

# SwissCore Synopsis

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### **The State of the European Research, Innovation and Education Area**

After focussing on the newly started EU Programmes in our Special Edition last summer, in the present issue we are looking at the state of the European Area, not only for Research, but also for Innovation and Education.

Indeed, the second half of 2007 saw many discussions following up on the European Research Area (ERA) Green Paper, which resulted in five concrete initiatives being planned by the European Commission. These proposals were based on reports that Expert Groups had put together, taking as basis the results of the consultation and proposing concrete ways to re-launch the ERA (Synopsis 2008/1).

In the first half of 2008, the European Commission already issued four out of the five planned initiatives that followed from the ERA Green paper discussions: in April, a Recommendation on knowledge transfer between academia and industry was published (p. 2 and Synopsis 2008/4), and in May, a proposal for a partnership to boost researchers' careers was tabled (p. 3 and Synopsis 2008/5). These two first initiatives have been complemented in mid-July by a Regulation for a new legal framework for European Research Infrastructures (p. 5 and Synopsis 2008/3) and a proposal for Joint Programming of research (p. 5). The last initiative to follow up on the ERA Green Paper, regarding the international dimension of the ERA, is expected in September; we can already now provide our readers with a first glimpse (p. 6).

Meanwhile, the Ministers of the EU Member States, meeting for informal discussions in Ljubljana (Slovenia) on 15 April, launched what is known now as the "Ljubljana Process", in allegiance to the well-known Lisbon Process. At this meeting, Ministers recognised the fundamental role of the ERA as key for reaching the Lisbon objectives and agreed to develop a long-term vision for the ERA in partnership with the European Commission. This "ERA Vision 2020" should be endorsed by the Council of the EU before the end of 2008 and would be carried onwards by the current and next presidencies of the EU (France, Czech Republic and Sweden). In addition, a model for the governance of the ERA would also be developed, based on the Open Method of Coordination and with the advice of CREST. These conclusions were endorsed by the Competitiveness Council at the end of May.

However, the ERA cannot be considered in isolation, and the links with innovation and education are explicitly mentioned in the "Ljubljana process". We therefore provide an overview on the progress of Lead Markets Initiative (p. 9) and on innovation in services (p. 8), which are two key aspects of the current debate on innovation in Europe, the third one being the development of a European Patent. Furthermore, we summarize a series of initiatives in the field of education that were tabled just before the summer break (p. 12). And to bring together the three corners of the triangle of knowledge, research, innovation and education, we report on the progress made in the first half of this year in the setting up of the European Institute of Innovation and Technology (EIT), which has the bold ambition to integrate these three dimensions and to become a lighthouse in the European Research, Innovation and Education Area (p. 10).

## ◆ Research

### **EC recommendations on knowledge transfer try to link research and innovation**

Fostering transnational academia-industry cooperation and transforming more research into saleable and innovative products is a topic which is on top of the EU's innovation and research policy agenda. It appears not only in the discussion on the creation of the European Institute of Innovation and Technology (EIT), but has also the key role in recommendations on knowledge transfer between academia and industry, published by the European Commission on 4 April.

The document is a follow up activity of the European Commission's spring 2007 Communication on knowledge transfer as well as of the ERA Green Paper's section on knowledge sharing. It sets

out the Commission's views on improving knowledge transfer activities between public research institutions and business by pointing out in particular the trans-national aspects of such activities. The non-binding recommendations shall help member states to adapt their national policies on the management of intellectual property and knowledge transfer in order to make the different national systems more coherent and to increase the success rate of trans-national knowledge and technology transfer. Mainly three areas in which efforts of Member States should focus on are mentioned:

- R&D collaboration of universities and public research institutions with industry (collaborative and contract research)
- Licensing from universities and public research institutions to industry
- Creation of spin-off companies and enhancing of students entrepreneurial thinking

The main part of the document is not addressing national policy makers, but universities. Voluntary guidelines for universities and other research institutions are annexed to the document. This "Code of Practice" offers universities and public research organisations operational principles which they should take into consideration when developing or revising their internal IPR and knowledge transfer policies.

According to the European Commission, European universities generate in average far fewer inventions and patents than their counterparts in the United States, which is due to a "less systematic and professional management of knowledge and intellectual property". The recommendations from 4 April offer some guidelines to improve this situation. However, by putting the focus on trans-national cooperation between partners in European countries, it is uncertain whether the recommendations can also be applied when it comes to international negotiations on research results, that is to say projects that involve partners in non-European countries such as China or India. Seen the importance of international S&T cooperation for the EU (see article on p. 6), the appropriate management of IPR issues is an important requirement for the success and durability of such cooperation.

In a Council resolution of 4 June, the EU Competitiveness Council approved the recommendations and invited EU Member States to undertake measures.

