

## ERRIN<sup>1</sup> response to the European Commission's consultation on "EU 2020"

### ERRIN Key messages

#### 1. EU Cohesion policy should be one of the major tools to implement the EU 2020 agenda in all EU regions.

The EU 2020 Strategy should acknowledge the key role played by regional and local authorities and innovation intermediaries in fostering new skills, creativity and innovation which will contribute to the transition to a knowledge-based and green economy as well as social inclusion. These are areas in which the structural funds are crucial in helping regions cope with the challenges faced EU regions. Being the only policy built on a place-based approach with specific design and implementation processes, EU cohesion policy allows regions to respond to both sectoral and territorial needs resulting from different cultural, economic and social specificities. **Cohesion policy** should then be considered **one of the major Community tools for the implementation of the EU 2020 agenda** and as such have a commensurate budget to fulfil this role.

#### 2. ERRIN supports the extension of the place-based approach to other EU policies.

Taking into account the importance of the proximity factor in addressing people and businesses needs in different EU regions and socio-economic contexts, ERRIN draws the attention of European and national decision-makers to the opportunity of **extending the place-based approach to other EU policies such as research and innovation**.

#### 3. ERRIN supports an industrial policy based on innovation.

Maintaining a strong industrial base in Europe is essential for the EU, Member States and their regions because of its impact on EU economic performance and jobs through its leverage effect on the whole EU economy (an important part of services and R&D activities are directly linked to industry). Therefore, ERRIN agrees on the necessity to promote a strong, innovation-driven, EU industrial policy with **eco-innovation and eco-design** as two major cornerstones. ERRIN also welcomes the commitment of the European Commission to foster key enabling technologies in the European Union<sup>2</sup>.

#### 4. ERRIN calls for an improved governance ensuring local and regional authorities fully contribute to the design and the implementation of "EU 2020".

The failure of the current Lisbon Strategy is largely due to the failure of its governance. ERRIN considers that EU 2020 should be designed and implemented through a **multi-level governance system** ensuring strong involvement of regional authorities and civil society representatives in the process.

<sup>1</sup> <http://www.errin.eu>

<sup>2</sup> "Preparing for our future: developing a common strategy for key enabling technologies in the EU" COM(2009)512final

## Introduction

ERRIN welcomes the consultation process launched by the Commission following the publication of its working document (COM(2009)647 final) sketching out the main lines of thought for setting the EU social and economic agenda for the next decade, the so called EU 2020 Strategy. However, and while being aware of the tight timeline leading up to Commission's proposal before the Spring Council, **ERRIN considers that stakeholders should have been given more time to react and comment** on such a crucial strategic dimension which will be the policy umbrella that will shape future key EU policies, programmes, actions and funding streams.

ERRIN fully agrees with the key priorities identified in the above Communication, namely 1) knowledge and innovation, 2) people and skills and 3) a connected and green economy. However, after communicating the necessity to limit the future number of objectives and the need to focus on priorities with a major impact on EU sustainable growth and jobs creation, the Commission fails to make this ambition a reality by listing a very large number of areas of action. This could mean that EU leaders **miss the opportunity given by the definition of the new Strategy to increase its clarity and visibility and reach stronger ownership** by EU stakeholders and citizens.

ERRIN regrets that the Commission makes **no reference to the results of the Lisbon Strategy as it has been conducted since 2000 and to the lessons learned**. It would be a mistake not to take stock of the outcome of the last ten years when building a new strategy. Also, it appears that the Commission's paper is **mainly placed in an 'end of economic crisis' context** while ERRIN with its close links with over 70 European regions is of the opinion that Europe is not yet out of the crisis.

Finally, while the paper sets ambitious goals and recognises the importance of partnership between EU, national and regional levels of government for achieving them, it fails to mention the means and the programmes which will allow the EU to reach these goals, most notably **EU cohesion policy**. Local and regional authorities play a key role in facilitating sustainable economic growth and improving social conditions in Europe and structural funds provide a crucial contribution in helping them cope with the challenges faced by economic and social actors and people in their territories. Hence it is surprising **to see absolutely no mention of the EU cohesion policy in the paper**.

## Cohesion policy and the importance of a strong place-based dimension in EU policies.

The EU 2020 strategy should acknowledge the key role played by regional and local authorities and innovation intermediaries in fostering new skills, creativity and innovation and the transition to a knowledge-based and green economy as well as social inclusion, i.e. areas in which the structural funds are instrumental in helping regions cope with the challenges faced on the ground. Being the only policy built on a place-based approach and because of the way it is designed, the EU regional policy has the advantage of responding both to sectoral and territorial needs resulting from different cultural, economic and social specificities. This policy should then be considered **one of the major Community tools for the implementation of the EU 2020 agenda** and given adequate future resources to play this role.

ERRIN thus pleads for a **strong EU regional policy after 2013, a regional policy that covers all EU regions**, in different proportions as it is currently the case, i.e. a policy that is able to both support a reduction in disparities between EU regions and to increase excellence in the more dynamic ones in order to make sure EU competitiveness is reinforced at the global level. ERRIN also supports the creation of new indicators beyond GDP<sup>3</sup> in order to analyse more completely intra-regional disparities and develop a more differentiated policy taking in consideration more specific regional needs in the various EU regions.

Furthermore, in a time when the future EU innovation action plan is being prepared and reflections on the 8<sup>th</sup> Research Framework Programme have started, ERRIN would like to draw the attention of European and national decision-makers to the opportunity of **extending this place-based approach to EU research and innovation programmes** and making the regional dimension a transversal one. ERRIN regions trust that in doing so this **would considerably increase the impact of these programmes**.

