

Smart People for Smart Growth

Statement by the European University Association
on the EU Flagship Initiative "Innovation Union"
of the Europe 2020 European Strategy for Smart,
Sustainable and Inclusive Growth

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Europe’s universities have a major role to play in the Innovation Union and EUA welcomes the fact that this is properly recognised in the European Commission Communication. Europe’s future as a dynamic competitive global region will depend largely on its ability to increase substantially the number of highly trained people within EU Member States and to attract others from abroad. The task of universities is to create new knowledge and to educate people to be creative in their personal development, in their economic activity at the workplace and as citizens of a civil society. Innovation is, at its roots, all about people and their ability to reach their full potential in skill development and resourcefulness, and fostering the right conditions to achieve and maintain it – hence the emphasis of this statement that Europe needs “Smart People for Smart Growth”.

Six Key Messages

1. Europe’s universities play an essential role in the “innovation chain” through their research and teaching activities which strengthen our knowledge base and skill development to provide new jobs for the future.
2. Innovation requires a wider interpretation and understanding than simply being seen as the last step to commercial application. The breadth of university-based research has its impact at many levels in the economy and society. Innovation comes from contributions across the full spectrum of sciences from engineering and technical sciences, medical and life sciences to the social sciences, arts and humanities. Wider interdisciplinary perspectives will also be needed to tackle the growing societal challenges effectively.
3. Three concerns should be overriding for EU funding instruments in the Innovation Union and FP8. **Excellence** criteria should determine the use and allocation of instruments and funding across the range of research and innovation activities based upon assessments and indicators of best practice in the various research domains. **Simplification** and reduction of heavy administrative and accounting procedures should be the driving forces for the improved implementation of FP8. **Competitive funding instruments** open to all research institutions should be a governing principle of FP8 with no programmes targeted specifically for certain types of research institutions as exclusive partners
4. In order to achieve the ambitious programme set forth in the Innovation Union Communication, it is clear that FP8 and related EU instruments will need an increased budget.
5. An essential message is that, particularly in times of economic crisis, government expenditure on university-based research and training (and higher education as a whole) should not be regarded as “**consumption**” of public resources that can be easily cut, but as an “**investment**” in training, skill development and research and innovation activities needed to lead Europe out of the economic crisis and towards a truly “Innovation Union”.
6. **Our global regional competitors are not waiting for us, they are investing heavily in universities and the next generation of young people who will be the innovators of tomorrow!**

SMART PEOPLE FOR SMART GROWTH — EUA statement on Innovation Union

I. Introductory remarks and context

At the EUA Convention in Prague in March 2009, EU President Jose Manuel Barroso told the assembled university audience from across Europe that “Investing more in education and research will help Europe emerge from recession faster and in better shape”. EUA notes that this clear message is re-iterated and developed further in the Innovation Union Communication. In fact, this message is more relevant today where cuts in public finances in education, research and development threaten to undermine the contribution of universities to helping drive forward innovations in goods and services, both public and private. EUA is monitoring the impact of the financial and economic crisis on European higher education and has published its most recent report in January 2011. This highlights that the economic crisis continues to affect higher education in several ways. Funding has not only been decreased in a number of European countries, but often public authorities are also reviewing the way the funding is actually delivered to universities. Some EU countries face major cuts to higher education budgets and many others need to adapt to noticeable falls in income while only in a few countries governments have upheld their commitment to increase public funding for universities.

As a result of the 2009 Prague Convention, EUA issued a Declaration which contained a targeted message to political leaders and decision makers with proposals for immediate measures to address the crisis, while at the same time setting a strategic agenda of 10 success factors for Europe’s universities to address in the next decade. These 10 success factors match strongly with the Innovation Union policy proposals relating to strengthening the knowledge base and reducing fragmentation and the modernisation agenda for universities. In fact, the “modernisation agenda” in Europe’s universities has proceeded at an impressive pace in recent years but there is now a

clear risk that the current impact of the financial and economic crisis could set back this agenda in important respects.