The full text of the recommendations can be found here:

[http://ec.europa.eu/invest-in-research/pdf/ip\\_recommendation\\_en.pdf](http://ec.europa.eu/invest-in-research/pdf/ip_recommendation_en.pdf)

The report of the ERA expert group on knowledge sharing provides a deeper insight into the topic and can be found here:

[http://ec.europa.eu/research/era/pdf/era-gp-eg4\\_en.pdf](http://ec.europa.eu/research/era/pdf/era-gp-eg4_en.pdf)

### **Researchers' careers: the European Commission takes the bull by the horns**

As one of the five follow-up actions of the ERA Green Paper's consultation, the European Commission published a Communication on "Better Careers and more Mobility: A European Partnership for Researchers" on 23 May 2008 (see Synopsis 2008/5). The idea behind it is to create a partnership between the EU Member States and the European Commission to face the current obstacles and to improve the labour market and the mobility of researchers.

This initiative's foundation stone goes back to the recognition of researchers' key role in a competitive knowledge-based economy. To underscore this idea, two reports highlighting possible factors inhibiting mobility were issued: the first one, regarding "Indicators on researcher's stock, career and mobility" was released by the European Commission under a specific Marie Curie Support Action in January 2008 (see Synopsis 2008/2). The second report, "Realising a single labour market for researchers", was put together by an Expert Group set up by the European Commission. The aim of this Expert Group was to identify realistic policy options based on the results of the Green Paper consultation. For the Expert Group report see the link below.

Taking stock of these two reports, the aforementioned Communication brings to light the main barriers hindering the availability of the researchers necessary for a knowledge-based economy and proposes a partnership between the European Commission and the Member States to overcome them. This collaboration aims at homogenizing and standardising opportunities for researchers and is focused on the four following key areas:

1. Meeting the social security and supplementary pension needs of mobile researchers: workers are subject to legislation of the country in which they work and mobile workers are confronted with difficulties regarding their social security rights due to a series of short contracts under different national legislations during their career. In order to face these difficulties, the Communication proposes to ease the transfer of supplementary pension rights for highly-mobile workers, including researchers and to encourage pan-EU pension schemes targeted especially at researchers.
2. Providing attractive employment and working conditions: in many Member States there are significant differences in working conditions between young and senior researchers and between men and women. Indeed, the young researchers are often employed on temporary short-term contracts while senior researchers are more likely to obtain permanent and long-term contracts. In addition, remuneration for men is higher than for women in several EU and Associated Countries (see Synopsis 2007/5). The European Commission proposes to provide better career development opportunities to early-stage researchers, to allow more flexible contracts for senior researchers as well as to aim at an adequate gender representation and remuneration.
3. Enhancing the training, skills and experience of European researchers: links between the public research base and business are vital to convert research results into successful innovation. However, most researchers in Europe are still trained in a traditional academic setting and do not have the skills and competences to manage an industry project in a company. The European Commission encourages Member States to ensure better links between academia and industry by supporting the placement of researchers in industry during their training.
4. Systematically opening recruitment and portability of grants: a lack of open job opportunities due to a widespread internal recruitment at national level in the public sector is frequently cited by researchers. In fact, the majority of open vacancies is only advertised internally and the majority of project funding is tied to an institution within the country of the funding organisation. Moreover, despite the adoption of the European Qualification Framework (EQF) and the ECTS credit system put in place by the Bologna process, institutions still have difficulties in recognising academic and professional qualifications from other countries. Thus, considering these obstacles which tend to reduce researchers' careers opportunities, the Communication stresses following requirements: 1) to ensure open, transparent and competition-based recruitment of researchers, 2) to recognise qualifications from other countries, 3) to allow portability of individual grants awarded by national agencies, 4) to provide adequate information and assistance services for researchers and 5) to advertise online and openly all publicly funded researchers' positions. In order to fulfil these last two requirements, the European Commission presented its new web portal "Euraxess" on 24 June 2008. Replacing the European Research Mobility Portal (ERMP) launched in 2003, Euraxess groups all the initiatives and services under a single portal which is clearer and more interactive than the former one (see Synopsis 2008/6).

As a follow-up of this Communication, an evaluation of the first stage of the partnership with a full incorporation of the views of the researchers themselves is foreseen in 2010.

The Communication can be found under:

[http://ec.europa.eu/research/press/2008/pdf/com\\_2008\\_31\\_1\\_en.pdf](http://ec.europa.eu/research/press/2008/pdf/com_2008_31_1_en.pdf)

The Expert Group report can be found under:

[http://ec.europa.eu/research/era/pdf/era-gp-eg1\\_en.pdf](http://ec.europa.eu/research/era/pdf/era-gp-eg1_en.pdf)

## **Towards a new legal framework for Research Infrastructures**

On 16 July, the European Commission published a proposal for a Council Regulation on a new Community legal framework for European Research Infrastructures (ERI) as one of the follow-up actions of the 2007 ERA Green Paper. This Regulation takes stock from the work of an Expert Group set up by the Commission and vested with the mission to find ways to develop world-class research infrastructures in Europe (see Synopsis 2008/3). The Group's recommendations included an increase in funding for research infrastructures, but linked with a prioritisation at European level, the further deployment of e-infrastructures as well as a strategic coordination mechanism, also in the context of Europe's participation in global research infrastructures.

