

# Competitiveness, research and the concept of a European Institute of Technology

## Summary

- The European Commission's proposal to create a European Institute of Technology (EIT) derives from the correct assertion that Europe's research performance must be improved and its impact on industry enhanced if Europe is to respond to changes in the global economy by becoming a focus for globally-competitive, high value research-intensive industry.
- The proposal sees that MIT has world leading research and strong industry impacts, and seeks to create a European equivalent.
- Before proposing solutions however, there must be a correct diagnosis. The challenge that Europe faces is threefold:
  - to strengthen its basic and fundamental research which is increasingly the key driver of innovation;
  - to strengthen existing and stimulate the emergence of world class universities, which are the most efficient locations for basic research and potentially powerful catalysts of innovation;
  - to increase research engagement and investment by European industry, to attract research-intensive industry to Europe and to enhance the birth and growth rate of research-intensive companies.
- An EIT is a diversion that fails to address any of these key priorities. A single EIT will not deliver significant benefit across Europe, whilst a networked EIT will lack the attribute that makes a university such as MIT so powerful, the capacity to reconfigure to respond to the changing research agenda. Both models militate against competition, will be unable to deliver the short and medium term benefits sought, are narrow and unimaginative in scope and are of doubtful sustainability.
- It is perverse to contemplate a new institution of doubtful utility when Europe already has a spectrum of powerful research-intensive institutions, from which, with appropriate competitive funding, there is the potential to create the cohort of internationally leading universities throughout its regions that Europe needs.
- Europe's responses to the above challenges should recognise that:
  - the mechanisms for strengthening basic research primarily rest with national governments, but European level intervention to stimulate competitiveness and excellence through the European Research Council is potentially of great importance. Developing capacity in new Member States so that they can rise to the competition should be assisted by regional and structural funds.
  - the research-intensive institutions that Europe needs are universities that co-locate a diverse range of powerful capabilities that permit them to reconfigure their research to pursue a fast changing research agenda, that are highly effective in winning research funds through competitive mechanisms, within a national funding system able to fund internationally competitive excellence.
  - industrial R&D will not increase as a consequence of exhortation. Other incentives are needed. Europe and its Member States should exploit their procurement budgets to stimulate innovative technology, and the creation and growth of research-intensive enterprises as successfully pioneered in the USA through Federal procurement rules.