Research and technological innovation in Europe RTD: support and investment, action plan

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PURPOSE : to present an Action Plan concerning research investment in Europe. CONTENT : this Action plan sets out initiatives to give Europe a stronger public research base and to make it much more attractive to private investment in research and innovation. The European Union must bridge the growing gap in the levels of research investment between Europe and its main trading partners, which is putting at risk our long term innovation, growth and employment potential. The objective is to reach the objective set by the March 2002 Barcelona European Council, to increase the average research investment level from 1.9% of GDP today to 3% of GDP by 2010, of which two-thirds should be funded by the private sector. To reach the Barcelona objective, research investment in Europe should grow at an average rate of 8% every year, shared between a 6% growth rate for public expenditure and a 9% yearly growth rate for private investment. The Commission's consultation process showed a very broad support for the 3% objective. Most countries are already taking measures to boost investment in research, and many have set national targets in line with the European 3% objective. The paper discusses the weaknesses of the current system. These include: - the shortcomings and rigidities of research careers, leading excellent human resources to move out of research or out of Europe; - the dispersion and lack of visibility of Europe's often excellent research; - the difficulties encountered by technology-intensive SMEs in finding financing for their research and innovation projects; - the lack of awareness of researchers and research managers regarding the protection and management of intellectual property. The action plan comprises four main sets of actions: - a first set of actions aims at supporting the steps taken by European countries and stakeholders, ensuring that they are mutually consistent and that they form an effective mix of policy measures. This includes a process of co-ordination with and between Member States and acceding countries. It also entails creating a number of "European technology platforms", which will bring together the main stakeholders - research organisations, industry, regulators, user groups, etc. - around key technologies, in order to devise and implement a common strategy for the development, the deployment and the use of these technologies in Europe; - the second set of actions aims at improving public support for research and technological innovation. The focus is on actions to improve the career of researchers, to bring public research and industry closer together, and to develop and exploit fully the potential of European and national public financial instruments. For example, the action plan asks public authorities to eliminate by 2005 the current rules and practices, attached to many public funding schemes, which prevent trans-European cooperation and technology transfer and thus reduce considerably the research and innovation opportunities available to the beneficiaries; - the third set of actions addresses the necessary increase in the levels of public funding for research. Actions focus onencouraging and monitoring the redirection of public budgets, and on making full use of the potential for public support to industry offered by State aid rules and public procurement rules. For example, the action plan will clarify and improve awareness of the types of public support that public authorities can use with no distortion to competition; - a fourth set of actions aims at improving knowledge of intellectual property protection, regulation of product markets and related standards, competition rules, financial markets, the fiscal environment, and the treatment of research in companies' management and reporting practices. For example, the action plan sets the objective that every student in science, engineering and business should receive at least a basic training on intellectual property and technology transfer. An attached working paper of the Commission services complements and supports the Communication. It comprises 7 sections addressing the following topics: - the importance of research and development investment for growth; - developments in national politics towards the Barcelona objective (3% of GDP); - the positive response of the business sector to the first Commission Communication on the Barcelona objective; - the contributions of the 6th Framework Programme to the Barcelona objective; - the approach proposed for the application of the open method of coordination to the Barcelona objective; - European technology platforms; and - the supply chain of human resources for R & D.