As the process for prioritizing research infrastructures at European level under the leadership of the European Strategic Forum for Research Infrastructures (ESFRI) is progressing well, the Commission concentrated its efforts on one further aspect laid out in the Expert Group report, namely the need for a new legal framework for the setting up of research infrastructures of pan-European character. Indeed, while the creation of intergovernmental organisations with tailor-made legal bases for research infrastructures has been a very successful mechanism (e.g. CERN, EMBL; ESO), the process in setting up such organisations has been considered as lengthy, difficult and cumbersome. Recent work carried out under the auspices of ESFRI has recognised that existing legal forms under national or Community law (e.g. the German GmbH, the French société civile, the Dutch stichting (foundation) or the European Economic Interest Groupings) do not fulfil the needs of research infrastructures.

The main points of the Commission Regulation for a new legal framework specifically designed for European Research Infrastructures (ERI) are:

- The Regulation stipulates that ERI should be of scientific, non-commercial nature and be of "pan-European" importance;
- National States, or legal entities representing them (e.g. agencies), would take part in the ERI, while it is not foreseen that the European Commission would be a member;
- The liability of the members of the ERI would be limited;
- The headquarters of the ERI should be in an EU Member State;
- The ERI should be managed by a professional management;
- Specific derogations from national law for the staff of the ERI would apply;
- The jurisdiction and applicable law would have to be specified.

The new legal framework for ERI would be based on Art.171 of the EU Treaty and will therefore be presented to the Council for adoption (as a reminder, the consultation procedure applies for this Treaty article). The adoption procedure for this Regulation would happen in two steps: first, the general framework would be set through the adoption of the Regulation by the Council of the EU; the adoption is expected at the end of this year. In a second step, separate Council Decisions would be necessary for the establishment of each ERI.

The new legal framework for European Research Infrastructures can be found under:

[http://ec.europa.eu/research/press/2008/pdf/com\\_2008\\_467\\_en.pdf](http://ec.europa.eu/research/press/2008/pdf/com_2008_467_en.pdf)

The report of the Expert Group on research infrastructures can be found under:

[http://ec.europa.eu/research/infrastructures/pdf/ri\\_era-expert-group-0308\\_en.pdf](http://ec.europa.eu/research/infrastructures/pdf/ri_era-expert-group-0308_en.pdf)

## **Tackling European research challenges through Joint Programming**

As another follow-up action of the European Research Area (ERA) Green Paper, the European Commission published a Communication entitled "Towards Joint Programming in Research: Working together to tackle common challenges more effectively" on 15 July. Behind this enigmatic title hides the maybe most exciting new proposal the Commission made as a result of the ERA consultation exercise.

Indeed, the Commission Green Paper "The European Research Area: new perspectives" of April 2007 (see Synopsis 2007/2) observed that regarding a main objective of the ERA, namely the coherence of European, national and regional research programmes, not much progress has been

made since 2000. Many research funding organisations, notably the heads of European Research Councils (EuroHORCS) have challenged this view and the implied requirement for coordination of programmes at European level. Some argued that scientific progress thrives on duplication, as only scientific results proven independently several times can lead to true knowledge. However, in the view of the Commission, it remains that Europe as a whole has difficulties defining common challenges and orienting the science policies of the different countries towards each other. Only this would allow critical mass to be reached to compete at the global level (e.g. against the US or Japan).

This discussion was picked up by an Expert Group set up by the Commission to propose concrete measures to optimise research programmes and priorities in Europe. Next to the three existing pillars of the EU Research Framework Programme, the Inter-Governmental Agreements for Research (e.g. COST, EUREKA) and the purely national or regional programmes (which can be open to trans-national collaboration), this group proposes in its conclusions to develop a fourth pillar of trans-national research programming. This so-called ERA-Frame would need the endorsement of the Council of the EU and the definition of a common set of principles and operational guidelines. This would ensure commitment at the highest level of a common vision for trans-national research challenges and the way to tackle them. This endorsement seemed necessary to the Expert Group as available coordination mechanisms (ERA-NET, ART. 169) have often failed due to lack of high-level support (see in this context the problems experienced by EDCTP; Synopsis 2007/6).

