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The UK in the EU: a win-win for science and innovation

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Commissioner's visit to the Royal Society

London, 7 February 2011

Professor Casselton, Professor Smith, distinguished Fellows of the Royal Society,
Ladies and Gentlemen,

It is truly an honour to be invited to speak to you today, my first speech in London as the European Commissioner for Research, Innovation and Science.

The Royal Society is one of the greatest scientific bodies in the world and a powerful voice for scientific excellence. I know that you had your 350th anniversary last year, and throughout that long period of time, the Royal Society and its distinguished Fellows have been pioneers in movements that have changed our world: the Enlightenment, the Industrial Revolution, the Atomic Age and the Space Age, and now the era of the Internet and genetic science.

And today, as in the last three and a half centuries, the Royal Society is still at the cutting edge of research and the forefront of debate on the role of science in society. And your role has never been more relevant than in today's economic climate.

Indeed, in last year's policy document "The Scientific Century: securing our future prosperity", the Royal Society recommended that the UK "Put science and innovation at the heart of a strategy for long-term economic growth".

I could not agree more. Innovation is vital for growth. Economists are notorious for disagreeing with each other. George Bernard Shaw even said: "If all economists were laid end to end, they would not reach a conclusion!" Yet, on this point, they are unanimous.

Innovation is also crucial for the re-balancing of our economies which is necessary, both in the UK, and in my own country. Mr. Cameron and many UK government ministers have also emphasised this point.

Indeed, far from being a niche issue, of interest only to specialists, I would argue that innovation lies at the heart of everything that we are trying to achieve. Anyone who doesn't understand this is missing the point. To paraphrase Bill Clinton: it's the innovation economy stupid!

That is why I am so pleased that, just last Friday, the EU leaders discussed research and innovation. This is a major achievement in itself, as it is the first time that they have dedicated one of their summit meetings specifically to this issue. It puts research and innovation where it belongs – at the top of the political agenda. I am delighted to report that the EU leaders gave strong backing to the Commission's Innovation Union Flagship Initiative, one of the main pillars of the Europe 2020 Strategy.

The backdrop to the Summit was Barack Obama's State of the Union address. Most striking was his reference to the "sputnik moment" – the moment when you realise that your competitors have stolen a march on you. In response to this, President Obama argued that, rather than admitting defeat, Americans should get focused, get united and get ahead.

It struck me that the same is true for Europe. Of course, unlike the US, the EU is not one country, but a series of nation states. But, in certain areas, where critical mass is needed, we must combine forces to win.

At the same time, most of the key policy levers have to be pulled at national level. Delivering an innovative economy requires deep seated reforms across a wide range of policy areas – education, skills, taxation and many others. I know that a new UK innovation strategy is under preparation.

In the end, what we need is better articulation between the EU and national levels. It does not make sense to duplicate on the European level what can be done at the national level. But we should recognise when EU level action can add value to what Member States are doing.

So, what should be our common priorities?

First of all, it is essential to maintain investment in R&D and innovation. According to economists, reaching the EU's commonly agreed target of investing 3% of GDP in R&D could create nearly four million jobs in Europe and increase annual GDP by €700 billion by 2025. We are moving in the right direction, but at 2% of GDP, we still some way off our target.

I would like to give you the same message that I give in every Member State that I visit: we need "smart" fiscal consolidation. This is a jargonistic way of saying that we cannot afford to jeopardise future growth by cutting back now on the investment in education, research and innovation that is necessary for long-term economic recovery.

As one of the Royal Society's greatest Presidents Isaac Newton would have told you, you cannot defy the rules of economic gravity!

Germany, for example, has consistently invested in research and innovation. Now, it is planning to increase its investment by 12 bn over the next 3 years. So, its economic success is not an accident. It is the result of deliberate policy.

Indeed, although I am reluctant to say this in a place which houses a bust of Charles Darwin, this may be one area where scientists should support the idea of 'intelligent design!'

I know that this is not a simple matter. The fiscal position in many Member States – including the UK – is very tight. It is a time of tough choices. But – within the limits of their respective possibilities – all Member States should prioritise investments that will create the jobs of tomorrow.

If we need smart fiscal consolidation at national level, we also need a smart EU budget, a modern and forward-looking budget, with research and innovation at its core. This is the only kind of budget that we can justify to taxpayers.

I will fight hard for the levels of investment in research and innovation that we need for more growth and more jobs in Europe. The support of the scientific community is also extremely important for the discussions on the future EU budget. I hope that I can count on you.

At the same time, we cannot ask for privileged treatment from taxpayers and parliaments, particularly in times of financial austerity, without committing ourselves to being ever more efficient in the ways we invest public money.

The main problems can be summarised as follows: European Research funding is currently spread across too many small programmes and different instruments, sometimes with insufficient scale and scope to make real breakthroughs in a visible way.

In some cases, there are different rules and procedures between programmes, making it more complicated to apply for funding. We also need to better align our research programmes with other policy areas and instruments, including the European Regional Funds, and national R&D and innovation programmes

In two days' time the European Commission will present its Green Paper on future EU funding for research and innovation. We have now had seven Framework Programmes, but that does not mean that we should automatically move to Framework Programme number eight! I believe that we need a clean break. So, we will propose a new instrument – a Common Strategic Framework to bring together all of the relevant EU instruments. Let me highlight some of the main points that will appear in the Green Paper.

