



## Research and innovation



### Editorial

Europe's strength lies in its diversity. That's why Istanbul, a melting pot of so many cultures and civilisations, was a suitable location for

our 2010 General Assembly. This year's meeting, which focused on Europe's 2020 strategy, looked at how the regions can promote innovation and develop effective R&D policies.

Boosting interregional cooperation and making the most of funding opportunities were among the items on the agenda. Yes, Europe feels small compared to the powerful groups emerging in the new world order. And yes, there appears to be little let-up in the unstable economic climate. However, the uncertain economic climate and increasingly globalised market mean that Europe's territories must now, more than ever, work together to tap into the unique skills found across our territories.

I am honoured to play a part in mobilising the regions in this, following my re-election as AER President. I do not take the tasks that have been entrusted to me lightly, and the magnitude of the challenges ahead – which include tackling climate change and securing economic growth – require much more than warm words. That is why, with the strength of our member regions, the AER can work as an action tank, helping to facilitate the change that Europe so desperately needs.

All actors must be on board if we are to avoid the mistakes of Lisbon strategy and achieve Europe's economic vision for 2020. We have to think smart and think fast. Europe 2020 may be a strategy for the future, but we must set the groundwork now. We must gain ownership and remember that while Europe 2020 may have been developed in Brussels, it will only succeed if it is implemented closest to the citizens, on the ground by the regional actors. <

**Michèle Sabban**  
AER President  
Vice-President of the region  
Ile-de-France (F)

## Multilevel governance 'key to Europe 2020'

THE REGIONS MUST TAKE OWNERSHIP OF THE EUROPE 2020 STRATEGY IF EUROPE IS TO HAVE ANY CHANCE OF MEETING THE AMBITIOUS TARGETS IT CONTAINS



**The EU** must mobilise every level of government if it is to meet the targets envisaged in its 2020 strategy, according to one official at the European commission. DG Regio's director general Dirk Ahner was among the speakers at the Assembly of European Regions' (AER) General Assembly, which focused on innovation in context of Europe 2020, Europe's strategy for economic growth. The strategy calls for three per cent of EU GDP investment in R&D and contains ambitious targets on employment and poverty reduction, among others. Ahner told delegates, "The success of Europe 2020 largely depends on ensuring that all partners are on board."

AER Secretary General Klaus Klipp agreed, taking a "very critical" stance on the EU's failure to involve the regions in the Lisbon strategy, which aimed to make Europe into "the most dynamic and competitive knowledge-based economy in the world" by 2010. Klipp warned that its successor, Europe 2020, was also "doomed to fail" if the regional perspective is not taken into account, highlighting an AER study ("From subsidiarity to success"), which draws a parallel between decentralisation and economic growth. Setting research policy at regional level can also help Europe's 22 million SMEs become innovative, he said. AER has been

championing the innovation cause for many years. The 2005 General Assembly looked at the issue, and has been followed consistently in AER Committees. Klipp said that regions are in a unique position when it comes to fostering development. "To work with businesses you need to be where they are – in regions," he said. "No intervention from national or EU level can be as effective as regions in working with SMEs. We need an EU policy that empowers regions to take responsibility," he stated, pointing to the Baden-Württemberg example, where universities and cluster programmes helped the region develop global brands, such as Mercedes-Benz, Porsche, Bosch and Hugo Boss.

For Klipp, it is crucial to recognise that innovation is about "much more than scientists and engineers". "It's about education, creativity, social integration," he said. The diversity encapsulated in cities like Istanbul, host to the 2010 conference is, for him, key to untapping innovative potential. He speaks of a "clear line" linking diversity, creativity and innovation. "At its heart, innovation must look at how to create an integrated society which enables people to participate," he added. "We must make use of the diversity of which we are so proud in Europe. Because creativity comes from diversity, and from creativity comes innovation." <

## Bottoms up

AER MEMBERS ARE CALLING FOR A BOTTOM-UP APPROACH IN ADDRESSING EUROPE'S MAJOR CHALLENGES



AER members unanimously adopting the final declaration, Istanbul, 12 November.

**The economic** crisis, climate change, rising unemployment and an ageing population are among the challenges facing Europe over the coming years. AER is convinced that only an innovative Europe, which mobilises every level of government, will be able to tackle these mammoth tasks. That is why AER's 2010 annual conference was dedicated to the Europe 2020 strategy, bringing R&D policy under the spotlight and looking at how regions can promote innovation.

The Istanbul declaration, adopted by 500 representatives from 150 AER member regions in Turkey's cultural capital, argues that regional politicians, as the actors closest to citizens, are best placed to promote innovative practices.

