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Progress and the Knowledge Triangle in South Eastern Europe

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

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Education, Science and Innovation

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Ministers, distinguished guests, ladies and gentlemen,

Almost two years ago in Ljubljana, I spoke at the conference, "Why invest in Science in South Eastern Europe?" organised by UNESCO. During that event, I'm glad to say that we all agreed that research is the driver for economic development and a source of political stabilisation for the region.

For me, it's a sign of progress that this event in Budva has taken the debate to the next level. We've considered the stage before research and asked how our education systems can be adapted to the needs of a knowledge society. We've also reflected on the desired outcomes of research in the form of innovation.

This is important because none of the three sides of the knowledge triangle can stand alone. Excellence in research is impossible without quality in education. And research efforts are wasted – excellent or not - if they do not lead to the innovation that builds economies.

During the last three days, the case has been made to **increase efforts** on all three fronts: **education, research and innovation**. I can safely say that we agree that efforts are required at all levels: local, regional, national and international. And I think very few would disagree that both the private and the public sectors must play their part.

If we are all in accord on these matters, then perhaps my speech can be very short.

However, while agreement is one thing, action is another thing entirely. Promises are easy, but results take decisions and actions. Often, hard reforms are called for.

Such reforms in the realm of education, research and innovation are the daily struggle for the vast majority of people in this room - from the raising of awareness of the issues, through the debate, consensus-building and the formation of strategy, through to the implementation and monitoring of the outcomes.

These efforts are sometimes difficult, but clearly vital. Our actions are at the core of the fulfilment of the Lisbon Strategy on Growth and Jobs. The future well-being and the prosperity of Europeans depend on our success.

Therefore let me share with you the reforms that the European Union is doing to succeed in this enterprise. I am going to describe some activities on each side of the knowledge triangle that we must take to increase Europe's competitiveness and speed the transformation into a knowledge-based society.

Let me also say from the outset that what we are establishing for the European Union of 27 Member States is also valid for wider Europe. Not only because all Balkan countries have a perspective to join the European Union, but because we all need to reform.

Beginning with education let me emphasise that we have to release the tremendous untapped potential in our university sector. We must react to the need for more scientists, engineers and other highly trained knowledge workers in Europe. This means modernising universities, encouraging the mobility and career development of researchers and facilitating links between industry and academia.

For instance, we must take the necessary measures to provide more autonomy to universities. Of course, more autonomy should also be accompanied by more accountability for results.

We must also increase and diversify the sources of funding. Direct public investments can be accompanied by incentives for industrial participation.

Universities themselves must make strategic choices: about specialisations, about formation of networks and partnerships with other institutions, and about their relationship with the private sector. They must conduct internal reforms, adopt new governance systems and professionally manage their resources.

We must also take measures to offer a good career to our researchers. This requires encouraging the mobility and career development of researchers and facilitating links between industry and academia.

At European level we adopted the European Charter for Researchers and the Code of Conduct on recruitment for researchers. These two documents are to be implemented at institutional level (universities/research institutes) and on voluntary basis. In other words, if an institution is willing to accept these documents, it means they are willing to recognise the rights and obligations of their researchers. So far implementation in the Balkan Countries is very weak. And yet, they could help in making your universities known and attract foreign researchers.

European governments must also further dismantle the national barriers hindering mobility and career development. Issues include pension rights, open recruitment, recognition of qualifications and previous mobility, and portability of grants.

In Brussels last week we launched EURAXESS – Researchers in Motion, the new branding overarching four European initiatives for researchers, namely: the former European Researcher's Mobility Portal (now known as EURAXESS Jobs), the former ERA-MORE Network (now known as EURAXESS Services), the European Charter and Code (now everything about it is under the umbrella EURAXESS Rights), and the former ERA-link, the network of European researchers abroad, now known as EURAXESS Links. With specific reference to the EURAXESS Jobs Portal and the EURAXESS Services Network, I am pleased to highlight that Croatia, the Former Yugoslav Republic of Macedonia and Serbia are already part of them and they are in the process of setting up their national EURAXESS Portal and Network. Other SEE countries are foreseen already as these initiatives aim at enhancing the mobility of researchers and, thus their career development.

While the European Commission is not a direct actor in the modernisation, opening and reform of universities, it is providing catalytic support to the process, to achieve goals to foster modernisation, restructuring and innovation. This includes facilitating mutual learning and peer review activities and linking more strongly the European Higher Education Area with the European Research Area.

The development of the European Research Area – the second side of the knowledge triangle – could not be more important. Having a strong public research base of world-class excellence will be of even more importance than in the past for a region's economic success in an era of open innovation.

The progress that the European Union is making in R&D policy can be seen in many activities that we've started:

- We've boosted the average annual funding for the 7th Framework Programmes for Research by 40% in real terms, providing a total of 53 billion Euros during 2007 to 2013.
- We've responded to the calls for support to basic research by creating an independent European Research Council;
- We've overseen the creation of more than 30 European Technology Platforms that bring together various stakeholders, led by business, around specific research agendas;
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- We've set up new public-private partnerships through Joint Technology Initiatives;
- We've agreed the creation of a European Institute of Technology, with its headquarters in Budapest, which will be a laboratory for integrating research, education and innovation.

