cooperation between R&D institutes and enterprises (SMEs)?

After 2012, companies in Europe continued to increase their expenditure on R&D significantly, but investments and economic results across industries and sectors show variations which reflects market uncertainties in the context of uneven potential growth of international markets as stated in The 2013 EU Industrial R&D Scoreboard[5]. In addition to enhancing the entrance of European businesses to international market, policies are needed to make them more competitive in the international business environment, including support for cooperation between universities and enterprises[6].

In accordance to current situation and challenges Europe is facing, European Commission has launched several initiatives, including a Regional Innovation Smart Specialisation Strategy (RIS3)[7]. Universities are starting to re-think their positions in the economic systems and have an underlying role as capacity builders on the demand side, also bringing global awareness and partnerships to regions and clusters, as concluded in the European Commission policy paper: "Universities and Smart Specialisation"[8].

Enterprises and universities are tasked with educating and training a competitive workforce, which creates the need for research infrastructure development, but also pilot lines and prototype centers. Opening up those platforms for cooperation between students and small and medium enterprises, and increasing support related to intellectual property and close-to-market activities remain at the center of innovation policy.

While good examples of policy frameworks and instruments are being implemented on the European level, the European Parliament must remain a leader and consolidate efforts in the dialogue for growth-enhancing measures and policies in Europe and it's Member States.

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1. The European Research and Innovation Area Board (ERIAB) ERA Stress Test "Placing excellence at the centre of research and innovation policy", February 2014
2. European Commission communication "Research and innovation as sources of renewed growth", June 2014
3. Commission points to innovation reforms to sustain economic recovery, Press Release, European Commission, June 2014
4. European Commission communication "European higher education in the world", July 2013
5. The 2013 EU Industrial R&D Scoreboard, Joint Research Centre, European Commission, 2014
6. Europe 2020 Competitiveness Report World Economic Forum, 2014
7. Smart Specialisation Platform, European Commission, 2014
8. Universities and Smart Specialisation. L.Kempton *et.al*. European Commission, 2013