While specific actions such as 'Regions of Knowledge' and 'Europe Innova' are very much appreciated by regional stakeholders, the Commission needs to make sure that these funding programmes are better resourced and better coordinated to ensure coherence. There is also a need to ensure that they do not remain isolated actions by linking them with mainstream research and innovation programmes.

Finally, it is surprising that the Commission EU 2020 paper does not mention the European Innovation Action Plan, which has also been subject to a public consultation as well<sup>4</sup>, as we trust that the Innovation Action plan should be a key pillar of the EU 2020 strategy.

## An industrial policy based on innovation.

Many EU regions still have important industrial sectors; while some perform well, others need to be adapted and supported in their transformation. Considering the positive impact of a solid industrial base for the whole economy, **ERRIN agrees on the necessity to promote a strong EU industrial policy driven by innovation**. Innovation happens within regional ecosystems and local hot spots, in places where innovative and entrepreneurial minds gather in an environment of trust to meet face to face, pollinate ideas, compete but cooperate with each other as well<sup>5</sup>. ERRIN believes that the success of a strong EU Industrial policy depends on EU and national support but also on regional and local authority actions to foster cluster development, stimulate technology transfer, entrepreneurship and triple-helix interactions.

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<sup>3</sup> <http://www.beyond-gdp.eu/>

<sup>4</sup> ERRIN responded to this consultation see <http://errin.eu/en/sbasic100466.html>

<sup>5</sup> Innovation has sometimes been described as a 'contact sport'

**Innovation and skills** are key components of the sustainability and the competitiveness of EU industry especially in light of increased global competition. **ERRIN encourages the Commission to reinforce synergies between EU research and innovation actions and education and training initiatives and programmes.** The European Institute of Innovation and Technology (EIT) and its “knowledge and innovation communities” (KICs) can provide an interesting model in terms of the governance of innovation (integration of the knowledge triangle, bottom-up approach, focus on societal challenges) and facilitating synergies between research & innovation and education spheres.

Innovation and skills are also needed to support key enabling technologies that by their nature are multidisciplinary, cutting across technology areas with a trend towards convergence and integration. Key enabling technologies have a regional dimension in that they are often located in close proximity to assembly and production sites and help strengthen the regional research base of Europe.

ERRIN regions also support the concepts of **eco-innovation and eco-design as corner stones of an EU industrial policy** based on innovation. European regions contribution to the objective of building a greener, more sustainable European economy is well illustrated in the ERRIN call for increased public spending for R&D to combat climate change<sup>6</sup> which provides examples of how regions address climate change challenges through research and innovation.

Last but not least, the competitiveness of European industry and the **external dimension** of the Strategy are two faces of the same coin. Considering the importance and the complexity of this issue, which covers EU trade negotiations, standardisation, the Stability & Growth Pact, EU monetary policy, etc, ERRIN would have welcomed a more detailed description of the Commission’s vision in this area. ERRIN would like to invite the Commission to set up an international benchmarking framework that will allow the comparison of outputs under the policies set out in EU 2020 with the equivalent performances of major international economies, as is already the case for EU innovation performances with the EU innovation scoreboard.

### **The place of regions in the governance of the new Strategy.**

ERRIN welcomes the Commission’s ambition to improve the governance of the strategy and its call for an integrated strategy that acknowledges the strong interdependence between the different levels of governance. However, ERRIN considers that the Commission paper remains too vague on this issue as it does not provide concrete elements on how the Commission intends to modify the governance of the Strategy to make it more effective.

If local and regional authorities have not always been involved in the definition of national priorities and the implementation of National reform programmes<sup>7</sup>, their contribution to the realisation of the objectives set under the Lisbon strategy has been a considerable one. This is expressed by their comprehensive efforts in areas such as research and innovation, but also in the fields of entrepreneurship, employment, education and training, cross-border mobility, transport, health, etc, where their interventions allow the creation of new jobs and the protection of existing ones.

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<sup>6</sup> [http://errin.eu/en/upload/policy%20area%20/ERRIN%20statement%20for%20Copenhagen\\_160909.pdf](http://errin.eu/en/upload/policy%20area%20/ERRIN%20statement%20for%20Copenhagen_160909.pdf)

<sup>7</sup> More than adequately documented by a series of report from the Committee of the Regions’ Lisbon Monitoring Platform <http://portal.cor.europa.eu/lisbon/Knowledge/LMP/Pages/welcome.aspx>

Because of this key role, ERRIN invites the Commission and the Council to elaborate a **EU 2020 governance system that allows local and regional authorities to contribute more fully to the reflection on the priorities and design of the policies**. ERRIN considers the conclusions of the European Council of 11-12 December, calling for the reinforcement of “national ownership through more active involvement of social partners as well as of regional and local authorities”, as very positive and fully in line with the Lisbon Treaty (making territorial cohesion one of the EU principles) and its Protocol on subsidiarity. ERRIN is keen to see these political conclusions resulting in concrete advances in terms of governance of the new Strategy including a strong territorial dimension. These advances should include a strong commitment to future governance of the EU2020 Strategy combining the ‘Community method’ and the Open Method of Coordination.

#### **Notes**

ERRIN (European Regions Research and Innovation Network) was established in 2001 as an informal network. After two years of EU support via the ‘Regions of Knowledge’ pilot action, ERRIN was made sustainable through the creation of an independent not for profit organisation under Belgian law.

Operating through the EU regions Brussels offices, ERRIN currently brings together regional decision-makers, practitioners and R&D players from 77 European regions in 16 different Member States. ERRIN specifically deals with research and innovation-related issues and aims at improving collaboration and joint trans-national projects between the research and innovation organisations in member regions and at facilitating regular dialogue with the European institutions in order to promote the regional dimension of research and innovation and the participation of member regions in European debates and consultations.

**More information** on ERRIN can be obtained from the ERRIN website <http://www.errin.eu>

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