

European Forum for Manufacturing

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Speech Maria da Graça Carvalho
"Research, Innovation and Manufacturing"

Let me begin by giving you a stark figure. In the EU, joint programming of research counts for only 10 to 15% of public R&D funding, whereas in the US it counts for about 85-90%. Europe and the United States have comparable populations and levels of education. However, the gap between them - in terms of funding but also the ability to convert research into tangible outcomes – is alarming.

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Today, I should like to speak about three topics: firstly, the EU 2020 Strategy, the role of the knowledge triangle and the need for new sources of growth; secondly, the challenge of building ERA and finally the need for simplification in the world of research.

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The knowledge triangle - research, education and innovation - is of prime importance. In considering policy in this sphere much greater emphasis must be placed on social and economic costs and benefits. This entails thinking about industrial policy as something more than a simple question of technological efficiency. This is the central idea of the EU 2020 strategy.

Secondly, with regard to building the ERA, it is also important to structure the relations between the two poles of dynamic, competitive, local innovation, on the one hand, and EU level integration, on the other hand. This will enable us to strike a balance between bottom up and top down approaches.

Finally, this is not to say that Europe should contribute ever more rules and bureaucracy. Indeed, we need a culture of trust. Europe requires, I shall suggest, simpler rules that encourage the financing of research without tying researchers in knots of red tape.

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So, to begin with: the EU 2020 strategy and the role of the

knowledge triangle and the need for new sources of growth.

Europe faces a number of major challenges. These include the financial crisis; environment/climate change/energy security; and changing demographic patterns. It is essential that we shift from a mainly technological paradigm towards one that meets these specific challenges.

Henceforward, we will increasingly move towards evaluation in terms of the capacity to generate tangible economic and social benefits in these fields. The challenges we face today require us to confront the problems of how we are to maintain and improve both our standard of living and our quality of life.

The long term nature of reforms and investment in research, innovation, education and lifelong learning are of the utmost significance. They mean that decisions taken in the coming months and years will determine Europe's future ability to maintain its social model and take advantage of the next economic upturn.

Research and Innovation are crucial to ensuring that the EU remains an attractive industrial location in 2020. We need a

fresh approach to industrial policy, one that stresses resource efficiency, research, innovation and the education needed to keep EU industry competitive. This will be the foundation for new growth in the future.

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Turning now to the challenge of building ERA...

An ambitious new approach for making better use of Europe's limited public R&D funds is through enhanced cooperation using "joint programming". We must overcome the fragmentation of the ERA into 27 plus EU research areas. This will increase the impact of public investment in R&D.

At the European level, initiatives such as the JTI's or the EIT are moving in the right direction. This entails a deeper level of integration between knowledge players. These partnerships have moved beyond the traditional concept of loose collaborative networks. The new partnerships have created governance structures and processes that enable tighter integration between institutions and more effective decision making.

The ERC – European Research Council– has a key role to play in this respect. Given the lack of investment in research and innovation at a European level, it is necessary to enhance inter-state cooperation between the member states, on the one hand, and to encourage more effective and competitive means of evaluating research goals and outcomes, on the other hand.

Moreover, institutions such as the ERC will play an increasing role in pooling "peer reviewing" resources. These can then be used by other regional or national funding bodies to ensure the highest evaluation standards. The goal is to achieve a culture of excellence in the evaluation of research outcomes.

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For my last point, today, I should like to turn to the importance of building up a culture of trust. The situation of research funding requires urgent political action in order to adapt it to the needs of the European research community. The huge amount of bureaucracy, red tape and administrative tasks that research currently entails actively prevents Europe from achieving its strategic goals in terms of research policy.

Currently, many institutions, universities and industries, do not apply for European funds simply because of the rigidity of the rules involved. Moreover, most financing rules are not transparently applied. Finally, the financial regulation and implementing rules are far too complex, creating a climate of uncertainty, mistrust and hesitation.

Let me stress: we need simple rules for funding schemes and accountability systems. Much more trust should be allowed in defining how funds are used.

Conclusion

To finish with, let me just recap some of the main points I have made. We need a new industrial policy based in knowledge and resource efficiency. This will keep industry in Europe. This involves overcoming the fragmentation of European research and building dynamic structures that link the local and the EU levels. Finally, it is important that we develop a culture of trust to combat bureaucracy and overly complicated rules and regulations.