

Supporting R&D in Latvia

Competing EU and Latvian priorities in R&D

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R&D accounts for 2007-13 and for 2014-17

- Total – **direct for R&D expenditures** – during previous MF programming for EU member states in 2007-14 were at the level of €11 billion;
- Horizon-2020: the EU Framework Program for Research and Innovation with **about €80 billion**;
- The “political idea” in the new European Commission is to “mobilize” up to **€300 billion** in public and private investment over the next three years, i.e. 2015-17, including **education, research and innovation**, together with other *infrastructure priorities*, notably broadband and energy networks as well as transport infrastructure in industrial centres and renewable energy.

Dispersed R&D activities...

- One of the 3 main items in the EU-2020 strategy is so-called **“innovative union”** (together with smart and green growth, which are subject to R&D and innovative influence as well);
 - In the new J-C. Juncker’s Commission there are many “portfolios” devoted to R&D issues:
 - **In the power center** (among vice-presidents) no direct connections with R&D - only **digital union** (A. Ansip) and **competition** with jobs and growth (J. Katainen);
 - However, there are 3 “regular” commissioners: **science, research & innovations** (C. Moedas); **education & culture** (T. Navracsics); **internal market, industry and SMEs** (E. Bieńkowska)

=SMEs are the backbone of EU economy, creating more than 85% of new jobs.

European R&D vision for the next 5 years...

**One of the main priorities in the
European 2020 Strategy is
growth based on
knowledge and innovation;
It means:**

- improving EU productivity by **increasing R&D and innovation performance**,
- better exploiting the potential of ICTs and creating a **digital single market**,
- raising **education** outcomes and
 - **promoting skills**;

Commission's political guidelines for R&D (July 2014)

- **Europe is ill-prepared for the global challenges**, e.g. the digital age, the race for innovation and skills...
- **Out of 10 policy areas:**
 1. mobilize up to **€300 billion** in public and private investment in the real economy over the **next three years** (including: infrastructure, notably broadband and energy networks as well as transport infrastructure in industrial centres; **education, research and innovation**; and renewable energy);
 2. to bring industry's weight in the EU's GDP back to 20% by 2020, from less than 16% at present;
 3. creating digital single market to generate up to €250 billion of additional growth in Europe;
 4. energy union...

MFF 2014-20: division and sectoral importance...

- **Smart and inclusive growth: 47 % of the total budget (about €509 bln);** This sector includes:

= Economic, social and territorial cohesion: **33.9 %**;

= Competitiveness for growth and jobs: **13.1 % (€142 bln).**

- **Sustainable growth:**

= Rational use of natural resources: **38.9 % of the total budget (€420 bln).**

The rest – **about 14% of the total budget** – for administration, global Europe and defense...

Note: *due to R&D complexity, the MFF for 2014-20 does not include “innovative union” as an independent and separate budget appropriation item...*

European various R&D facilities...

=**The European Research and Innovation Area Board (ERIAB)**, established in 2012 to provide independent advice for DG Research and Innovation on Research and Innovation Policy. ERIAB is also advising on the completion of the European Research Area.

=**Horizon 2020** -biggest EU's R&D and Innovation program with nearly **€80 billion** of funding for 2014-20; some additional private investment will be attracted. It promises more world-firsts by taking great ideas from the lab to the market.

[See: http://ec.europa.eu/programmes/horizon2020/find-your-area](http://ec.europa.eu/programmes/horizon2020/find-your-area)

=**European Research Center** –providing Commission's in-house advise.

=**European Research Council**- ERC received over **43,000 proposals** and **4,500 projects** have been approved since 2007.

=**Scientix** - The community for science education in Europe –inspiring science and education.

Latvian efforts to support R&D

- According to LDDK (LV's Employers Confederation), Latvian expenses for R&D is **about 10,3 %** of government's budget: 8,48% for science and education and 1,87% for culture;
- Assistance from EU Structural funds (total for 2014-20 about €4,5 bln) in R&D is divided in the following way:
 - =**Research, technology & innovations: €467,5 mln;**
 - =**Human resources**, incl. education, vocational & professional training: **€516 mln;**
 - =**Competition & support for SMEs: €314 mln;**
 - =**ICT, e-trade & services: €173 mln;** and
 - =**CO₂ reduction** in development: **€480 mln;**