Most importantly, therefore, EU level actions must more clearly offer and demonstrate “European Added Value” in order to not run the real risk of being used to replace reductions in national and regional funding. The EU Research Framework Programmes and Life Long Learning programmes as open competitive funding schemes have acted as crucial multipliers in the development of European university research and training cooperation both between universities themselves and between universities and other public research institutions and external partners in industry, commerce, government agencies, regional authorities etc. They have supported actively and strengthened the European and international profile of university-based research through project collaboration and the enhanced mobility of their academic and research staff, post-doctoral and doctoral researchers and their career development. For European universities to remain competitive this continued growing investment in research and innovation activities at the European level is essential.

EUA welcomes particularly the medium-term timeframe approach taken in the Europe 2020 Innovation Union Communication. Universities cannot operate effectively in the short-term process of the political cycle (of four years or less) or indeed business cycles which are also often too short. Scientific progress on “major societal” challenges of energy supply, climate change, food security, health and ageing require medium to long commitment of funding instruments that support both fundamental research and collaboration with industry and other external partners. Europe’s universities are working hard to provide innovative research and training environments to help tackle these challenges and they need a balanced and appropriate combination of instruments and funding at the European, national and regional level to assist their efforts.

Innovation as a term requires a wide interpretation and should not be seen simply as the last step to commercial application. Innovation also does not come only from the engineering and technical sciences, natural, medical and life sciences but also the social sciences, arts and humanities. Wider interdisciplinary perspectives will be needed to tackle the growing societal challenges effectively.

In this statement EUA offers comments below on those headings and commitments in the Innovation Union Communication which reflect EUA's current major policy priorities based upon empirical evidence from its projects and activities with its university membership.

II. Strengthening the knowledge base: promoting excellence in education and skills development

Increased autonomy enables universities to move forward in playing their full role in the Innovation Union. EUA supports, therefore, the emphasis placed in the Communication on the need for European universities to be freed from over-regulation and micro-management in return for full accountability. EUA is collecting evidence and monitoring progress on the development of the degree of autonomy achieved in Europe's universities with respect to autonomy in relation to academic matters, financial issues, organizational structures and staffing policies through current studies drawing upon empirical evidence from its membership. Again there is cause for concern here that the present public budget cuts may lead to a return of greater micro-management by governments.

EUA studies focus on the state-of-play providing benchmarking of university autonomy and governance reforms which will help public authorities and higher education institutions to better assess university autonomy in the wider European framework, and thus promote the exchange of best practices in a rapidly evolving field. The results of these studies, which are undertaken with support from the European

Commission DG Education and Culture, can be brought forward to inform the implementation of Innovation Union policy commitments.

Similarly, concerning the Innovation Union's re-stated need to attract an increased number young people to become researchers, evidence from the EUA Trends surveys over the past decade has shown the substantial growth and development of doctoral programmes in European universities offering critical mass in training and supervision, interdisciplinary approaches and European and international cooperation and mobility. The Council for Doctoral education (CDE) established by EUA in 2008 has attracted over 150 universities as members to share best practices in all aspects of doctoral training. In 2010 CDE issued its revised "Salzburg II Recommendations" based on evidence from reforms in doctoral education across Europe. The recommendations cover three categories addressing firstly, and importantly, the conduct and practices of the original research as the core foundation of the doctorate. The second category consists of recommendations for the improvement of doctoral education (recruitment and status, supervision, career development etc) aimed at both universities and those providing the legal frameworks for doctoral education. The third category addressed importantly non-university stakeholders, policy makers and funding organizations involving issues such as institutional autonomy and sustainable funding of doctoral schools.

EUA has proposed in 2010 that there should be an EU competitive funding scheme to support European and international recruitment of doctoral candidates to doctoral schools. Doctoral schools would apply to the competition to demonstrate the quality of the research and training environment and successful schools would then receive awards to attract non-nationals to study at the schools. EUA endorses the view expressed in the Innovation Union Communication on the importance of the Marie Curie Actions in strengthening skills development, mobility and careers of researchers and would suggest that a new MC action pilot scheme should

be launched for subsequent evaluation and possible adoption as a major new initiative in the next EU financial framework, 2014 – 2020.