Funding for knowledge and innovation in the structural funds has been boosted. Recent analysis has shown that in the next programming period 2007-2013, some 50 billion Euros of the structural funds' allocations will be spent on R&D. This is an amount nearly equal to the European Community's main research budget!

However, it's important that we all remember that it is within the Member States that the bulk of public resources lie and where the greatest efforts in public research are made.

Hence the Commission's proposal this year to boost the ability of the Member States to develop joint research programmes. We are also putting forward proposals to enable common strategies and activities for international science and technology cooperation.

The national reform programmes under the Lisbon Strategy and the aforementioned proposals provide ways to create effective partnership with and between the Member States. These are helping to drive the structural reforms necessary to make our collective society more innovative.

But we realise that ***innovation – the third leg of our knowledge triangle*** – needs us to looking as widely as we can. To have the desired impact we must adopt an integrated approach across all relevant policies.

In our broad-based innovation strategy, we are looking at all the instruments at the disposal of public authorities, such as standards, public procurement and – where necessary – regulation. We are seeking to adapt our rules on intellectual property rights, risk capital, tax incentives and other areas, to help create incentives and a demand for innovation.

One interesting development in this regard is the initiative on "lead markets", launched in January this year. This initiative is an attempt to apply these instruments in a joint and coherent way to support the development of new European markets for innovation intensive goods or services.

We've proposed to start work in six areas, with health and sustainable construction among them. Creating new markets with a European size and strong innovation incentives, while at the same time meeting societal goals, could enable our industries to lead future global markets.

These are the challenges that wider Europe faces and some of the responses that the EU has initiated.

Ladies and gentlemen,

Being myself from South Eastern Europe, I'm not blind or insensitive to the many challenges faced by this region, particularly in some of the Western Balkan countries. And I appreciate the many recommendations we've heard today to tackle these issues.

But it's important to realise that the SEE region is suffering from problems – in some cases in an extreme form - of the very same nature that we tackling within the European Research Area as a whole. Our problems are of the same nature throughout Europe. We are merely at different starting points.

The European Commission is here to help as much as we can. Our intention - and my ambition - has always been to help the South Eastern European region to take its rightful place within the European Research Area - and within the European Union.

There are at least three things we can do to strengthen research capacity in the Western Balkan Countries:

- Firstly, we must achieve greater research cooperation at regional level and within European-level programmes;
- Secondly, countries within the region should design integrated research policies; and
- Thirdly, modernisation and improvement of research capacity must be made a matter of priority.

As well as a strong commitment, this requires organisation and funding. I know that public resources are always scarce, but this is why it is so important that education, research and innovation are high on the political agenda.

In June 2006 in Vienna, in order to increase research opportunities at regional, European and international level, I declared the doors of the European Research Area wide open to all the Western Balkan Countries. In the meantime, I have done my best to make association to the 7th Research Framework Programme as attractive as possible. I am very pleased that almost all Western Balkan Countries are now linked.

We have kept the cost of association as low as possible, so that national funding can be spent on national research capacity building, for both infrastructure and human resources. Also, as a means to facilitate your integration into the European Research Area, we have suggested that you design and implement integrated research policies.

However, over the last 2 years, we have not seen much of an increase in the budgets for research in this region. But I remain optimistic.

During my state visits I have met with many of your Prime Ministers and ministers responsible for science. They are committed to establishing strategies for science and research and recognise the need to establish plans that would gradually increase national spending on research.

We must also use the existing European financial instruments for scientific capacity building to their maximum. For example, I am pleased that we have started to consider how the Pre-Accession Instrument (IPA) can be used for projects aiming at strengthening research capacity. In addition, contributions could be made by important stakeholders like the Regional Cooperation Council and COST, as well as the European Investment Bank and the European Bank for Reconstruction and Development.

With respect to infrastructure, I realise that it is both important and capital-intensive. That is why all Western Balkan Countries associated to FP7 have been invited as observers in the European Strategy Forum on research infrastructures. This is an opportunity to be connected to European infrastructure developments and possibly to establish research infrastructures of interest for the entire region.

In summary, we have begun to move on several fronts to tackle these challenges. The Steering Platform for Research in Western Balkan Countries could be extremely valuable in the access and use of these instruments.

Before concluding, I would also like to recall that for the Western Balkan Countries, there is another reason to put research high on the agenda.

Research cooperation has an important part to play in preparing the ground for accession. I know this as the former head of the negotiating team for Slovenia, during our accession to the EU. It will help to prepare your scientists for the implementation of EU legislation that requires compliance with technical requirements and standards on environment, public health or energy targets.

In other words, engaging in research will facilitate what the European Council confirmed in Brussels last month - full support for the European perspective of the Western Balkans. It also recognised the need to continue the cooperation in the area of science and research.

In conclusion, let me state it in one more way: through cooperative reform and progress in education, research and innovation, this region is developing its identity as a vital part of the wider European family.

As you achieve these steps, you'll be helping to build your national capacities and the European Research Area. You'll be using education, research and innovation as valuable tools for your own development, but also for eventual accession to the EU.

I am looking forward to the emergence of the Western Balkans as a force in science and innovation and a strong partner in the South Eastern European region. I am eager for the exchanges that will boost our mutual capabilities.

Together, we will mobilise the brain-power of Europe to put knowledge and innovation at the service of people. Jointly, we will confront global challenges while increasing the prosperity and well-being of our society. And as partners, we will fulfil Europe's ambitions as a global knowledge economy.