Future regional policy and innovation

European Parliament resolution of 10 May 2007 on the contribution of the future regional policy to the innovative capacity of the European Union (2006/2104(INI))

The European Parliament, 

— having regard to Articles 2, 3, 158, 159 and 160 of the Treaty establishing the European Community, 

— having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund \(^{(1)}\) and to the corrigendum thereto \(^{(2)}\), 


— having regard to Council Decision 2006/702/EC of 6 October 2006 on Community strategic guidelines on cohesion \(^{(7)}\), 


— having regard to its resolution of 10 March 2005 on science and technology — Guidelines for future European Union policy to support research \(^{(10)}\), 


— having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled ‘Putting knowledge into practice: A broad-based innovation strategy for the EU’ (COM(2006)0502).

\(^{(1)}\) OJ L 210, 31.7.2006, p. 25. 
\(^{(3)}\) OJ L 210, 31.7.2006, p. 79. 
having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled ‘More Research and Innovation — Investing for Growth and Employment: A Common Approach’ (COM(2005)0488),

having regard to the Communication from the Commission to the Council and the European Parliament entitled ‘Cohesion Policy and cities: the urban contribution to growth and jobs in the regions’ (COM(2006)0385),

having regard to the Commission communication entitled ‘Third progress report on cohesion: Towards a new partnership for growth, jobs and cohesion’ (COM(2005)0192),

having regard to the conclusions of the Lisbon European Council of 23 and 24 March 2000,

having regard to the European Charter for Small Enterprises, welcomed by the Feira European Council on 19 and 20 June 2000,

having regard to the Communication from the Commission to the spring 2006 European Council entitled ‘Time to move up a gear. The new partnership for growth and jobs’ (COM(2006)0030),

having regard to the Communication from the Commission to the European Council at the informal meeting in Lahti on 20 October 2006, entitled ‘An innovation-friendly, modern Europe’ (COM(2006)0589),

having regard to the Communication from the Commission to the European Council entitled ‘The European Institute of Technology: further steps towards its creation’ (COM(2006)0276),

having regard to the Commission communication entitled ‘Regions for Economic Change’ (COM(2006)0675),

having regard to the report to the Commission by the independent group of experts on Research and Development led by Esko Aho entitled ‘Creating an Innovative Europe’ (January 2006), the final report of the European Research Advisory Board (ERAB) entitled ‘Stimulating regional potential for research and innovation’ (November 2005) and the Commission working document ‘Innovative strategies and actions: results of 15 years of Regional Experimentation’ (October 2006),

having regard to the European Innovation Progress Report 2006 (TrendChart),

having regard to the positions and opinions of the Committee of the Regions,

having regard to Rule 45 of its Rules of Procedure,

having regard to the report of the Committee on Regional Development and the opinion of the Committee on Budgets (A6-0096/2007),
D. whereas people should be the focus of all innovation action; whereas their full and harmonious development is the key to the successful implementation of all policies, and whereas the basis for all action taken by the EU should be the wellbeing of its inhabitants (broadly defined in terms of quality of life and long life), as members of local and regional communities and, at the same time, citizens of the Member States,

E. whereas equal access to education and training at all levels is a fundamental citizens’ right and whereas continuous training should be stepped up and workers should be given retraining opportunities,

F. whereas innovation within the EU should be understood as a dynamic and interactive process involving various stakeholders including, in accordance with the principle of subsidiarity, regional and local stakeholders,

G. whereas innovation can also mean a return to good, tried and tested practices that have been in use for generations, and whereas in some cases innovation measures may be aimed only at specific regions,

H. whereas some measures require major expenditure, while others call only for new ideas and/or the introduction of good, clear legislation that will be observed,

I. whereas the goal of the Lisbon Strategy is to make the EU the world’s most competitive economy by 2010, including by increasing research and development expenditure to 3% of GDP and whereas regional and local centres should be more actively involved in the practical implementation of the Lisbon Strategy,

J. whereas 60 to 70% of Community legislation is implemented at regional and local level,

K. whereas Structural Funds should be used in a flexible way so as to enable due account to be taken of the specific features of individual regions,

L. whereas various financing instruments have been introduced, including the new Jaspers ('), Jeremie ('') and Jessica ('') initiatives, and whereas the European Investment Bank (EIB) action serves as a useful lever for development by rationalising expenditure,