Based on the work of these experts, the Commission now proposes in its Communication a new mechanism for setting up trans-national research programmes called Joint Programming. This instrument is laid out as a flexible mechanism for the coordination of new national research programmes, in which the Commission would merely act as a coordinator rather than one of the funding members. Such Joint Programming initiatives should be based on a common vision of several Member States on a variable geometry basis and be concretised in a Strategic Research Agenda (SRA). This SRA would then be implemented at a later stage through the appropriate research funding instruments. Although these Joint Programming initiatives should be mostly alimented through national funding, a contribution from the Community is de facto not excluded.

This mechanism of defining common goals has a striking resemblance to the exercise the Commission went through in the last two years with European industry in the design of the Joint Technology Initiatives. As for those, it is to be expected that Joint Programming initiatives will be few in number and be focussed on major European challenges such as aging or the environment.

The Commission foresees the Communication to be adopted by Council and the European parliament before the end of 2008. Following the adoption, a High Level Group would define potential themes for Joint Programming during 2009 and concrete initiatives would then be proposed for adoption to the Council at the end of that year. First joint activities (e.g. research projects) are expected to be launched at the end of 2010.

The Communication on Joint Programming can be found under:

[http://ec.europa.eu/research/press/2008/pdf/com\\_2008\\_468\\_en.pdf](http://ec.europa.eu/research/press/2008/pdf/com_2008_468_en.pdf)

The report of the Expert Group can be found under:

[http://ec.europa.eu/research/era/pdf/eg5-optimising-research-programmes-priorities\\_en.pdf](http://ec.europa.eu/research/era/pdf/eg5-optimising-research-programmes-priorities_en.pdf)

### **Opening EU research to the world: the dimension of International Cooperation in the ERA**

One of the six dimensions of the 2007 ERA Green Paper is to relate the European Research Area to the outside world. The main idea behind EU international cooperation in S&T is to put the ERA on the global map and to give the EU's fifth freedom – the free circulation of knowledge – a global dimension. The chapter of the ERA Green Paper dedicated to this issue was therefore proposing a wide opening of the European Research Area to the world, with special emphasis on neighbouring countries. Two parallel challenges have to be met by the ERA: fostering S&T in countries that are far behind Europe, but also benefiting from S&T developments occurring elsewhere.

Despite some success stories of EU's involvement in international S&T cooperation such as ITER, the Commission concluded in the 2007 Green Paper that Europe is still lacking coordination and a

systematic approach in the field of international cooperation and therefore is losing a lot of its potential impact on the global stage. In a nutshell, following priorities were mentioned in the document:

- Closer coordination between Member States is needed, but also between S&T cooperation and other areas of EU external relations
- Regarding neighbouring countries, the objective should be “to establish a borderless broader ERA”, which could benefit from other elements of European Neighbouring Policy: this would not only include participation in EU Framework Programmes for research, but also mobility of researchers, coordination of research infrastructures and research programmes
- Cooperation with developing countries should mainly focus on strengthening their S&T capacities, whereas with industrialised and emerging economies priority should be given to programmes of mutual benefit, taking particularly into account the issue of IPR
- International exchange of researchers is mentioned in the Green Paper as an issue that is of interest for the EUs S&T cooperation with all partner countries

For September 2008 a Communication on International S&T Cooperation has been announced, deepening the European Commissions ideas that were outlined in last years Green Paper. A draft version gives already some insights in this strategic European framework on International Cooperation in S&T, mentioning in particular six priorities for success in international S&T cooperation:

- Integrating Europe’s neighbours into the ERA: While the association of all Western Balkan countries to FP7 is virtually completed, the European Commission stresses that association is also open to the EU’s southern and eastern neighbours. However, efforts need to be made to prepare association of those countries, for which both the European Neighbourhood and Partnership Instruments and the targeted FP7 initiatives could be used. The importance of Russia with its “significant S&T capacities” and who “has made clear its interest in making the EU its long-term priority in S&T cooperation”, gets particularly mentioned by the Commission. S&T cooperation with Russia “could be further enhanced through an association agreement to the FP”, which would also contribute to the EU-Russia Common Space of Research and Education, as announced at the EU-Russia Summit in June 2008. For the moment it is not clear to what extent the situation in Georgia will affect those intentions.
- Cooperation in S&T with key Third Countries should become more focused by defining common strategic priorities between Member States and the European Commission. Geographically, cooperation with key Third Countries should target more regional country groups (e.g. ASEAN). With industrialised and major emerging economies the Commission cautiously suggests to give priority to joint infrastructure, frontier and pre-competitive research and research leading to common or compatible standards, admitting that “a healthy balance between cooperation and competition has to be found”. For this reason, research that is at a stage close to the market does not get mentioned. The Commission calls up on Member States to engage in joint programming with Key Third countries, using the approach of joint programming outlined in another follow-up Communication to the Green Paper (see article on p. 5) should be applied whenever possible. The most recent EU S&T cooperation agreement is the one signed with New Zealand on 16 July, while for Japan and Jordan negotiations are still underway.
- The development and use of global research infrastructures are other important means to progress in international S&T cooperation. According to the European Commission, a more systematic approach is needed, similar to the attempts of ESFRI on European level. The OECD Global Science Forum is mentioned as an appropriate place for further promotion and coordination of global research infrastructures.
- The success of the ERA strongly depends on the availability of highly qualified researchers. International mobility of researchers is therefore another topic tackled in the document. (although barriers of mobility get outlined and discussed more in-depth in another follow-up communication to the ERA Green Paper, see article on p. 3). Member States get invited to

increase financial instruments, such as specific funding mechanisms or re-integration grants for the return of European researchers to Europe. Additionally, networks for European researchers working outside of Europe should be developed, which should commit them to the European Research Area even when abroad.

