P6_TA(2007)0212

Innovation strategy

European Parliament resolution of 24 May 2007 on putting knowledge into practice: a broad-based innovation strategy for Europe (2006/2274(INI))

The European Parliament,

– having regard to the Commission Communication entitled 'Putting knowledge into practice: A broad-based innovation strategy for the EU' (COM(2006)0502),

– having regard to the Commission Communication entitled 'Investing in research: an action plan for Europe' (COM(2003)0226),

– having regard to the Commission Communication on implementation of the Community Lisbon Programme entitled 'More research and innovation – investing for growth and employment: a common approach' (COM(2005)0488) and the relevant Commission working documents (SEC(2005)1253 and SEC(2005)1289),

– having regard to the report of 20 January 2006 of the independent group of experts on R&D and innovation, constituted after the Hampton Court summit of 27 October 2005, entitled 'Creating an innovative Europe' (the so-called Aho report),

– having regard to the Presidency conclusions of the Lisbon European Council of 23 and 24 March 2000, which aimed to make Europe the most competitive and dynamic knowledge-based economy in the world, and the Presidency conclusions of the Brussels European Councils of 22 and 23 March 2005 and 23 and 24 March 2006,

– having regard to the conclusions of the 2 769th meeting of the Competitiveness Council of 4 December 2006,

– having regard to the Commission Communication to the Spring European Council entitled 'Working together for growth and jobs – a new start for the Lisbon Strategy' (COM(2005)0024),

– having regard to the Commission Communication entitled 'Community actions for growth and employment: the Community Lisbon Programme' (COM(2005)0330),

– having regard to the Commission Communication entitled 'Implementing the Community Lisbon Programme: Financing SME Growth – Adding European Value' (COM(2006)0349),

– having regard to the national reform programmes (NRPs) presented by the Member States, the Member States' autumn 2006 reports on the implementation of their NRPs, and the assessment of the NRPs by the Commission in its annual progress report (COM(2006)0816),

– having regard to Council Recommendation 2005/601/EC of 12 July 2005 on the broad guidelines for the economic policies of the Member States and the Community (2005 to

2008)[1] and Council Decision 2005/600/EC of 12 July 2005 on Guidelines for the employment policies of the Member States[2], which together form the 'Integrated guidelines for growth and jobs',

– having regard to Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)[3] (FP7),

– having regard to Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013)[4] (CIP),

– having regard to the proposal for a Regulation of the European Parliament and the Council establishing the European Institute of Technology (COM(2006)0604),

– having regard to the proposal for a Council Regulation on the Community patent (COM(2000)0412), and the text thereof as revised by the Presidency,

– having regard to the Community framework for State aid for research and development and innovation[5], and the Commission Communication entitled 'Towards a more effective use of tax incentives in favour of R&D' (COM(2006)0728),

– having regard to the Commission staff working document entitled 'European Competitiveness Report 2006' (SEC(2006)1467) and the Commission Communication entitled 'Economic reforms and competitiveness: key messages from the European Competitiveness Report 2006' (COM(2006)0697),

– having regard to the European innovation scoreboard 2006, which clearly shows that the USA and Japan remain ahead of the EU in this field,

– having regard to the OECD Science, Technology and Industry Outlook 2006,

– having regard to its resolution of 5 July 2006 on implementing the Community's Lisbon Programme: more research and innovation – investing for growth and employment: a common approach[6],

– having regard to its resolution of 12 October 2006 on future patent policy in Europe[7],

– having regard to its resolution of 15 March 2006 on the input to the Spring 2006 European Council in relation to the Lisbon Strategy[8],

– having regard to the report by the group of experts of July 2004 entitled 'Improving institutions for the transfer of technology from science to enterprise',

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1 OJ L 205, 6.8.2005, p. 28.
2 OJ L 205, 6.8.2005, p. 21.
3 OJ L 412, 30.12.2006, p. 1.
4 OJ L 310, 9.11.2006, p. 15.
5 OJ C 323, 30.12.2006, p. 1
6 *Texts Adopted*, P6_TA(2006)0301.
7 *Texts Adopted*, P6_TA(2006)0416.
8 OJ C 291 E, 30.11.2006, p. 321.