M. whereas small and medium-sized enterprises (SMEs) play a vital role in innovation capacity building within the EU, owing, among other things, to their flexibility and speed of reaction to new technology and new operating methods,

N. whereas SMEs must be considered as one of the main drivers for innovation in Europe and whereas the Member States and the EU are committed to strengthening the spirit of innovation in small enterprises and their technological capacities and to introducing a Community patent that is accessible to them,

O. whereas sustainable energy sector development represents one of the greatest challenges to the EU,

P. whereas economic activity, as broadly understood, also includes farming,

Q. whereas the service sector generates a significant portion (some 70%) of the income of Member States,

R. whereas the demographic forecasts for the EU (a low birth rate and an ageing population) are a social challenge to the EU and open up great opportunities for innovative actions in Member States, including in the services sector,

S. whereas appropriate conditions need to be created in connection with transport, telecommunications and information network infrastructure,

(1) Joint Assistance in Supporting Projects in European Regions.
(2) Joint European Resources for Micro to Medium Enterprises.
(3) Joint European Support for Sustainable Investment in City Areas.
T. whereas the other players in the global economic and political ‘game’ are not sitting on their hands and are also looking for new solutions, and whereas innovation can be an asset by making the EU economy more attractive and more competitive and forging bonds between EU regions,

U. whereas innovation must not be seen in purely formal terms, and whereas there is a ‘feedback effect’ under which properly conducted regional policy fosters multi-directional innovation which in turn triggers faster and more harmonious regional development, thus contributing to EU cohesion,

V. whereas innovation is one of the three EU priorities mentioned in the Community Strategic Guidelines (2007-2013),

**Policy on human capital, education, science and research**

1. Calls on the Commission and the Member States to ensure in the EU regions equal opportunities for all citizens to access education at every level, which would boost people’s ability to think in an innovative, creative way and ensure balanced personal development (both intellectual and physical), including the development of active, ethical and pro-social behaviour patterns;

2. Welcomes the results achieved to date and calls on the Commission and the Member States to foster the development of regional academic and scientific-research centres, as well as centres of excellence in different areas and closer cooperation among such centres, especially between established and emerging centres of excellence, but also through network structures open to third countries, as well as enhanced exchanges of researchers and students and enhanced access for female researchers;

3. Calls on the Commission, Member States and local authorities to promote research projects whose findings have practical applications, thus contributing to regional development;

4. Draws the Council’s and the Commission’s attention to the fact that, in view of the current demographic situation in the EU, the family, social security and pension policies pursued by Member States and regional and local authorities are in need of reform, and believes that particular notice should be taken of the fact that European society is ageing and that elderly persons should be encouraged to be more closely involved in innovation measures, thus putting their knowledge and experience to good use;

5. Calls on the Commission and the Member States, as well as regional and local authorities, to take more effective steps to ‘spot’ gifted young people and give them the opportunity to develop their scientific and intellectual capacities, and also to provide comprehensive support for the advancement of young researchers;

6. Stresses that demographic change also creates opportunities for the EU economy; refers to innovative activities in the informatics and medical sectors, in domotics, telematics and large parts of the services, transport and care sectors, as well as in regional planning; recalls that most regional and local authorities have sufficient power to implement policy in these areas;

7. Suggests to the Commission, the Committee of the Regions, the Member States and regional authorities that, with a view to fostering a stronger spirit of innovation, regional and local communities should be galvanised by means of a multi-directional campaign to step up dialogue with society, and with business in particular, based on the ‘bottom-up’ principle;

8. Recognises that innovation is essential for creating employment in Europe;

9. Takes the view that an essential precondition for innovation capacity building in the EU, including in the outermost regions, outlying territories, mountainous and island regions as well as rural areas, is unhindered and free — or extremely cheap — broadband access to

   (a) administrative information (at all levels of the administration), making it possible for most administrative formalities, including business-related formalities, to be dealt with over the Internet, and

   (b) scientific, economic, legal and cultural information, subject to proper respect for intellectual property principles (wider availability of e-libraries),
and calls on the Commission, Member States and regional and local authorities to ensure universal access to such information and to maximise access to information and communication technology (ICT) based working, which can help to combat unemployment and — something which is particularly important for people whose personal or professional circumstances require them to work or study remotely and for those who decide to work at home, including especially those bringing up children, disabled persons and carers;

