The European Union and the Americas, an Atlantic Project of Growth and Prosperity

Roundtable Research and Innovation

28-06-2013 Porto

Report of the second meeting of the EIN working group for EU Innovation Policy

This EIN summer university was devoted to the subject of the European Union and the

Americas, an Atlantic Project of Growth and Prosperity.

The Chair of the session, Maria da Graça Carvalho, made the introductory remarks

referring to the fact that the two Americas have tended in recent years to concentrate on

the Pacific coast. The Chair added that we should encourage renewed interest in trans-

Atlantic cooperation at the same time as we, in Europe, devote more attention to our

Atlantic coast as well.

The main objective of this workshop is to discuss concrete ideas for policy makers with

regard to how best to develop an Atlantic pact for growth and how best to ensure that

research and innovation feed directly into this pact.

The speakers were: Wolfgang WITTKE (DG Research and Innovation, European

Commission), Jonathan WAREHAM (Vice Dean & Professor, ESADE - Ramon Llull

University), Brigitte ANDERSEN (Professor of the Economics and Management of

Innovation Big Innovation Centre (BIC), Stephen EZELL (Senior Analyst, Information

Technology and Innovation Foundation) and Maria do Céu PATRÃO NEVES MEP

(Member of the EPP Group in the European Parliament).

The Rapporteur was Richard Hudson, CEO & Editor of Science/Business, who

conducted a debate on the following questions:

1. How, on both sides of the Atlantic, are policy makers trying to translate

innovation into real growth and jobs?

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2. Has either side of the Atlantic developed any effective ways of using innovation policy to stimulate regional development? How could the various transatlantic

trade negotiations change the game on innovation for both sides?

3. Could expansion of innovation policy coordination with Brazil and other rising

South and Latin American countries strengthen the trans-Atlantic relationship? Is

it possible, for instance, to have a coordinated approach to rising competition

from China?

Main conclusions of the debate are:

1. There are many strengths that each side of the ocean could bring to the other in

research and innovation:

One of the strengths we have in Europe is the way in which EU cohesion and

regional development policy has contributed to stimulating research and innovation

across Europe whilst striving to close the gap between the different regions making up

Europe. Portugal serves as an example in this respect. Portugal is a country in which all

the indicators for research and innovation is growing the fastest out of the 27 member

states. This is directly due to the application of European regional funds in the education,

research and innovation sectors.

Other relative strengths in Europe and the US are:

The EU is better on:

- Building a culture for a strong, diverse scientific community. This starts with

Europe's strong research universities, but has been broadened by years of EU

Framework Programmes encouraging collaboration and openness.

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- Expert at cross-border cooperation in research and innovation something sorely needed to tackle the world's Grand Challenges.
- Inclusive aspect of research as part of the cooperative model

## The US is better on:

- focus on the demand-side. The US government, and a thriving business community, pull innovations from the research community
- A strong tradition of feeding scientific evidence into policy making, across many domains. For instance, marine and fisheries policy in the US is often wellinformed by extensive research.
- A cheaper patent system, making it easier for researchers to protect their inventions
- Adapting to the 'creative disruption' that new technologies create, thanks to a flexible financial, entrepreneurial and research culture
- 2. Role of research and innovation in the trade negotiations between the US and EU:

Often, consideration of trans-Atlantic cooperation tends to concentrate exclusively on trade issues. However, we require a wider scope for such cooperation, particularly in so far as it concerns improved policy coordination, increased regulatory cooperation and standardisation.

With particular regard to research and innovation, trans-Atlantic cooperation should be constructed in such a way that our already strong ties are reinforced. This should enable us to learn from each other and benefit from each other's' expertise. Europe, for example, leads in the number of scientific publication published each year whilst the US is better at turning ideas into marketable products.

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Despite remaining weak in the passage from research to market, there are nevertheless many sectors that Europe leads in - aeronautics, automobiles and chemical engineering - and there are sectors in which the US is ahead of us, such as ICT and biotech. As for South America, Brazil stands out - to name but one country in the region - in the fields of energy, agriculture and in aeronautics.

General recommendations for inclusion in the trade negotiations:

- Sector-focused research programmes. Collaboration across the ocean will be more
  effective if the programmes 'matter' economically to the participants so it is
  important to organise programmes to suit the needs of particular industries or
  disciplines, rather than broad efforts cutting across the entire economy
- Bilateral participation in research programmes between the EU and US. It is, at present, too difficult for researchers on either side of the Atlantic to participate in each others' research programmes. While technically possible today, it needs to become much simpler.
- Regulatory cooperation. For many industries, such as pharmaceuticals, chemicals
  and ICT, how regulators view new products and services has a profound effect on
  the process of innovation. Greater cooperation between regulators, in emerging
  fields of research, would help both sides.
- Standardisation from the beginning of the research programme. Again, early thought given by governments to standards and norms for new technologies would help prevent unnecessary roadblocks appearing later on in the innovation process. Better cooperation among EU and US bodies responsible for standardisation would help.
- Open dialogue on data management. There are strong differences between US and EU views on data privacy and protection and these will have a growing effect on research and innovation in both countries. It's better to talk now about those differences, than later.

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## 3. Atlantic Research Pact:

We should focus less on the differences between Europe and the two Americas, and more on how we can learn from each other and build on our existing ties and ongoing negotiations - such as the current negotiations around the EU-US and EU-Canada trade agreements. This will allow us to create a springboard to renewed growth for the West in general. Indeed, it is urgent that we find ways of facing the challenge that China and other countries on the Pacific Rim represent. This must involve greater collaboration and a sense of common purpose shared between Europe and both Americas, North and South. Thinking broadly, across both hemispheres, would combine strengths most effectively to meet the rising competitive challenges we face.

## General recommendations:

- Research programmes between the EU, US and Canada could be extended to include Brazil, the stronger research and innovation force in South America.
- Greater research and innovation cooperation with South America, in particular Brazil, could open new trade and commercial opportunities for the EU. The strongest economies in South America need engineers, doctors and researchers plus the new products and services European companies can provide. This is an opportunity for Europe not to be missed.
  - Increasing the scale of student exchanges across the ocean would be a good investment for the future of both the EU and the Americas.