- Opening up European research programmes: Under certain circumstances researchers from industrialized Third Countries can be admitted to the EU Framework Programme for research. However, they will not get funded. More openness of EU research programmes but also of national programmes for those researchers would clearly enhance competition and promote excellence. In order to make EU and national programmes more attractive for world class researchers from Third Countries, the Commission proposes to open up the programmes for researchers from industrialized Third Countries where reciprocal funding is made available for European researchers. The need to open EU research programmes for non-Europeans has recently also been mentioned in an evaluation of FP6, undertaken by a high ranking expert group led by former Finnish Prime Minister Esko Aho (see Synopsis 2008/8).
- Intellectual property issues are mentioned by the European Commission as a crucial part for success, in particular with countries like China or India. The Commission suggests therefore to use its recommendations on the management of IPR in knowledge transfer activities, published in April 2008 (see article on p. 2). However, it is doubtful whether the recommendations can give guidelines for negotiation with countries like China without any modifications, seen the fact that they have been mainly drafted to facilitate the circulation of knowledge within Europe.

The issue of possible IPR conflicts with non-European states in S&T cooperation with the EU is probably not the only question that should be tackled. In general, the question has to be addressed whether the cooperative strategy behind the ERA can also be applied vis-à-vis non-European States that are often seen as competitors in today's globalised economy.

Additional information can be found in the report of the ERA expert group on international S&T cooperation:

[http://ec.europa.eu/research/era/pdf/eg6-international-cooperation\\_en.pdf](http://ec.europa.eu/research/era/pdf/eg6-international-cooperation_en.pdf)

Another report gives an overview on INCO-Net projects:

[http://ec.europa.eu/research/iscp/pdf/978-92-79-08080-7\\_en.pdf](http://ec.europa.eu/research/iscp/pdf/978-92-79-08080-7_en.pdf)

An overview of the EU's current international RTD association and cooperation agreements, reflecting the state of May 2008, can be found here:

[http://ec.europa.eu/research/iscp/pdf/st\\_agreement\\_ec\\_euratom\\_en.pdf](http://ec.europa.eu/research/iscp/pdf/st_agreement_ec_euratom_en.pdf)

## **Innovation**

### **How can innovation in services be fostered?**

In most European countries services account for about two thirds of the Gross Domestic Product and a vast majority of labour force works in the tertiary sector. However, most support actions on national and EU level are mainly targeting innovation based on technology. Only exceptionally measures are discussed which aim at releasing the potential for innovation lying idle in the service sector. Furthermore, possible synergies between service innovation and industrial innovation may remain underexploited.

Also the European Union is most often considering innovation as an outcome of technology. However, in the Communication "Putting Knowledge into practice: A broad based innovation strategy for the EU" of 13 September 2006, the European Commission admitted that "special attention needs to be paid to the service sector (...) which offers an important and underexploited opportunity of innovation" and announced in particular "a more pro-active approach in the creation and support of young innovative SMEs in the service sector". This view was supported by the Competitiveness Council, who invited the Commission in its conclusions on the above

mentioned Communication in December 2006 “to prepare (...) an overall assessment on innovation in services, evaluating e.g. the related needs for policy adjustments, where appropriate” and to take into account “the various forms of non-technological innovation”. In September 2007, the Commission responded to this request with a staff working document on innovation in services.

In 2008 the innovation aspects of commercially provided services are again addressed by the European Commission. As an outcome of a call in the Competitiveness and Innovation Programme (CIP) in May 2007, the European Platform for Knowledge Intensive Services (KIS-IP) was launched at a workshop, organized by DG Enterprise and Industry in Brussels on 4 February (see Synopsis 2008/2). The platform is part of Europe INNOVA. KIS-IP brings public and private partners from different countries together and develops innovation support mechanisms which will meet the specific needs of service companies. Additionally, innovative SME’s in the service sector will get help to better exploit research results and to find partners and investors. It was mentioned that solutions that have been developed by KIS-IP could be implemented later on through the Enterprise Europe Network, which has been launched at the beginning of this year with Switzerland as a participating country (see Synopsis 2008/2).