10. Urges local, regional and national authorities, in cooperation with sectoral bodies, such as Chambers of Industry and Commerce and other Infocentres, to set up joint one-stop information shops; stresses that this can be done without spending any more resources by reforming existing information networks; notes, finally, that in this way firms and research institutions can obtain information from a single point about innovation, research and regional development policy at local, regional, national and EU level;

11. Considers that, with a view to boosting innovation throughout the EU, it is essential for broad support to be given to invention-related activities and, by extension, to patent- and licence-related activities, and calls on the Council, Commission and Member States to step up efforts to introduce a European patent and ensure respect for copyright (intellectual property rights strategy), and to vigorously and effectively to combat plagiarism and counterfeiting and to work towards global solutions in this area, based predominantly on European models;

12. Points out that development and innovation measures also extend to non-technological organisational and service-related innovation; welcomes the fact that the Competitiveness Council of 5 December 2006 decided to draw up a policy guideline on service-related and non-technological innovation; calls on the Commission to involve the organisations representing the enterprises concerned in this process; invites regional authorities to introduce measures to support non-technological innovation;

13. Takes the view that innovation clusters and centres of excellence have, to date, produced good results and that these should be supplemented with the conclusions set out in the abovementioned Commission communication entitled ‘Putting knowledge into practice: A broad-based innovation strategy for the EU’; considers that the abovementioned Commission working document entitled ‘Innovative strategies and actions’ (which includes the ‘innovation voucher’) and the abovementioned recommendations of ERAB should also be considered; calls on the Commission and Member States to foster the development of clusters as a means of establishing links between scientific research centres, education centres, business and local communities;

14. Considers that the dynamic development of innovation at regional level, particularly in areas of traditional or single industries, could constitute an effective way of preventing the negative effects of delocalisation and encouraging regional employment;

15. Urges Member States to foster cooperation by setting up European technological platforms providing an opportunity to concentrate innovation activities by forging cross-border and cross-regional links between industry and business and scientific-research and financial circles;

16. Recognises the need to create regional innovation poles and areas and to link these via networks to corresponding structures in other regions and Member States or third countries;

17. Welcomes the fact that research and development spending under the Seventh Framework Programme for Research has risen by some 40%; stresses, nonetheless, that the current level of spending on research and development is still dangerously low and that the Community budget appropriations earmarked for this purpose are far from satisfactory, and calls on Member States to considerably increase the percentage of GDP they spend on R&D at both national and regional levels as soon as possible, drawing attention to the need for the monies to be used in a rational manner, in accordance with the purpose for which they are earmarked;

18. Expresses concern at the fact that, although the EU authorities recognise the crucial importance of promoting innovation, the appropriations allocated to research and development are insufficient to meet the real needs of the European Union and thereby ensure its competitiveness;
19. Considers that structural funding is one of the significant means of bolstering innovation capacity and reducing economic disparities between regions; suggests that the Commission, Member States and regional authorities should increase the percentage of structural funding resources contributing to development, earmarked for research and inventions;

20. Sees the European Institute of Technology (EIT) as a new opportunity that would prevent the ‘brain drain’ and give talented European researchers a unique chance to perform scientific research at the highest level and as a source of potential support for regional scientific research institutes; calls therefore on the Council, Commission and Member States to speed up establishing the EIT and thus boost the Community’s competitiveness and potential in the ‘knowledge triangle’ formed by innovation, research and education;

21. Encourages the Commission to formulate a strategy for creating an open, common and competitive European labour market for researchers, and encourages Member States and regional authorities to implement that strategy in such a way as to provide researchers with opportunities for professional development with appropriate career prospects and steps to facilitate mobility;

22. Calls on the Commission, Member States and regional and local authorities to give comprehensive support, in accordance with their respective competences, to SMEs (including measures to streamline administrative procedures and the tax system and measures concerning public supply procedures), since they are the most creative and dynamic vehicles for technological and organisational innovation and can thus potentially enhance Europe’s economic competitiveness and improve the situation on the labour market;

23. Emphasises the importance of improving SME access to financing from the Structural Funds in order to increase the cost-effectiveness of EU expenditure for the public; takes the view, in this regard, that greater diversification of financing should be promoted and that particular efforts should be made to develop more fully the potential of risk capital;

24. Calls on regional and local authorities to foster and support regional cooperation between scientific research centres and businesses of all sizes, small, medium and large, including, where possible, the institutions of the social economy; calls on regional and local authorities to regard the Open Innovation principle (cooperation between industry, SMEs and government in research and innovation through clustering) as a motor for regional development;