On the stated need for businesses to be more involved in curricula development and doctoral training, EUA would wish to point to the relevance for the Innovation Union strategy of the results of the extensive work that it has undertaken with the support of DG Research and Innovation on doctoral training programmes conducted with industrial partners. Based on an analysis of several university collaborations with large and medium-sized European companies (and conducted in partnership with EIRMA, the European Industrial Research management Association), the 2009 EUA report on “Collaborative Doctoral Education. University-Industry Partnerships for Enhancing Knowledge Exchange (DOC-CAREERS Report)” presents a set of key recommendations for the successful development of these programmes. The work continues with a current follow-up project which examines and promotes best practices in doctoral programmes involving other external partners, SMEs, regional authorities etc. EUA is currently bringing the experience of these collaborative schemes to the work of the “University – Business Forum” and these experiences will have considerable relevance to the creation of the proposed new “Knowledge Alliances”.

Concerning the Innovation Union commitments on strategies for increased training of researchers, EUA would assert that with the above innovative practices Europe’s universities are working actively to improve their research environments for the recruitment, training and employment of researchers.

As an Innovation Union commitment, EUA notes that the Commission will support “an independent multi-dimensional international ranking system to benchmark university performance which will allow the best performing European universities to be identified”. For its part, EUA is conducting currently a review of existing international ranking schemes and their methodologies and in June

2011 will hold an event which aims to launch an annual debate with expert opinions on the merits and demerits of ranking schemes and their impact, both positive and negative, upon universities and higher education and research policy. EUA questions whether EU support for another international ranking system should be a priority at the present time.

III. Delivering the European Research Area

The Lisbon Treaty has made the achievement of the “European Research Area” as an explicit goal of the EU’s research and innovation policy – expressed in terms of the need to strengthen its scientific and technological bases to allow it to become more competitive (both in universities and other public research organisations and in industry and services). The Innovation Union Communication emphasises that the completion of the European Research Area is therefore a legal requirement and sets the deadline of the end of 2014 for “achieving a well-functioning ERA”.

In order to achieve this the Commission proposes a “ERA framework and supporting measures to remove obstacles to mobility and cross-border cooperation” which will encompass the seeking of common approaches to an integrated set of goals ranging across the following major issues: quality of doctoral training, employment conditions and gender balance in research careers; mobility of researchers across countries through open recruitment processes and European supplementary pension funds; cross-border cooperation in ensuring simplicity and mutual coherence on funding rules and procedures; greater dissemination and use of research results through open access; opening-up of Member State operated research infrastructures; and greater consistency of EU and national strategies for international cooperation in science and technology.

EUA through its membership and project activities has already contributed input and experience to past and present expert groups and platforms in making progress on these issues. EUA welcomes, therefore, the proposed establishment of a

“European Forum on Forward-Looking activities” involving public and private stakeholders in bringing relevant empirical evidence to inform policy making.

IV. Focusing EU funding instruments on Innovation Union priorities

In the coming months EUA will offer its views in the consultation process on the future orientations and funding instruments that are required for Europe’s universities to realise the ambitions of playing a fully productive part in FP8 and achieving the European Research Area and “Innovation Union”. And, importantly, EUA will take the perspective of how the rules and conditions of EU funding can help advance the modernisation agenda in Europe’s universities. Three concerns will be overriding. Excellence criteria should determine the use and allocation of instruments and funding across the range of research and innovation activities based upon assessments and indicators of best practice in the various research domains. Simplification and reduction of heavy administrative and accounting procedures should be the driving forces for the improved implementation of FP8. Competitive funding instruments open to all research institutions should be a governing principle of FP8 with no programmes targeted specifically for certain types of research institutions as exclusive partners.

The Innovation Union Communication cites the European Research Council as both a success and as showing the way forward in enhancing excellence criteria in EU programmes. EUA welcomes this recognition and supports the further strengthening of the ERC through both an increased budget and achieving greater autonomy within the legal framework of the Lisbon Treaty. Insufficient recognition is given though in the Communication to the role of fundamental research in the innovation process. Innovation often comes through inspiration and insights generated in the process of scientific research. There is an overall tendency in the Communication to assume that innovation can

only be best achieved through strategic planning. The right conditions have to be fostered in respective environments to foster innovation. For universities, they must be free to conduct research that takes the long-term view. There is an inherent danger that an over-emphasis on strategic short-term priorities in research funding can undermine the research base in Europe’s universities.

EUA notes also that the Cooperation part of the Framework Programme is recognized as having provided “European added value” in priority research, technology and development thematic areas that have been subject to substantial consultation with Member States and public and private stakeholders. EUA would argue that the Cooperation programme (supporting collaborative research projects on both smaller and larger scales) should continue as it provides the open framework in which universities and university-based researchers develop their European networks and project collaborations with external partners and it offers valuable instruments to both established players and importantly new entrants.