– having regard to the own-initiative opinion of the European Economic and Social Committee entitled 'Investment in knowledge and innovation' (CESE 40/2007, INT/325),

– having regard to the i2010 initiative, and particularly to the Commission Communication entitled 'i2010 e-government action plan: accelerating e-government in Europe for the benefit of all' (COM(2006)0173),

– having regard to the Commission working document on innovation in services of November 2006,

– having regard to its resolution of 10 May 2007 on the contribution of the future regional policy to the innovative capacity of the European Union[9],

– having regard to Rule 45 of its Rules of Procedure,

– having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Economic and Monetary Affairs, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development and the Committee on Legal Affairs (A6-0159/2007),

A. having regard to the state of progress of the Lisbon Strategy and consequently the importance, in view of global competition, of an even more extensive innovation strategy,

B. whereas diversity through innovation is one of the paths open to the EU to meet the challenges of globalisation,

C. whereas both the transfer of academic results, particularly to small and medium-sized enterprises (SMEs), and the availability of research results, especially for innovations with a social dimension, should be increased, and whereas the geographical concentration of innovation platforms should be addressed so that use can be made of the skills and diversity found in different EU regions,

D. whereas insufficient use is made of the vast reserves of specialist scientific knowledge in research centres in the EU,

E. whereas the environment in the innovation support field is not competitive and lacks transparent and fair conditions for all players carrying on innovative activities, including small innovative companies and technological innovation centres,

F. whereas the conventional approach to driving innovation, combining 'technological-push' and 'demand-pull', is not in itself sufficient and requires the simultaneous promotion of favourable market conditions to create a regulatory environment that is conducive to innovation,

G. whereas a well-functioning internal market, supported by Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market[10], creates a favourable environment for innovation through increased competition in a larger and more stable economic area, attracting greater investment and encouraging

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9 *Texts Adopted,* P6_TA(2007)0184.

10 OJ L 376, 27.12.2006, p. 36.

the mobility of workers,

H. whereas barriers that continue to hamper the mobility of goods, services and the labour force persist in the single market, depriving European businesses of the scale necessary to capitalise on investments in research and innovation,

I. whereas the main objective of innovation is to boost the EU's competitiveness and give its citizens a better quality of life,

J. whereas the principle of excellence, which is appropriate mainly in the support of top priority scientific research, hinders healthy competition in the area of innovation support and excludes smaller players (innovative companies, technological and innovation centres, research centres) from support programmes,

K. whereas innovation also makes it possible to maintain traditional sectors,

L. having regard to the role of innovation in devising social models in the Member States,

M. whereas innovation can contribute to the integration of social groups such as the disabled,

N. whereas goods, services and processes offer an underexploited innovation potential in the EU,

O. having regard to the importance of institutional support for the process of innovation and copyright knowledge management,

P. having regard to the funding of innovation policy and the increasingly important role of public procurement and public-private partnerships,

Q. whereas education, including interdisciplinary teaching covering areas that overlap with traditional subjects is a precondition for innovation and innovation should be an integral part of education programmes at all levels of teaching,

R. whereas lifelong learning can contribute to the development of knowledge about innovation and promoting the information society helps to combat marginalisation on the job market,

S. whereas establishing European quality standards and rules concerning the early phase of development of new-generation products and services could inspire innovation,

T. whereas FP7 should facilitate the establishment of a stronger and more extensive European research area, focused on specific tasks,

U. whereas the definition of innovation in the OECD's Oslo Manual has received a broad interpretation and is becoming the standard in the Community institutions,

1. Welcomes the Commission's proposal to launch a new initiative for lead markets, aimed at facilitating the marketing of new innovative products and services in areas where the EU can become the world leader; takes the view that the new lead market initiative, which should concentrate particularly on the creation and marketing of new innovative products and services, must be started up particularly in fields where there is a large potential demand, whilst ensuring that the less developed regions are not left behind;

