EU must co-ordinate R&D to compete on global stage
Fri, Dec 10, 2010

Research across 27 member states is rife with inefficiencies, duplication and expense. It must be streamlined to take on the US, China and India, reports IAN CAMPBELL in Brussels

THE FIRST European Council meeting devoted to research and innovation will take place in Brussels early next year, when the 27 member states will be asked to endorse the proposals of the EU commissioner for research, innovation and science, Máire Geoghegan-Quinn.

The former Fianna Fáil TD has been given a mandate to build a single-state innovation policy. If she succeeds, the commission expects to create 3.7 million jobs by 2020 and increase annual gross domestic product (GDP) by €795 billion by 2025. Meeting the targets depends on member states allocating 3 per cent of their annual GDP to research and innovation, something only a handful have achieved to date.

As the EU faces its biggest financial crisis, research and innovation is held up as the beacon that will lead us to a new era of recovery. The goal is to compete with the rest of the world in extracting commercial value out of good ideas. But a single state comprised of 27 members faces obstacles absent in more cohesive federal countries like the US.

The scale of the challenge was made clear in Brussels when Geoghegan-Quinn offered the media an insight into its innovation union programme, the plan to boost Europe’s research and innovation performance.

Research will be focused on “grand societal challenges”, tackling problems around climate change, energy efficiency and health. “Not one but many industrial policies are needed,” said Geoghegan-Quinn, “and we need to move from zero risk to risk-taking.”

In the nine months since it was set up, the innovation commission has had no problem identifying challenges. Europe as a single state entity has not been good at research because of too little funding, too much fragmentation and a tendency to re-invent the wheel. “There are over 80 pieces of research on salmonella in the 27 states. That is a nonsense and can’t continue,” said Geoghegan-Quinn.

Adding to the long list of challenges are bottlenecks around standardisation, skill shortages and a failure to use public sector procurement to drive innovation. “Member states should set aside budgets for pre-commercialised innovation procurement in the public sector,” said Geoghegan-Quinn, discussing one of the more radical aspects of the innovation policy. Next year, the commission will support a research programme on innovation in the public sector.

The belief is that a new approach to industrial policies will enable member states to compete as one with the US, masters in the art of commercialisation, and China, which is about to overtake Europe in the global innovation fast lane.

“We’ve been flatlining for 20 years,” warned Prof Bruno van Pottelsberghe, an economics professor at the Solvay Brussels School of Economics and Management. Stints in an EU think tank and the patents office have given him a good view of Europe’s standing. He is very concerned: “The expected rate of return is what drives R&D and it’s much higher in the US than Europe. You have to improve it by sales or by reducing costs. It’s that simple.”
Money plays a big part at university level where a lot of research begins. American universities are much better-funded than European counterparts and more likely to attract star scientists. “There are incentives in the States for academic excellence and it’s the same in China and India. We have not been able to find a way of doing it in Europe.”

Van Pottelsberghe believes European universities must improve their governance and use key performance indicators to make them more entrepreneurial. He would like to see governments provide them with more investment, but this is a big ask as further cuts in education funding are more likely. “We fail to create large, excellent universities and there is decreasing funding for academic research and education. This is very challenging.”

There is little political will to spend more money, according to van Pottelsberghe, because research, by its nature, can take 10 years to deliver tangible outcomes, a process that sits uneasily with politicians’ more expedient approach.

The culture of European universities is also a problem. “They should no longer see themselves surviving in splendid isolation,” said Geoghegan-Quinn, “they need to co-operate with each other and industry”.

Industry is another challenge for the commissioner. The role of companies in its framework programmes, the primary instrument for driving innovation, has fallen to 25 per cent from 39 per cent 15 years ago.

Bureaucracy and excessive regulation are other big challenges for the 27 member states, with cross-border constraints limiting the movement of people and goods. “It’s easier for a footballer to get a work permit and move around Europe than a scientist,” said van Pottelsberghe.

Currently being debated in the European council is a plan for a European patent, replacing a complex registration process 10 times more expensive than in the States because each new patent has to be validated in every member country.

“At our university we don’t have the money to pay the translation costs, renewal and validation fees for each country,” said van Pottelsberghe. “SMEs, academics and businesses are crying out for an EU patent system.”

A European patent would be simpler and cheaper but failure to achieve unanimous agreement on how to do it means an “enhanced co-operation” approach will involve some but not all member states. The precise detail of the strategy is still being debated.

© 2010 The Irish Times