25. Emphasises that the Structural Funds and the Cohesion Fund play a major role in the pursuit of the Lisbon objectives, particularly in the field of innovation;

26. Considers the Structural Funds to be a vital tool for supporting innovation capacity, and in particular for achieving cohesion and reducing economic disparities between regions; proposes that the amount allocated from the Structural Funds to research and innovation be increased considerably;

27. Recognises that, at local and regional level micro enterprises and craft industries are particularly important for pro-innovation policy and should be supported in cooperating with public and private research establishments, especially in low and medium technology areas; calls on the Commission to submit to it and to the Council an action programme in relation to such enterprises and suggests the Member States and regional authorities support them using Structural Funds, also for student training, regrets however that no operational measures have been proposed for them; consequently, calls on the Council and the Commission to ensure that account is taken of the specific characteristics and needs of these enterprises when defining priorities in the strategy;

28. Invites national and regional authorities to create conditions reinforcing interregional and cross-border cooperation in the domain of innovation, while suggesting maximal simplification of administrative procedures concerning the financing of such cooperation;
29. Recommends that national, regional and local authorities take the innovative action that is essential in the services sector in the broad sense of the term, which includes public services;

30. Urges Member States, with a view to effective implementation of pro-innovation policy in the regions, to make a good use of the complementarity of the European Regional Development Fund, the European Social Fund, the Cohesion Fund and funding available under the Seventh Framework Programme for research as well as the first Framework Programme for Competitiveness and Innovation;

31. Takes the view that, in line with the strong social pressure for this, red tape should be radically reduced, and calls on the Commission and Member States to review — in accordance with their respective competences, Community, national, regional and local law from that point of view and to make extensive simplifications and, wherever possible, standardise administrative procedures, particularly those connected with starting up and conducting an economic activity (single points of contact);

32. Takes the view that institutional assistance should be provided to local and regional authorities in their pro-innovation work and suggests that Member States consider giving them, in accordance with the principle of subsidiarity and the guidelines for State aid adopted by the Commission, the broadest possible duties and powers together with appropriate means of self-funding, subsidies or grants, which should facilitate efforts to devise the best possible solutions for local residents;

33. Calls on Member States and regional and local authorities, when looking for ways to implement pro-innovation investments and projects, to promote and make greater use of solutions involving public-private partnerships (PPPs) and at the same time to employ best practice developed in other countries and regions, following the principle of value for money;

34. Stresses the need for an extensive system of PPPs to supplement the public financing made available by the Member States and the Community; notes that the success of such activities will depend essentially on interlinking the potential actors;

35. Urges the Commission, in view of the possibility of tensions between competition policy and State aid policy, on the one hand, and the support of such projects from the Structural Funds, on the other, to undertake actions aimed at reducing these tensions with reference to PPPs, as well as other issues, including broadband Internet connection infrastructure;

36. Considers that, with a view to implementing pro-innovation policies at national and regional levels, the task of raising capital needs to be made easier, and calls on the Council, Commission and Member States to set up financing mechanisms that meet real needs, together with a system for managing the risks involved in innovative projects; acknowledges, in this connection, the importance in innovation terms of the new financing initiatives introduced jointly by the EIB and the European Investment Fund (EIF), namely Jaspers, Jeremie and Jessica, and considers that information on the practical and effective implementation of these initiatives should be disseminated as widely as possible at regional level;

37. Emphasises, however, that the current risk capital system does not meet the innovation financing needs of small and micro enterprises, in particular for non-technological innovation; calls on the Commission, the EIB and the EIF to identify funding methods that are suitable for these enterprises and for cottage industries, by adapting risk capital or devising if necessary other innovative financial instruments; points out that the Jeremie initiative should not be limited to supporting innovation in high technologies alone, and calls on the Member States and the regions to ensure that it also supports innovation in low and medium technologies;

38. Calls on the Commission, Member States and regional authorities to focus not only on major projects and centres of excellence, but to also pay attention to smaller projects in less favoured regions and to provide for adapted micro-credit mechanisms;
39. Acknowledges the link between innovation and the swift and safe movement of persons and goods, which requires the involvement of regional communities in the provision of transport infrastructure, and calls on the Commission, Member States and regional and local authorities to be technically and organisationally innovative within the transport field, particularly in the case of public transport at both local and regional levels;