First, a Common Strategic Framework for research and innovation must have the scale and scope to tackle the major societal challenges that Europe faces. It must therefore support EU policy objectives in energy, transport, industry, ICT, health, agriculture, climate change and the environment. This message has come out very strongly in the discussions so far with stakeholders. I am pleased that the Royal Society also recommends this approach for the United Kingdom.

Second, the future programmes must focus even more on raising scientific excellence, through strengthening the European Research Council and stepping up support in areas such as research infrastructure, and the Marie Curie mobility actions.

Third, a Common Framework must genuinely bring together the instruments for research and innovation, namely the current Framework Programme, the Competitiveness and Innovation Programme, and the EU funding to the European Institute of Innovation and Technology. This will allow us to put in place truly cross-cutting strategies that cover the whole innovation system, from research to technological development, to demonstration and market uptake.

Finally, the Common Strategic Framework must bring about real simplification. Getting better value for money also means cutting red-tape, so that scientists can spend more time in the lab, and innovators can spend time innovating, instead of form filling. I am fully committed to simplification, and announced a number of short-term measures two weeks ago, but I will do much more. We need to move to a more trust-based approach for the management of our programmes.

The Green Paper launches a public consultation on key questions for this Common Strategic Framework. I encourage all of you to take part in this debate. The views of stakeholders will be absolutely crucial for the Commission in developing its legislative proposal on the Common Strategic Framework by the end of this year.

Investment in innovation is only the beginning. As people in the UK know only too well, investment and top talent is very mobile. So, we have to create an attractive environment in Europe, focusing on the key framework conditions that will hinder or smooth the innovation path from research to market. We need, for example, easier access to finance for SMEs, faster interoperable standard setting, more affordable Intellectual Property Rights and a genuine European knowledge market. Other key initiatives will aim to reinforce the Single Market by creating the conditions for the EU-wide operation of Venture Capital and by facilitating joint public procurement of innovative products and services.

The Innovation Union also sets the goal of completing the European Research Area by 2014. By achieving this, we could create major opportunities for closer cross-border co-operation and cross-fertilisation between researchers, universities, research centres and industry that are currently being lost because of cross-border obstacles to the movement of ideas and people.

It is right that UK innovation and business has a global outlook, but don't forget the opportunities that the European Research Area will present. With a vibrant research and innovation system, you have everything to gain from the ERA and nothing to lose – think of your research system as part of the larger European system, taking advantage of collaboration across borders and disciplines. And let's not be shy in admitting that the European Research Area also benefits from UK knowledge and expertise, and the research base and international connections of at least two of the world's top universities

So, I ask for your cooperation in helping us to push forward the actions needed to achieve the European Research Area. The EU can benefit from your know-how in research and innovation – you can inspire others. But I think that the United Kingdom also needs the EU. Closer integration and a greater contribution from the UK to the European research and innovation system can only be a win-win situation.

The UK is one of the most successful participants in the 7th Research Framework Programme. As the Royal Society's "Scientific Century" notes, the UK received a quarter of the total funding that went directly to Europe's academic community under the 6th Framework Programme, and under the 7th Framework Programme, the UK has received 14.6% of total funding so far, and UK partners are involved in 43% of all grant applications.

There are over 2,700 projects already funded with UK participants. These projects receive close to 10 billion euro in funding, of which more than 2 billion goes to UK participants. So this is a major contribution to UK research, but also represents a huge volume of collaboration, cooperation and exchange of ideas that can only be good for British scientists, and good for their colleagues abroad.

I think that the research community already understands this.

I would like to end by highlighting one of the most ground-breaking proposals in the Innovation Union Flagship: the European Innovation Partnerships. These are our answer to Europe's "sputnik moment." We need, as I said, to get focused and get united to get ahead.

We are planning to launch a limited number of Partnerships in areas where a clear and verifiable goal can be set in tackling a societal challenge. A key selection criterion is that there should be a significant market potential for EU industry - there are great opportunities to be seized and we want to see EU companies at the forefront in these new markets. I see the Innovation Partnerships as providing a framework for aligning instruments and resources. They will bring all key actors together and couple funding or supply-side measures with those on the demand side covering procurement, standards and regulations.

The European Council on Friday gave us the green light to launch a pilot Partnership on active and healthy ageing. This aims to bring all key actors together around the common and verifiable goal of adding an average of two healthy and active years to the lives of people in Europe. I am certain that British researchers and companies will be active participants in this pilot and future Partnerships on other themes.

Ladies and gentlemen,

I am convinced that science, research and innovation have a bright future in Europe. I am convinced that they will do much for Europe. We are building on the achievements of those great men and women who have helped build the democratic, technological, knowledge society that is Europe.

Isaac Newton famously said "If I have seen further, it is by standing on the shoulders of giants." The current members of the Royal Society stand on the shoulders of giants such as Newton, Wren, Linnaeus, Darwin, Lister, Fleming, Whittle and Hodgkin, to name just a few. I am convinced that British scientists, standing shoulder to shoulder with their European colleagues, will continue to see further and go further, for the benefit of everyone in society.

Thank you.