2. Points to the importance, when devising policies to support innovation, of focusing on innovation in the wider sense so as to include both the services sector, including tourism, as well as non-technological innovation, in other words innovation in the field of marketing and organisation; fully endorses the conclusions of the Competitiveness Council of 4 December 2006 calling on the Commission to draw up political guidelines concerning innovation relating to services and non-technological innovation and calls on the Commission to involve in particular organisations representing small enterprises and cottage industries in these deliberations;

3. Notes that although SMEs, clusters and cooperation between organisations, enterprises, universities and research centres have a particular role to play in creating and implementing innovative solutions, including in low and medium-tech sectors, systematic public support with transparent conditions is missing; welcomes, nevertheless, the new framework for State aid for R&D and innovation which provides a list of specific measures supporting SME innovation activities;

4. Urges the Member States to revitalise European businesses and their potential to innovate by cutting red tape, thereby improving the quality of regulation whilst reducing the administrative burden; is of the firm opinion that better regulation, in particular lightening the unnecessary regulatory burdens on SMEs, will encourage favourable market conditions and help place new innovative products and services on lead markets, and that it will also increase consumer trust and confidence and encourage initiatives such as the proposed Eurostars programme;

5. Welcomes the launching of the broad-based innovation strategy for small and micro enterprises, whose innovation potential, particularly as regards low and medium-level technology and non-technological innovation, has not so far been sufficiently recognised and exploited; regrets, however, that the abovementioned Commission Communication on putting knowledge into practice fails to propose operational measures in respect of such enterprises; calls therefore on the Commission and the Council to integrate their special features and needs in the ten priorities of the broad-based innovation strategy and urges the Commission, in conjunction with their representative organisations, to submit to the Council and Parliament a specific programme for developing innovation in the broad sense of the term in such enterprises, whatever their field of activity;

6. Underlines the importance of science, technology and innovation in education and culture; emphasises the need to introduce into education programmes activities and initiatives designed to attract young people to science and innovation; is of the opinion that the quality and quantity of lifelong learning courses must be improved and increased and that the use of information and communication technologies (ICTs) must be encouraged in order to create a knowledge-based society that will benefit European innovation;

7. Recommends that the Commission and the Member States evaluate the creation of a truly European system of further education, which would help to build a stronger European labour market;

8. Considers that measures at EU, regional and local levels are needed to increase the number of science, engineering and technology graduates, particularly female graduates, also in primary research and notably by using the Specific Programme People implementing FP7, by supporting grants, awards and other incentives, and by

encouraging women to set up innovative enterprises, particularly through mentoring projects and other forms of support;

9. Proposes the installation of the technological and scientific infrastructure needed for creating innovative solutions in existing tertiary educational establishments, so as to provide research centres with development prospects; recalls the importance of funding for high-quality physical and technological infrastructure in order to attract investment and facilitate labour mobility;

10. Stresses that innovatory processes require adequate territorial organisation, with the creation of new models for relations between enterprises, research centres, universities (such as clusters, districts and platforms) and points to the positive effect innovation can have on organisational processes; invites the Member States to use the Structural Funds for building new and strengthening existing technical infrastructure for innovation development in the form of innovation centres, technical incubators and research-development centres in the regions endowed with sufficient innovative and knowledge potential; takes the view that a pre-condition of innovative capacity-building in the EU is free or low-cost broadband access, which serves to facilitate knowledge-based enterprise; welcomes efforts to promote knowledge transfer between universities and other public research organisations and industry;

11. Invites the Member States to consider and implement tax incentives that encourage enterprises to invest more in research, development and innovation, including, if necessary, a structural review of existing mechanisms and incentives;

12. Invites the Member States to work together swiftly to complete the internal market and to seek political agreement on legislative and non-legislative measures in the areas where barriers still persist and hinder the free movement of goods, services, capital and labour, depriving businesses of capitalisation of their investments in innovation;