KIS-IP consists of three sectoral innovation platforms: ACHIEVE MORE will develop a toolkit for the ICT sector, KIS PIMS is focusing on new technologies for renewable energy and will test innovation vouchers as a new support mechanism, and KIS4SAT will use a voucher scheme in the field of satellite downstream applications. There is also a horizontal support action that coordinates between the three sectoral networks and promotes the dissemination of results. Finally, the KIS 100 Club will bring together 100 of the most promising young service companies in Europe that are part of the knowledge intensive service sector. This new networking platform will meet for the first time at the Europe INNOVA conference in Lyon on 22 October. Companies that are member of the KIS 100 Club will have the possibility to expand their network of contacts beyond their national borders and in other business sectors, which could help them to identify business opportunities in other countries or to find new business partners.

Still under preparation is a strategy of the European Commission to promote innovative services in Europe. A Communication on this issue is planned for the second half of 2008.

KIS-IP is part of the Europe INNOVA initiative and more information can be found on the Europe INNOVA website:

<http://www.europe-innova.org/index.jsp?type=page&lg=en&classificationId=9655&classificationName=KIS-IP&cid=9207>

For more information on the Europe INNOVA conference please go to this website:

<http://www.europe-innova.org/index.jsp?type=page&cid=9304&lg=en>

A Commission staff working document on innovation in services can be found here:

[http://ec.europa.eu/enterprise/innovation/doc/com\\_2007\\_1059\\_en.pdf](http://ec.europa.eu/enterprise/innovation/doc/com_2007_1059_en.pdf)

### **“It’s the market, stupid!” – How the EU wants to strengthen the demand side of innovation**

The target of increasing EU investment in R&D to 3% of GDP in order to enhance mobility of researchers and to pool together money and research infrastructures is the basis of the current EU research policy and of the European Research Area (ERA), outlined in the Green Paper of April 2007 and in more details in the above presented communications. However, it is quite often argued that this is not enough and that the push approach should be completed by a pull approach that will help to create new markets and to increase the demand for research based innovative products.

Just at the beginning of the year, the European Commission outlined in a Communication the Lead Market Initiative (LMI), an attempt to strengthen the demand for innovative products and therefore meeting the concerns described above. The initiative could become an essential part of the EU innovation policy. It was first proposed by an innovation expert group led by the former Finnish Prime Minister Esko Aho in a report published in 2006. Later on it was announced in the

Communication “Putting knowledge into practice: A broad-based innovation strategy for the EU” of September 2006.

In a nutshell, the LMI is about boosting the demand for innovative products in order to make selected European industries ready for a future role as world market leaders. The ambitious aim is to stimulate and to foster new high-tech industries. The success of the introduction of the GSM standard for mobile phones in the nineties – the most popular standard for mobile communication in the world that paved the way for the rise of Finland’s Nokia - might have been inspiration for the Commission when drafting the lead market strategy.

When the LMI was presented in January, six markets were mentioned, ranging from textile industry to energy:

- eHealth
- protective textiles
- sustainable construction
- recycling
- bio-based products
- renewable energies

Public procurement in terms of using public authorities as “launching customers” plays an essential role in the Lead Market Initiative, but also standardisation, labelling, funding of R&D and certification of products. Additionally, the revision of existing legislation will improve the coordination between different policy areas that have an impact on the six markets. Most of the actions proposed in the Communication have a short timeline of two to three years, starting in 2008.

Seen the importance of public procurement for the creation of lead markets, the challenging plan relies heavily on the commitment of Member States. However, it has been criticized that the proposal on the LMI remains vague when it comes to outline concrete processes on how the strategy could be implemented on national level. Therefore, the European Commission announced that it will prepare Action Plans for each of the six markets in cooperation with the Member States. The future success of the initiative will also depend on the quality of the assessment made by the European Commission with regard to the market potential and the consumer needs. It can be argued that the selection of the six future lead markets seems to be little transparent and could raise suspicion that just national champions will be boosted, winners picked or markets artificially created, rather reflecting political objects than real needs of clients or future trends. Therefore, the initiative will have to prove in the future that it is not just a new attempt in the framework of industrial policy, but takes clearly into consideration results achieved within the scope of EU S&T policy, such as the Framework Programme for research or the recently started Joint Technology Initiatives. Then it could become true what is often said about research and innovation: research is transforming money into knowledge, while innovation is transforming knowledge into money and prosperity.

The text of the Communication on lead markets can be found here:

[http://ec.europa.eu/enterprise/leadmarket/doc/com\\_07\\_en.pdf](http://ec.europa.eu/enterprise/leadmarket/doc/com_07_en.pdf)

### **The EU is about to establish the European Institute of Innovation and Technology**

The first half of 2008 has seen some remarkable progress in the construction of the European Institute of Innovation and Technology (EIT). This was made largely possible through a solution found in autumn 2007 for the funding of the EIT by adding money from various budgetary chapters, amounting to a total of €309 million for the period 2008 to 2013.