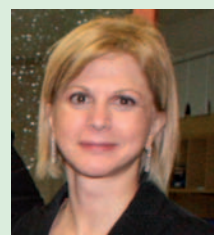
Commenting on the declaration, AER President Michèle Sabban said, *"We believe that through our involvement and collective effort, growth can be dynamic yet sustainable and inclusive. Whether we are speaking about clusters, R&D effort or public-private partnerships, it so happens that it all begins at the local level, through synergies, dialogue, and strong policies towards small and medium sized enterprises."*

The declaration also raises concerns over the challenges of globalisation, warning that Europe will not be able to compete against the emerging economic giants unless regions take affirmative action to boost innovation and investment in R&D. The declaration says, *"If Europe does not take concrete steps towards more targeted action and a better coordinated overall innovation and R&D policy, there is a strong risk that by 2020 most scientific work will be done on continents more geared towards innovation."*

In doing this, AER believes Europe must make the most of the skills found in all regions – whether urban or rural. As well as the overarching Europe 2020 strategy, Brussels has also set ambitious climate targets for the end of the decade. AER also highlights a clear link between securing economic growth and tackling environmental threats, and the declaration stresses the importance of "sound and responsible" energy use.

It adds that a territorial dimension is crucial in exploiting Europe's competitive advantage. AER believes that regions are best placed to identify the skills, and support businesses in promoting economic growth and social cohesion. More over, the declaration calls on Europe to do more and do it better, arguing that all levels of governance must press for greater SME involvement in FP7, the research funding programme. The existing target, for 15 per cent (direct or indirect) involvement does not go far enough, AER claims.

Access to finance for SMEs is another key issue for AER, and the assembly wants to see better alignment of the structural funds and cohesion policy with research objectives. Indeed, as the debate over regional policy post-2013 continues, the assembly is pressing the European commission to maintain a regional policy "for all" as a key instrument in implementing Europe 2020. However, funding alone is not enough. AER regions remain convinced that fostering creativity and encouraging entrepreneurship from the classroom to the boardroom is vital if we are to meet the 2020 targets and make Europe a sustainable, prosperous place to live by the end of the decade. <



Interview

## Hande Özsan Bozatlı

Vice-President of Istanbul Provincial Council (TR)

**AER: What is the significance of holding the General Assembly in Istanbul?**

**HÖB:** Istanbul is a culturally and historically rich city and the point where Asia and Europe meets. In this, Istanbul acts as a symbol for the alliance and dialogue between civilisations.

The AER General Assembly (GA) provides us with the opportunity to overcome our differences as we strive to create a better future for all, a shared future without prejudice, based on common values and principles. The GA is a stepping-stone on the path to our future in Europe and the world. For this reason, and many others, it is an honour for us to host the meeting.

**AER: What are the specific issues facing Istanbul in relation to innovation and R&D?**

**HÖB:** Science, culture and civilisations have been all born and developed in Istanbul. We also have a strong entrepreneurial culture in Turkey and, as in all other European countries, SMEs form the backbone of the private sector and make an invaluable contribution to the economy.

There has been a period of intense activity and change in Turkey in recent years. We have seen, for example, a significant strengthening of economic development and improvements in social wellbeing. However, there is some way to go and Istanbul must work with other European regions if we want to meet our innovative potential.

**AER: How has Istanbul worked with AER on issues relating to Turkey's EU membership?**

**HÖB:** Istanbul has worked with AER and its member regions on issues relating to regional governance. My city has also led the call for establishing an AER working group for an equal Europe for disabled people, and held meetings on female entrepreneurship. Istanbul is currently planning many other activities and projects, which I hope will build on those already undertaken.

## Show me the money

DELEGATES AT THE AER GENERAL ASSEMBLY LOOKED AT HOW TO IMPROVE ACCESS TO FINANCE FOR EUROPE'S SMES



**AER's General Assembly: panel discussion on "Research funding: Challenges for SMEs and regions. Recommendations for 2014 onwards?"**

**Local** and regional politicians, business representatives and European policymakers came together in Istanbul for the AER General Assembly. The conference was dedicated to the challenges facing the regions and Europe at large in the run-up to the 2020 targets. There was some lively debate on issues ranging from access to finance to interregional cooperation over the two-day event.

One session looked at how regions could foster economic growth through working with SMEs. Opening the discussion, host Jacki Davis, a Brussels-based EU analyst, said it was important to convince people of the added value of investing in research. Joined up thinking from a business, political and social perspective was the only way to bring Europe up to speed with the US when it comes to R&D investment, she argued. Indeed, it is clear that the EU must reach the 2020 target of boosting investment in R&D to three per cent of GDP if it is to compete successfully with the emerging economic players in an increasingly globalised world.