13. Considers it necessary to reduce obstacles to the free movement of production factors and products within the internal market, given that this may help to secure easier access to risk capital, while ensuring the mobility of researchers and of technologically innovative goods and services and an improved flow of knowledge, all of which contribute to the development of a genuine European innovation area; is of the opinion that there should be wider consideration of useful innovative solutions specific to the services industry, and believes that the continued removal of barriers to the free movement of goods, services and capital, freedom of establishment and the free movement of persons, including workers, will stimulate innovation;

14. Notes the positive effects of the existence of European technology platforms (ETPs) and the involvement of EUREKA Clusters in such platforms and calls on the Member States to support these platforms and encourage the creation of other ETP networks; also views as positive the preparation of European joint technology initiatives in key areas for European innovation such as the proposed Eurostars programme, to take the form of public-private partnerships;

15. Invites the Member States to identify on a scale of importance the areas that they consider as priorities for innovation, both for applied research and technology and for non-technological activities such as management theory or bureaucratic organisation and to support, in addition to their own priorities, the priorities laid down by the ETPs in the area

of innovation;

16. Calls on the Commission to promote exchanges of best practices and promote the identification and exchange of lessons learnt from improper practices, in order especially to promote the better regulation of joint technological initiatives based on specialised public-private partnerships, which would stimulate the development of innovation also in less-developed EU regions;

17. Draws the Commission's and Member States' attention to the fact that if a European Institute of Technology (EIT) were created, it should have the ambition of investing in the relationship between knowledge institutions and businesses through a focus on innovation and, in addition to its coordination role within the knowledge triangle, it should help to boost competition in innovation fields and thus be able to make a significant contribution to translating Europe's potential for innovation into practice;

18. Takes notes of the setting up of the European Research Council and calls for innovation and the scope for practical implementation of chosen projects to be important criteria when selecting research topics;

19. Emphasises that it regards the 3% of GDP target for expenditure on R&D outlined in the Lisbon Strategy as a minimum;

20. Understands that the uncertainties inherent in R&D diminish the willingness of financial markets to invest in R&D projects; welcomes the Commission's proposal for a Risk Sharing Finance Facility for the purpose of investing in high-risk R&D projects by means of loans and guarantees;

21. Takes note of the CIP, which provides for appropriate financial instruments, and the abovementioned Commission Communication on financing SME growth, which sets out specific measures to increase risk capital investment;

22. Emphasises that access to resources for SMEs, micro enterprises and entrepreneurs is crucial to increasing R&D, developing new technologies and getting innovative solutions to the market; in this regard stresses the need for both early stage funding and ongoing funding of sufficiently long duration; highlights, however, that the present venture capital system does not meet the funding needs of the target group, particularly as regards non-technological innovation; calls, therefore, on the Member States to use public funds, including the Structural Funds, to begin establishing risk capital funds in the form of public-private partnerships in regions and fields having innovative potential and a sound knowledge base; urges, furthermore, the Commission, the European Investment Bank (EIB) and the European Investment Fund (EIF) to determine suitable ways of funding by adapting venture capital or, if necessary, designing innovative funding instruments;

23. Invites the Member States and regional and local communities to adopt innovative, environmentally-friendly solutions under the CIP and also draws attention to the option of using financial aid for SMEs, such as in the Jeremie Programme; encourages the Commission, Member States and regional authorities to make use of renewable sources of financial support for innovation-oriented research such as the 'innovation voucher' system; encourages the relevant actors at regional level to include experimental and therefore risky measures in funding from the Structural Funds;

24. Calls on the relevant actors at regional and local level to create favourable conditions and to make the promotion of innovation a key part of operational programmes and to devote a significant proportion of funding from the Structural Funds to investment in knowledge, innovation and further training, which among other benefits will create jobs, enhance employability and counter 'brain-drain' and depopulation trends; also calls on the Member States to support this by public investment in higher education institutions targeting the development of individual talents;