On 21 January, the Council of the EU adopted the common position achieved at the Competitiveness Council meeting of November 2007 on the regulation setting up the EIT (see Synopsis 2/2008). Later on, on 11 March, the European Parliament adopted the proposal for the establishment of the EIT in second reading. In the same month, the European Commission appointed an Identification Committee for the nomination of the EIT Governing Board. The committee organised a public consultation, inviting stakeholders and the general public to

comment on the proposed selection criteria for the EIT Governing Board members. On a second stage, the EIT stakeholders were invited to propose candidates for the Governing Board.

Knowledge and Innovation Communities (KIC) will be the operational centres of the EIT. Several of them are planned to be built up. KICs are consortia of European companies, universities and research institutions which are considered as leaders in their area. By pooling together their strength, it is hoped that breakthroughs can be achieved faster. According to the Council regulation, KICs will be established in the field of ICT, climate change and renewable energies. A KIC will consist of at least three independent partners from at least two different Member States. It has to comprise at least one university and one company. According to the European Commission, participants applying for KICS should build on existing partnerships.

Currently some pilot projects are running, examining on how cooperation between different partners can be organised in the most efficient way (see Synopsis 1/2008). The projects will allow insights in how public-private partnership work successfully. It is planned to use this knowledge when setting up the KICs. The projects could also answer the complex questions concerning the legal status of a network, the ownership of innovation within a network as well as the freedom of research in public-private partnerships. As a result of the evaluation of about 50 proposals by officials of DG Education and Culture (DG EAC), four pilot projects have been selected for funding with an overall budget of €5 million: SUCCESS (Searching Unprecedented Cooperation on Energy and Climate to Ensure Sustainability), GAST (Green and Safe Road Transportation), BRIDGE (Bridging biomaterials research excellence between industry and academia across Europe) and ComplexeEIT (from nano to large electronic systems).

In the race for the EIT headquarter, Budapest competed successfully with four other candidate cities, as it turned out in June when the decision was taken that the administrative seat of the EIT will be in Hungary's capital. That also meant that Warsaw, another promising candidate city from a new EU Member State, dropped out. Probably as a kind of compensation, a Polish member was admitted to the EIT Governing Board. The Governing Board of the EIT was finally appointed on 30 July, comprising 18 persons from research, higher education and business and chosen by the Identification Committee. The 18 members are:

*Joao Caraca, Manuel Castells, Bertrand Collomb, Giovanni Colombo, Ellen De Brabander, Anders Flodström, Daria Golebiowska-Tataj, Wolfgang Herrmann, Julia Elizabeth King, Morten Loktu, Karen Maex, Balint Magyar, Erna Möller, Yrjö Neuvo, Martin Schuurmans, Peter Tropschuh, Linnar Viik and Alexander Ullrich Von Gabain.*

The first meeting of the Governing Board is scheduled on 15 September. The first two or three KICs are to be selected and launched by the end of 2009. Once the first KICs have been established, the Governing Board will include four additional members, elected from among the administrative staff, students and doctoral candidates of the EIT and KICs. In the medium term, the Governing Board of the EIT will have to draw up a Strategic Innovation Agenda (SIA), which is a seven year work plan that has to be completed till 2011 and adopted by the European Parliament and the Council.

The funding of the EIT depends strongly on the commitments of European industry, as the EU only wants to support the creation and the management of the KICs, but not their costly activities in research, development and innovation. Thus, it has to be proven whether the EIT project is appealing enough to attract money from industry. When it comes to fundraising, the EIT could also experience competition from other projects that have recently started, such as the Joint Technology Initiatives.

More information on the EIT can be found on this Website: <http://ec.europa.eu/eit/>

### **New actions to meet the 2010 education and training goals of the EU**

In July, the European Commission published a set of reports and Communications to provide strategic guidance and recommendations to Member States in order to meet the 2010 education and training goals under the Lisbon Strategy for Growth and Jobs. Amongst those, three initiatives and two reports were issued in the field of education with the aim of helping young people increase their skills and competences to better face the 21 Century globalised society's expectations.

The set of three initiatives published by the European Commission on 3 July comprises:

- A Communication entitled "Improving Competences for the 21<sup>st</sup> Century: An Agenda for European Cooperation on Schools". The Communication has the goal to make school systems more relevant to pupils' and employers' needs by proposing measures to reduce weaknesses in the following fields:
  - Competences: increasing levels of reading literacy and numeracy by developing literacy policies and literacy infrastructures (libraries, classroom material) and by introducing different teaching approaches to reduce anxiety towards numbers and maths.
  - High quality learning: generalising pre-school education and improving equity in school systems in the EU. Reducing early school leaving through an early identification of individual difficulties and comprehensive preventive strategies.
  - Teachers and school staff: higher quality teacher education, more effective recruitment to face the important number of nearly retired teachers in the next few years and help for school leaders to focus on improving learning.