40. Is pleased that, together with the Council and Commission, it has taken up the EU’s energy problems and, realising that energy policy falls, in principle, within the national sphere and has a significant influence on innovation within the economy, urges Member States to consider the regional aspects of that policy, including energy education, which should result in greater efforts to rationalise energy use and produce ‘clean’ energy by making use of geological features and local energy sources and promoting energy-intelligent buildings, an economy powered to a larger extent by renewable sources of energy, a transport system that exploits the possibilities of intermodal combinations more efficiently and more effective reusing and recycling processes; stresses the positive role to be played by SMEs in this matter;

Urban and rural areas and the environment

41. Calls on the Commission and the Member States, with a view to countering the depopulation of certain areas brought about by their structural disadvantages (such as economic deprivation and unemployment), to conduct inter-regional compensation policy in a more effective manner, having regard to the development of innovation in the regional economies, which will enhance the Community’s innovation capacity and contribute to the achievement of genuine territorial cohesion;

42. Draws the attention of the Commission, Member States and regional authorities to the fact that, for an innovation-friendly environment to be possible, people must have good living conditions, which means guaranteeing an appropriate level of security, health care and environmental protection, decent housing, access to education, culture and services and so on;

43. Calls on Member States and regional authorities, in view of the prominent role played by urban areas as the places where most EU citizens live and also as local and regional innovation centres, to support long-term spatial planning which will create conditions conducive to rational and harmonious use of urban space and sustainable urban development, with due account being taken of economic, housing and recreational needs and also of environmental protection needs;

44. Calls on the Commission and Member States to support initiatives ensuring innovative environment-friendly action (eco-innovation) in accordance with the guidelines of the sustainable development strategy, contributing among other things to sustainable regional development; points also to the significant potential of the SMEs for this kind of innovation;

45. Calls on the Commission, Member States and regional authorities, in view of the fact that rural areas in which some 20% of the Union’s population lives are of decisive importance to EU food security, to bring agri-food production and processing issues and the living conditions of the inhabitants of rural areas within the sphere of innovation policy;

Good practice and the consolidation of innovation policy

46. Welcomes the Commission’s work to date in assessing innovation policy at Member State level (e.g. the European Innovation Progress Report) and calls on it systematically to analyse the level of development of individual regions, using the most objective innovation indicators available; suggests that relevant analyses and assessments and best practices be put forward in the fourth report on cohesion currently being drawn up;

47. Calls on the Commission to take steps to consolidate National Strategic Reference Frameworks, which should include Regional Innovation Strategies in order to bring innovation to the fore, and to bring them together in a common, coherent system for the whole EU;
48. Welcomes the results achieved to date in connection with the exchange of experience and best practice between regions and local communities through cooperation networks, and calls on the Commission for continued support to be provided for the development of such networks and innovation transfer through the deployment of leading-edge information and communication technologies, which significantly facilitate the transfer and exchange of information, particularly in view of the need to involve communities living in remote areas; welcomes, in this connection, the fact that through the abovementioned Regions for Economic Change initiative the Commission is encouraging regions and towns to cooperate, but awaits specific proposals for the implementation of that initiative;

49. Calls on the Commission to conduct, in partnership with Member States, regional and local authorities, a mid-term review of the effects of the cohesion policy conducted up to now and of the abovementioned Community Strategic Guidelines in order to assess the progress made with EU innovation policy in the regions;

50. Reminds the Commission that the forthcoming fourth cohesion report must also serve to improve cohesion policy in the future; also refers to the 'EU Territorial Agenda' due to be devised in 2007; stresses that this policy document seeks to bring about new and forward-looking concepts of territorial development (especially in the fields of regional and urban development, the use of 'critical mass' for regional clusters and a differentiated approach to regions) and also uses culture as an aid to regional development;

51. Hopes that the present resolution will demonstrate the interest which cities and regions have in regional development and growth and that it will make a contribution to the debate on the annual reporting of the Member States’ demands in the Lisbon Strategy;

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

P6_TA(2007)0185

Strengthening Community legislation in the field of information and consultation of workers

European Parliament resolution of 10 May 2007 on strengthening European legislation in the field of information and consultation of workers

The European Parliament,

— having regard to Article 136 of the EC Treaty,


(3) OJ L 254, 30.9.1994, p. 64.
(4) OJ L 82, 22.3.2001, p. 16.