25. Asks the Commission to evaluate the results obtained by assessing the quality, quantity and financial aspects of projects and actions in a manner conducive to improving, over a period of time, the efficiency of future actions;

26. Expects that the greater competition generated by the internal market will encourage companies to step up funding for research and innovation; calls on companies to plough some of their profits back into research and technological development;

27. Takes the view that eco-innovation plays an important role in improving energy efficiency, developing clean and secure energy supplies (including renewable sources of energy and clean fossil energy) as well as in boosting European competitiveness; is, therefore, of the opinion that eco-innovation must receive greater attention in European and national innovation agendas and that the EU should apply the 'top runner' approach;

28. Points out that urban centres can play an important part in devising an innovation strategy for a whole region and that they can perhaps take the initiative with some promising projects, such as using the potential of thermo-modernisation and combined heat and power, or taking other initiatives such as developing science and technology parks;

29. Draws attention to the difficulties that less developed regions encounter in obtaining private investment capital, and calls on the Member States as well as actors at the local and regional levels to make greater use of EIB borrowing facilities and to promote and strengthen public-private partnerships in the area of innovation activities, having special regard to best practises and value for public money;

30. Stresses the need to strengthen the role of enterprises as a main driving force behind innovation, rather than simply the beneficiary of innovatory processes and mechanisms;

31. Notes the Europe INNOVA initiative, which adopts a more dynamic approach to the creation and support of innovative enterprises in the services sector;

32. Invites the Commission to encourage the use of reformed networks of Euro Info Centres and Innovation Relay Centres for providing complex services at regional level for all players involved in the innovation process, particularly for individual innovators and small innovative companies; encourages sectoral and intermediary organisations such as chambers of commerce and other information centres to set themselves up, in cooperation with the Euro Info Centres and Innovation Relay Centres as one-stop information shops; calls, furthermore, on the Commission to support the role that intermediary organisations representing SMEs play as innovation developers and advisors, by generating support for this advisory mechanisms;

33. Urges the Member States to continue their efforts to reduce any regional disparities that hinder the creation of a European scientific and technological area;

34. Considers that public procurement plays a strategic role in promoting innovative products and services, provided that it is geared to the creation of more efficient and effective products and the provision of rationally organised services offering better value for money; calls on the Member States and regional and local authorities to take genuine innovation into account when selecting the best tenders;

35. Welcomes the Commission's intention to publish guidelines for making the most effective use of the consolidated legal framework for public procurement, one that not only promotes competition but renders the rules more flexible, thereby encouraging the uptake of innovative solutions and creativity;

36. Calls on the Council and the Commission to improve legal standards linked to the economic aspects of research and innovation so as to provide better protection in the diffusion of processes, techniques or discoveries in a context of international openness;

37. Notes that innovation in services plays a major part in the economy and that the protection of intellectual property relating to services is often restricted in Europe to trade secrets; is of the opinion that smaller businesses find it difficult and expensive to negotiate and enforce confidentiality agreements and that this can hinder cooperative ventures and the raising of finance;

38. Stresses that efforts should be focused on facilitating the transfer of research results into marketable products, particularly for SMEs (while taking care not to stifle fundamental research) and believes there is a need for a more holistic approach, balancing closer cooperation between the research and business sectors with the interests of consumers, civil society and the environment, and including all local actors (public and private); welcomes the fact that the Commission plans to adopt a Communication to promote knowledge transfer between universities and other public research organisations and industry;

39. States that reasonable and reliable copyright protection and patent systems are crucial elements in building an innovative knowledge-based economy and society; calls on the Commission and the EIF to examine the possibilities for providing small businesses with adequate financial support for their patent applications;

40. Calls on the Commission to draw up, in cooperation with the Member States, measures that are alternative and complementary to patent right legal protection measures which will defend inventors and emerging models of creation against blackmail and law abuse;

41. Welcomes the recent initiatives taken by the Commission regarding open access seeking to promote the spread of scientific knowledge;

42. Calls on the Commission and the Member States to ensure that common rules on patentability are appropriate to the conditions prevailing in each particular sector;

