

Informal Meeting of the Competitiveness Council – Research

19-20 July 2007

Background note

Introduction

Seven years have passed since the Lisbon European Council of March 2000 set out its strategic goal for the next decade: “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”. The area of Research was marked by the launch of the European Research Area.

This goal was intended to be achieved by means of policies boosting the information society and R&D, stepping up structural reform for competitiveness and innovation, and completing the internal market, while modernising the European social model and applying a macroeconomic policy mix that would favour growth.

The Lisbon Strategy received two further inputs from the Gothenburg European Council of June 2001 which added an environmental dimension and from the Barcelona Council that brought the target of reaching 3% of investment in R&D until 2010, with 2% from the private sector.

In the mid-term review of the Lisbon Strategy in 2005 “Working together for growth and jobs”, an increased focus was favoured around two principal tasks – delivering stronger, lasting growth and creating more and better jobs. The renewed Lisbon strategy endeavours to step up the pace of reforms by proposing a stronger partnership with the Member States and social partners to increase their involvement in and commitment to the process.

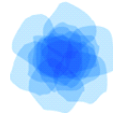
Context and objective

The Portuguese Presidency wants to highlight the Lisbon Agenda in the field of science and technology and further emphasize S&T in the European agenda.

The informal Competitiveness Council on Research will debate the contribution of national policies to the development of the Science and Technology at the European level. The Council will propose examining some of the S&T Lisbon targets from the viewpoint of the Member States. To that end, the Presidency will invite key stakeholders to enrich the debate and suggest further improvements.

This debate is relevant and timely as the new cycle of the Lisbon Strategy will start to be discussed during the Portuguese Presidency. These will cover, *inter alia*, a proposal with the political orientations to be continued in the new cycle, renewed integrated guidelines according to the political orientations and new initiatives to be presented.

In this context, the aim is that the discussion in the informal Competitiveness Council will feed and influence the overall political discussion on the new cycle of the Lisbon Strategy, and contribute in particular to reinforce and update S&T targets, including their monitoring in the new cycle.



The Presidency will focus the discussion on S&T human resources and on private investment and public funding of S&T in the Member States and in Europe. These are strategic topics that depend on national strategies.

A stocktaking exercise and a discussion on the way ahead should address the following issues:

Where do Member States stand in the implementation of the S&T policy targets of the Lisbon Agenda, namely in respect to R&D public and private investment and human resources?

Is there a need to renew or to streamline policy targets in the field of S&T in the context of the Lisbon Agenda?

National policies must now be put high on the agenda of European S&T development. We need to listen and learn from each other, not only from our own successes but also from our failures. National programmes and policies are inevitably linked to the Lisbon objectives. Achieving the European goals set by the Lisbon agenda will require stronger national R&D policies. National policy measures are therefore more important than ever.

Human Resources in S&T

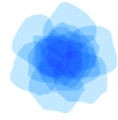
The 2002 European Summit in Barcelona called for an increase in the proportion of European GDP invested in research from 1.9% to 3%. In terms of human resources, it was estimated that an extra half a million researchers (or 1.2 million research-related personnel) would be needed to meet that goal. Europe needs more scientists. We must increase the number of researchers in Europe; encourage young people to study S&T; increase the number of women researchers; attract qualified human resources worldwide; ensure attractive and flexible research career perspectives.

What are Member States doing to encourage young people to study S&T, to ensure attractive labour market conditions (training conditions, research environment and career prospects), to eliminate regulatory obstacles to mobility and to promote flexible career paths?

The Presidency wishes to review the main actions proposed under the Lisbon Strategy since 2000.

It is important to develop links between different policy tools that can attract qualified human resources in science and technology to Europe and remove barriers that prevent researchers from moving to work in the EU. Also important to promote the simplification of mobility processes (for researchers, students, staff) making graduate higher education in Europe an international endeavour. Furthermore, it is important to establish links between research and education and training environment to make science a more attractive career option for young people.

Europe lacks a comprehensive system of information on researchers' career paths and mobility patterns. To bridge the gap between the producers of indicators and the policy



community requires use of shared tools. It is important to develop a coherent framework of indicators and benchmarks between Member States and the Commission.

QUESTION:

With a view to sustaining sufficient levels of qualified researchers in Europe, how can we attract more young people to study science and technology and to pursue research careers? How can the participation by women to the research effort be enhanced?

What are the measures taken by each member state to avoid brain drain and to encourage brain gain?

R&D investment

We all recognise that further progress must be made towards the EU R&D investment target of 3% of GDP (two thirds of which to come from the private sector).

The Commission working paper accompanying the ERA Green Paper states “the deficit in R&D intensity of the EU versus the US has not been reduced - on the contrary - and China will have probably caught up with the EU-27 by 2009 in terms of its share of GDP devoted to R&D.”

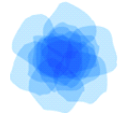
The Aho Report (January 2006) also recognised that measures are needed to increase resources for excellent science, industrial R&D and the science-industry nexus and calls for an increase in R&D resources but also for a new paradigm for the best use of those resources.

Private investment in R&D

More attention should be given to the role of the private sector in R&D. The attention should be put on policies and the creation of better conditions to encourage private investment. The sharing of experiences and practices among Member States is an asset and an added value in order to learn from each other. One should highlight foreign direct investment incoming and outgoing; global dimension; partnerships; start-ups; fiscal incentives.

QUESTION:

What are the main barriers for the growth in R&D private investment? What are the main measures each Member State is carrying out in order to encourage R&D private investment?



R&D public funding

We need to increase public investment in R&D. The situation differs from country to country but globally the EU has not reached its objective. The discussion of public investment in R&D is critical for meeting the Lisbon goals.

Member States have introduced different policies and instruments to promote public funding in their countries. These vary from increasing human resources in S&T and to the restructure of their public research system including the modernisation and reform of the universities. Strengthening the links between universities and the private sector including international partnerships has also been undertaken in many countries. We have also witnessed the promotion of intergovernmental, regional, and cross-border initiatives in research and development.

QUESTION:

What are the main recent policy measures and programmes established by Member States to develop and to strengthen public R&D investment? What are their main targets?