Harald Noack, a member of the European Court of Auditors, said the target would only be achieved with more coordination between Europe's research, innovation and cohesion policies. *"We must increase research and innovation capacities in the regions,"* he said, adding that the discussion about how to link the policies is nothing new – there are already more than 200 evaluation reports on the issue.

Eliane Giraud, a councillor from the Rhône-Alpes region (F), said that European funds should not be exclusively sector-based. *"What Europe*

*needs is a strong cohesion and a strong research policy,"* she argued.

Hervé Péro, the acting director of the European commission's DG Research, said Brussels was looking at ways of changing existing frameworks. *"The challenge is how to stimulate industry to invest more,"* he said. He stressed the need for long-term investment, with a gap of up to 10 years between the time of investment and the development of innovation.

Providing the business perspective, Rik Mooijweer, the chairman of the working group on R&D at UEAPME called for a *"more balanced"* approach, which looked at how to stimulate growth and innovation, and made the most of networking opportunities. These straitened economic times provide their own unique challenges when it comes to increasing investment and securing growth. *"It's not about more money but the efficient use of existing money,"* he said. With national budgets under pressure and businesses showing little sign of loosening the purse strings, regions would do well to heed Mooijweer's advice. <

## Get involved: the AER Regional Innovation Award

AER places great importance on fostering and developing innovation in the regions. As such, innovation forms a key part of the 2007-2012 strategic plan developed by AER's Committee 1. Since the launch of the Innovation Award five years ago, AER has received close to 60 applications, with several European regional authorities rewarded for their work in stimulating and implementing innovation in their territory.

This year, AER named winners in three categories: Technology, Economy and People.

### TECHNOLOGY WINNER

The German Land Mecklenburg-Vorpommern won the Technology Innovation Award for the project "Entrepreneurial Technology Transfer"; which aims to identify potential in the region and encourages people to start up their own business. The results are impressive: more than 468 innovative technologies were analysed and 204 ideas with patent potential have been developed. *"This project illustrates three important success factors for innovation projects: it is sustainable, it adopts a holistic approach and it is based on a public private partnership",*

said jury member Dr. Joachim Hafkesbrink, the president of Technology Transfer and Innovation.

### ECONOMY WINNER

Sweden's Uppsala region was rewarded in the Economy category for its "SUF-Resource Centre". The project aims at supporting families in which parents have learning disabilities. The objective is to reduce isolation and build bridges between all levels of governance. Jury member Dr. Peter Heydebreck, the managing director of Inno AG, said, *"I am particularly fond of this initiative which is an excellent example of social innovation with a huge impact on economic welfare."*

### PEOPLE WINNER

The judges in the People category were most impressed by the "Demola" project of Finland's Tampere region. The Council of Tampere has developed a lucrative innovation environment for students and companies, in which students create demonstrations of novel service and product concepts originating from businesses.



**The three winners of AER's Regional Innovation Award 2010.**

Three new companies have been established and 71 new projects set up as a result of the initiative. Judge Dr Susanne Justesen, innovation advisor at Copenhagen's Innoversity, said, *"The unique strength of the project is that it allows students to explore the opportunities in open innovation on a neutral ground – while being able to retain the property right themselves."*

## New AER Presidium

**President**  
**Michèle Sabban**  
Vice-President  
of Ile-de-France (F)



Michèle Sabban was re-elected with a 2 year mandate AER President at the General Assembly in Istanbul. She described her re-election as “not only an honour but also a great challenge. Regions will be playing an important role on the future cohesion policy, the fight against climate change and the economic growth,” she said. “We need to foster local democracy within and beyond Europe. We need to be the engines of change.”



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of Norrbotten (S)

## Speak out

The Communication Award is about making Europe relevant to citizens. People often associate Europe with the EU, which feels to many people a distant and abstract concept with little relevance to their daily lives. We can only breakdown these misconceptions and safeguard Europe's ideals with effective communication, and it is for this reason that AER developed its Communicating Europe Award. Aimed at identifying and sharing examples of best practice, it enables regions to come up with creative ways of involving citizens in Europe.

This year's award went to France's Rhône-Alpes region for its "Support and information campaign for project holders" programme. The initiative, targeted at project holders and the media, was aimed at communicating the

European funds, bringing Europe closer to its citizens and making it more accessible.

The jury also awarded Vrancea County (RO) with a special mention for its project "Your identity – a chance for equal rights". Working with the Roma community, Vrancea examined ways of improving their inclusion and integration in society. Many Roma citizens are socially excluded, partly because they do not have ID papers or birth certificates. The initiative aimed to tackle this problem and more than 1000 Roma citizens were legalized as a result of awareness rising actions. In opening such a discussion, this project represents an excellent example of communicating the values of a social and inclusive Europe.



The winners of AER's Communicating Europe Award 2010.



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