43. Calls on the Commission and the Member States to propose, in the context of the new Community patent, a procedure for eliminating trivial patents and sleeping patents;

44. Calls on the Commission, in cooperation with the European standardisation organisations, to increase the pace of European standardisation and make effective use of standards that already exist;

45. Is convinced that setting interoperable European standards more quickly will help support the development of lead markets in the services and high-tech fields in particular and will contribute towards having them apply at world level, thereby putting European businesses at an advantage over other players in the global market;

46. Calls on the Member States to encourage the search for a consensus on European standards, as a rapid decision in this area is vital for the proper functioning of the EU's internal market, cross-border trade and consequently the return on companies' investment in research and innovation;

47. Calls on the Commission to encourage not only the adoption but also the application of European standards, in particular by communicating them to SMEs in a simple manner; considers that handbooks and explanatory procedures should be available in all official languages of the EU;

48. Welcomes the EU's cooperation with world-wide regulatory bodies and expects the quick and efficient roll-out of technical innovations through standardisation;

49. Takes the view that fragmentation of standards on a worldwide scale is not desirable; recommends that the Commission, the Member States and the various European and international standard setting bodies consider an 'international-comes-first' approach whenever possible in setting new standards;

50. Recalls the definition of open standards adopted by the Commission pursuant to which (i) the standard is adopted and will be maintained by a not-for-profit organisation, and its ongoing development occurs on the basis of an open decision-making procedure available to all interested parties; (ii) the standard has been published and the standard specification document is available either freely or at a nominal charge; (iii) the intellectual property – i.e. patents possibly present – of (parts of) the standard is made irrevocably available on a royalty-free basis;

51. Agrees with the Commission that 'cluster policy' is an important part of Member States' innovation policies and calls on actors, particularly at regional and local levels, to promote clusters, as well as innovation and technology centres, in urban centres and rural areas, in such a way that a balance can be reached between different regions; encourages the Member States to promote, in their countries, the creation of 'knowledge regions' and 'clusters' and EU-wide and cross-border cooperation, and also to promote cooperation with experts from third countries; stresses in this context the importance of creating governance structures so as to improve cooperation between different actors in a cluster and asks for clusters to be directed also to cross-border activities, building notably on the experience of Euroregions, which possess established cross-border structures and social networks; believes that in this context EUREKA Clusters and umbrellas could be consulted and involved;

52. Notes the initiative of the Committee of the Regions to set up a network of regions within an interactive platform of local communities aiming to compare and exchange experience acquired while implementing the Lisbon Strategy;

53. Calls on the Commission to monitor innovation processes in the regions and to develop common innovation indicators across the EU that will better demonstrate the eagerness of the Member States and regions to innovate;

54. Urges the Member States to actively raise the profile of the scientific career path, promoting existing incentives and awards such as Descartes, Aristotle and the young scientist awards and offering attractive conditions to draw the brightest and most innovative scientists to Europe;

55. Urges the Commission, Member States and regional authorities to introduce and promote national and European prizes for innovation;

56. Considers that, in order to secure wider public acceptance of goods and services which are the fruits of research, suitable consumer protection instruments are required to improve levels of confidence and safety;

57. Stresses that innovation is a means of improving the quality of life of EU citizens and not an aim in itself; accordingly takes the view that, while competition and the liberalisation of goods and services contribute to achieving that objective in terms of innovation, they must be accompanied by monitoring and consumer protection provisions, where justified by the public interest;

58. Considers that innovation activities should be better supported through information campaigns and emphasises the need to share information obtained from completed projects; at the same time recommends that lessons be learnt from incorrect procedures in unsuccessful projects and that warnings be given against similar mistakes in other regions of the EU;

59. Calls on the Commission, the Member States and regional and local authorities to ensure universal access to ICT-based working, in order to facilitate e-learning and e-working generally;

60. Instructs its President to forward this resolution to the Council, Commission and the parliaments and governments of the Member States.