These measures are linked to a report regarding progress towards the Lisbon objectives issued on 10 July (see below).

- A Green Paper entitled "Migrant children and education: a challenge for EU education systems" aims at exchanging points of view regarding policies and approaches that may foster educational success for migrant pupils. In fact, international and national data indicate that social divide (caused by low socio-economic background, language and community expectations), which is one of the main characteristic that leads migrant children to school unachievement and segregation, may deepen over time. Key issues mentioned in this Green Paper are focused on how to accommodate diversity of mother tongues and cultural perspectives in order to build bridges with migrant families and reduce the risk of migrant pupils' educational disadvantage in comparison with their native peers. In addition, the long-term objective of this initiative is to prevent the perpetuation of social disadvantages into the next generation, which could create a two-speed society.
- A Recommendation entitled "Mobility of young Volunteers across Europe", which is part of the EU's "Renewed Social Agenda: Opportunities, Access and Solidarity in 21<sup>st</sup> century Europe" aims at creating more opportunities for under thirty-year-old people to volunteer across Europe. As a reminder, cross-boarder volunteering opens access to new opportunities for mobility in non-formal education by providing a special experience outside the conventional "classroom learning" and improves young people's employability and career prospects. The European Commission wants to enhance mobility of youth volunteering through following measures:
  - At National level: enhancing the interoperability of national schemes for volunteering and encouraging language learning to reduce linguistic barriers.
  - At European level: developing basic quality standards to protect volunteers and taking measures to recognise learning outcomes by ensuring the transparency of qualifications through a certified form based on "Youthpass" or equivalent.

In order to help Member States implement these measures, the European Commission intends to develop a European Youth Volunteer Portal.

In addition, the European Commission presented two reports in the field of education, on 10 July. The first one entitled "Making Learning Mobility an Opportunity for All" and carried out by a High Expert Forum on Mobility, formulates recommendations to expand the range of mobility opportunities. Indeed, as mentioned above, cross-boarder mobility represents a good mean for young people to improve their language skills and develop intercultural know-how. The European Commission intends to have reached an increase of 50% in the mobility of people aged 16-29 by 2020. According to the experts, this goal could be met through three measures:

- Stronger focus on language knowledge at national level, which would encourage continuing training abroad.
- Better promotion of the current EU's mobility programmes.
- Promotion of mobility at a "general level" including the cultural sector, apprentices, young entrepreneurs as well as secondary school-level students.

The second report entitled "Progress towards the Lisbon objectives in education and training: Indicators and Benchmarks", evaluates the performances of individual countries in five key areas in comparison with 2000. To complete this evaluation, 16 core indicators and 5 benchmarks were set by the Education Council in 2007 (see Synopsis 2007/8). The results of this report show that progress has been made in four of the five benchmarks, namely completion of secondary education, early school leavers, graduates in maths, science and technology and participation of adults in lifelong learning activities, except for "low achievers in reading", where the report notices a deterioration. Moreover, there are important divergences between Member States as well as between fields: for example, gender inequalities remain regarding "female" representation among maths, science and technology in general. Nine countries exceed the five benchmarks on average: Finland, Denmark, Sweden, the United Kingdom, Ireland, Poland, Slovenia, Norway and Iceland. The top European performer in reading is Finland and the lower is Bulgaria. The report is exclusively focused on European Member States and EEA countries and no information regarding Switzerland is available.

This set of reports and communications identifies areas where, in the opinion of the European Commission, a change has to occur. The European Commission calls for more intensive cooperation between Member States and full implication of each country so that the 2010 education and training goals can be fulfilled. The cooperation agenda should be handled through the "Open Method of Coordination in education and training" and supported by the Lifelong Learning Programme, while key challenges should be highlighted in Member States' Lisbon National Reform Programmes.

Full Communication paper on competences for the 21<sup>st</sup> century can be found under:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0425:FIN:EN:PDF>

The Green Paper on migrant children and education can be found under:  
[http://ec.europa.eu/education/school21/com423\\_en.pdf](http://ec.europa.eu/education/school21/com423_en.pdf)

The Recommendation on youth volunteering can be found under:  
[http://ec.europa.eu/youth/pdf/doc1108\\_en.pdf](http://ec.europa.eu/youth/pdf/doc1108_en.pdf)

The mobility report can be found under:  
[http://ec.europa.eu/education/doc/2008mobilityreport\\_en.pdf](http://ec.europa.eu/education/doc/2008mobilityreport_en.pdf)

The report on national education system assessment can be found under:  
[http://ec.europa.eu/education/policies/2010/doc/progress08/report\\_en.pdf](http://ec.europa.eu/education/policies/2010/doc/progress08/report_en.pdf)