

UNICE comments on European Union Research policy and the Seventh Research Framework Programme (FP7).

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Make R&D a responsible contributor to EU competitiveness

The primary aim of European research and innovation policy should be stimulate and contribute to the growth of the European economy and the welfare of its people. Therefore the main focus should be the competitiveness of European Industry. Industry, both large companies and SME's, are catalysts for innovation and it is the view of UNICE that much more emphasis should be placed on:

- stimulating research and innovation within industry itself.
- addressing the 'European paradox', whereby the quality and quantity of European public research is by and large excellent, however the results of this research are not making the transition from research to commercially viable product and services, and;

Avoid fragmentation in European Research, Development and Innovation policy

With this in mind the European Union's research, development and innovation policies needs to be *better co-ordinated* between the different Commissioners and especially between DG Enterprise and DG Research. It is of little use to the Europe Union's economic competitiveness, development or to the Lisbon goals if a fragmented approach to research and innovation policies develops. The Seventh Research Framework (FP7) Programme and Framework Programme for Competitiveness and Innovation should be constructed in such a way that they are complementary to one another. A fragmented approach for industry needs to be avoided at all cost.

Reverse the declining trend of industry participation

It is a stated fact *that industrial participation in the Sixth Framework Programme (FP6) has declined rather than increased.* This is due to a variety of reasons but the fact remains and the findings of the independent panel chaired by Professor Ramon Marimon confirms this (a confirmation which European industry fully supports). More needs to be done about this as Industries (both large companies and SME's) are catalysts for innovation and increasing competitiveness, and as such, should be a primary focus of European research policy. In this context it is clear that increasing industry participation in the various EU research programmes (particularly with a view to FP7) is a key element in fostering European competitiveness.

The programmes in FP7 should address the different needs of innovative SMEs and large companies. Large, multinational companies play an essential role in the European knowledge economy through the R&D they undertake, knowledge intensive products and services they produce and assistance they provide to SMEs. FP7 should continue to stimulate this activity in Europe. Large companies are also important because of their relations with SME's (outsourcing R&D and production), however innovative SME's (high tech but equally those that outsource their R&D – in-house R&D is not necessarily a prerequisite to innovation) are also essential for successful innovation in its own right.

Increasing the budget without improving its application is not enough!

European industry only supports proposals to increase the research framework programme's budget if this budget is used with the overriding goal of increasing competitiveness. Simply increasing the budget, without addressing the present failings as outlined in the Marimon report and with the current bias towards (basic) research for its own sake, will not be enough.

This means among other things that the *innovation and competitiveness should be incorporated into all of the 'six axis's' outline in the June 16th Commission communication on future research policy of the EU.*

Do not disconnect basic research from the innovation chain

With this in mind the initiative outlined in the recent Commission communication to create a European Research Council (ERC) could provide a valuable contribution to Europe's competitiveness but only if the *ERC also focuses on and facilitates research in broad areas where Europe faces significant challenges.* Identification of the specifics of these challenges can best be achieved if the board of the ERC includes representatives from industry.

Equally the ERC can only be considered a viable proposition if overall funding to European research and innovation programmes is increased. Industry cannot agree that the ERC be funded at the expense of existing programmes.

Ensure adequate EU funding for industry-driven initiatives

European Technology Initiatives/Platforms (ETI/P's) can also contribute to European competitiveness if they are *adequately* funded. The committed participation of industry will only be forthcoming when the conditions are right and this requires proper clarification as to what the role of the ETI/P's are to be and a requirement that they be funded from European sources (as is to be the case with the ERC). Failure to do this could result in the ETI/P's becoming little more than appointed 'talking shops' that deliver little by way of improving the growth and competitiveness of industry and therefore of Europe.