The process of “Joint Programming” of national programmes which seeks to overcome fragmentation of research effort in grand societal challenge topics and to achieve synergy with EU level activities has been under discussion and initial development over the past two years. EUA holds the view that the “framework conditions” for participation in “joint programmes” should take account of universities’ interests at both the national and European levels. Furthermore, if they involve any new funds or earmarked funds these funds should be subject to an open competition to allow new entrants as well as existing national programme participants. Joint programming should not become a substitute for the FP Cooperation programme.

EUA strongly supports the Innovation Union commitments to achieving simplification of funding instruments and their implementation based more on a trust-based system. Furthermore, similar rules of participation should

be applied across all EU research and innovation programmes and EU Structural Funds used for this purpose. EUA will remain very active in this area being an advocate of universities strengthening their professional financial and research management capacity to measure and identify the full costs of their research activities. EUA believes that EU funding made an important step towards full-cost support with the FP7 eligible cost model which acts as an incentive for universities in this respect. EUA will continue to be fully engaged with the European Commission and the European Parliament concerning the EC Communication proposals for Simplification. Furthermore, EUA has submitted its written views to the second triennial review of the Financial Regulation.

V. Promoting the European Institute of Innovation and Technology (EIT) as a model of innovation governance in Europe

EUA is an active stakeholder in the debate on the development of EIT and maintains a dialogue with its Governing Board. Through EUA's critical intervention and that of other stakeholders the EIT instrument has been improved to reflect upon and develop further how universities work with external industrial partners in the new "open innovation" model of research collaboration. Many of the concepts developed in the EIT debate on the "knowledge triangle" and "co-location" centres build upon established best practices in university-industry collaboration in research-intensive and technical universities. Universities engaged in the first three Knowledge and Innovation Communities (KICs) have all substantial experience in these respects. EUA in its work examining collaborative doctoral programmes with industry across European countries has observed that such programmes can be seen as many working models of the "knowledge triangle" whereby education, research and innovation are brought together in a common framework of high skills and knowledge development by university and industry partners. As the EUA study concludes – there are no "one-size-fits-all-solutions" and successful approaches tend to incorporate local or

regional characteristics as captured in the phrase "the way we do things here".

As universities are the degree-awarding authorities, it is inappropriate to talk about, as the Innovation Union Communication does, the introduction of an "EIT degree" in 2011. Graduates attracted to the existing KICs are motivated by the quality of the research and teaching at the participating universities and the postgraduate degrees offered. The value of any EIT 'brand', as an additional label to the university degree, will have to be proven over time as the work of the KICs develop and mature.

Finally, there is the need for a debate on where EIT should find its place within the range of EU instruments focusing upon the enhancement of partnerships with industry which remains unclear in the Innovation Union Communication.

VI. Promoting openness and capitalizing on Europe's creative potential

This theme explores how companies in conducting their research and innovation activities work increasingly with universities and start-ups and how these trends in open and collaborative innovation have major policy implications. As an Innovation Union commitment the Commission will develop further proposals to facilitate effective collaborative research and knowledge transfer in EU programmes including a range of approaches relating to intellectual property rights.

EUA wishes to draw attention once more to the Responsible Partnering Initiative "Joining Forces in a World of Open Innovation: Guidelines for Collaborative Research and Knowledge Transfer between Science and Industry" which have been developed by EUA together with industrial and RTO partner associations based on best existing practices (partners are the European Industrial Research Management Association, EIRMA, the European Association of Research and Technology Organisations, EARTO, and the Pan-European Network of Knowledge Transfer Offices, ProTon Europe).

The Responsible Partnering Guidelines Initiative issued revised guidelines in 2009 and their importance and value has been recognized by the European Research Area Board (ERAB) as an effective stakeholder initiative that held high relevance to an ERAB priority policy recommendation of achieving an “Open Innovation Charter” in the European Union. EUA and its partners suggest, therefore, that the guidelines could provide the foundations for future EU policy development under Innovation Union commitments in this domain of knowledge transfer and intellectual property rights.

