Summary

- Societal evolution and the processes of globalisation are placing an increasing premium on widely available, excellent higher education, world-leading research, and innovation processes that efficiently translate new knowledge into application.
- In partial response to these challenges, the European Commission has proposed the creation of a European Institute of Technology (EIT), which may be adopted as a priority by the European Council during 2006.
- Although LERU has opposed early versions of the EIT proposal, and assuming that the project will go ahead in some form, it offers its expertise and advice about the objectives, structure and processes of an EIT that are most likely to deliver utility.
- There are two issues that should form vital context for any EIT proposal:
  - Policies of member states have neither funded universities and research at a high enough levels, nor exerted strong enough selectivity, to produce institutions well enough funded to compete with their US counterparts, and, potentially, with emerging systems in Asia.
  - Innovation systems in Europe are relatively weak, such that industry in general has a low absorptive and exploitative capacity for research and the people who embody it.
- **The purpose** of an EIT therefore should have the twin, but complementary objectives of enhancing world-leading excellence in the best research groups in Europe in specific areas, and stimulating innovation processes in these areas. The EIT is about innovation, not technology.
- **The structure** of an EIT should be of up to 10 areas of research, within each of which is a network of 3-5 of the best groups in Europe in a specified field. There should be a partnership relation with the parent bodies of the groups that are members of the EIT, facilitating interaction in research, postgraduate teaching and innovation between the EIT and parent bodies. Most groups will be in research-intensive universities, but some may be in research institutes where these have leading-edge specialist skills relevant to the network. Industry association is vital, and might best be achieved through "Knowledge Integration Communities". EIT groups should not be legally separated from their parent institutions. Individuals should have joint memberships and not be "seconded" to the EIT.
- **The functions** of an EIT should be to drive fundamental research in each of its chosen areas, to develop postgraduate programmes in association with the host university, to have major commitment to young researchers programmes who will be key agents of interaction between partners and with industry, and to develop market directed innovation processes through Knowledge Integration Communities. As the commercial value of research is often realised nationally or regionally, and as regions increasingly have their own innovation strategies, the EIT components would seek links and financial leverage from their regions.
- If these objectives are to be attained, the funding of an EIT would need to be at least at the level of €1 billion per year, and the networks would need to demonstrate the capacity to win major additional resources competitively from national, EU and industrial sources.
- Mechanisms are suggested whereby the EIT could also help to build capacity in member states where the level of research excellence needs to be enhanced.
- It is important to recognise that the EIT would only be part of an increasingly congested and complex European Research and Higher Education area. The time is now overdue when a fundamental review is needed of both, including the structure, purpose and effectiveness of the Framework Programmes.