

9. Innovation and R&D support system

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9.1. An overview of the innovation trends in Europe

World-wide competition to attract research and innovation investment is growing. In addition to attractive locations such as the US and Japan, new competitors have emerged, such as China, India and Brazil. For the EU to remain competitive and sustain its model of society, far-reaching reforms are needed urgently. Moreover, the scale of competition is such that no Member State can succeed in isolation. Transnational synergies should be fully exploited. This is the only way to boost research and innovation performance and to turn it effectively into more growth and jobs in the EU. A high level of R&D spending and a good innovation performance contribute to more and better jobs. In addition research and innovation are needed to make the EU economy more sustainable, by finding win-win solutions for economic growth, social development and environmental protection.

To achieve sustainable global competitiveness, the EU has no choice but to become a vibrant knowledge economy. That is why, in launching the new Lisbon partnership for growth and jobs, the European Council singled out knowledge and innovation for growth as one of three main areas for action.

Nearly all Member States have set targets, which – if met – would bring research investment in the EU to 3 % of GDP by 2010. However, instead of rising, EU research intensity is more or less stagnant. In most Member States, increases in public and private research investment and the range and ambition of policy initiatives fall far short of what their national targets, let alone the EU target, would require. Private investment is particularly low. At the same time, European innovation performance has not increased enough.

Looking into Member State challenges to innovation and best practice policies, we identify similarities in the innovation challenges, while the best practice policies tend to focus in different directions according to national needs. We will outline some issues of the four national policies of the states participating in the I-model project.