VII. Maximising Social and Territorial Cohesion: Spreading the benefits of innovation across the Union

EUA has stated previously that the present unspent EU Structural funds and those for the period 2014-2020 need to be more strongly orientated towards science and research both in terms of human resources development and infrastructure. New EU monitoring mechanism should be introduced to ensure that Member States’ allocated budgets for research and innovation investments within the EU Structural funds are actually committed. Such commitment is necessary for those Member States receiving Structural funds to be able to play their full part on a competitive footing in FP8 and other EU actions post-2013.

In contributing to Europe 2020 objectives in research and innovation Member States receiving Structural Funds should promote their regional strengths (smart specialization) and not adopt wholesale the EU agenda if appropriate human capacity is not yet developed to maximize fully the opportunities. Skill development through trans-national programmes involving universities from across regions who have made effective use of EU Structural and Social funds would be highly valuable but they would need to be funded at a higher level than pilot-type programmes in the current FP7 such as the Regions of Knowledge. Universities should also be eligible to be

consortium leaders in such proposed trans-regional/national programmes.

VIII. Pooling forces to achieve breakthroughs: European Innovation Partnerships

In the present Innovation Union Communication it is unclear how the proposed European Innovation Partnerships (EIPs) will relate to and pool the efforts of existing instruments such as Joint Technology Initiatives (JTIs) and European Industrial Initiatives (EII) that promote partnerships between industries and other stakeholders in major priority research and innovation, and the current new process of “joint programming” amongst Member States governments. It is noted that in June 2011 the Commission will set out in a Communication its proposals for European Innovation Partnerships, their governance, financing and implementation arrangements. EUA will wish to engage in the consultation process.

From the perspectives of Europe’s universities there will be a need for more openness and transparency in the involvement of universities in the consultation and development stage of EIPs than has occurred to date with the JTI and EII instruments in order to ensure that university-based research teams with the appropriate expertise have opportunities to contribute.

EUA’s recent experience in building a European Platform of Universities engaged in Energy Research (EPUE) within the framework of the EU SET-PLAN which was launched at the November 2010 SET-PLAN Conference in Brussels could serve as a valuable pilot project on how to bring “representative platforms of key stakeholders” into future EIPs.

IX. Making it Happen

EUA notes that the Commission plans to expand the remit and membership of the European Research Area Board (ERAB) “to evaluate the

Innovation Union on a continuous basis, reflect on new trends, and provide recommendations on priorities and actions". EUA has welcomed the work of ERAB and its predecessor body EURAB as valued expert advisory bodies whose membership has been drawn partly from invited nominations from major European Stakeholder bodies from across the wide spectrum of industry, university and other public research institutions, social partners and the civil society organizations. EUA expresses the expectation that European Stakeholders will be consulted on new membership recruitment and proposed new terms of reference of this key advisory body.

X. Next Steps

EUA looks forward to the forthcoming "EU orientation paper on FP8" and it will put forward its views on the portfolio of FP instruments that it would wish to see in order that Europe's universities can play their full part in the ERA and Innovation Union. In doing so, it will take account and draw upon the recently completed report of the Expert Group on the "Interim Evaluation of the Seventh Framework Programme". EUA commends the Expert Group report for the thoroughness of its analyses and recommendations and its demonstrated commitment to consult with interested stakeholders in conducting its work.

XI. Concluding remarks

In order to achieve the ambitious programme set forth in the Innovation Union Communication, it is clear that FP8 and related EU instruments will need an increased budget.

The full engagement and commitment of EU Member States with corollary increased resource allocation will be crucial in achieving the Innovation Union goals given the strong emphasis on partnership and overcoming of fragmentation in national research and innovation systems.

Further progress on university autonomy will be an essential component in realizing the ambitions of the Innovation Union.

In relation to the above crucial observations, EUA's essential message is that, particularly in times of economic crisis, government expenditure on university-based research and training (and higher education as a whole) should not be regarded as "**consumption**" of public resources that can be easily cut, but as an "**investment**" in training, skill development and research and innovation activities needed to lead Europe out of the economic crisis and towards a truly 'Innovation Union'.

Our global regional competitors are not waiting for us, they are investing heavily in universities and the next generation of young people who will be the innovators of tomorrow!

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*The **European University Association (EUA)** represents and supports **higher education institutions** with approximately 850 members in 46 countries. Members of EUA are European universities involved in teaching and research, national associations of rectors and other associations and networks active in higher education and research*

**EUA Brussels,
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