Ladies and gentlemen,

Let me begin by saying that it is a great honour for me to participate in this task force meeting on the "Evolvement of the Quality of Tertiary Education".

In particular, I will focus my speech on the role of Universities in innovation and economic development.

Education and training are prerequisites for the well-functioning of the so-called knowledge triangle (education - research - innovation), and they play a key role in boosting growth and jobs.

Better skills will not only help people find better jobs, and provide European economies with a greater potential for innovation, but it is also important to remember that a better–skilled worker will be more likely to become an active member of the community.

The Science and Innovation is a necessary condition for development and economic growth, but not enough. There are many other factors which are also important.

For the economic growth, we must ensure other macroeconomic conditions, a new unitary patent system, competition rules, properly functioning market, tax policy, efficiency, highly skilled services sector,

innovative ideas and concepts that are developed in the system of Science and Innovation. It is the private system and the business that create wealth, hence the need to seek to improve the entry of doctors in our businesses and in particular in SMEs.

All over the world, but particularly in Europe, tertiary education still faces an imperative need to adapt and adjust to a whole series of profound changes. Therefore, it is fundamental to modernise the higher education system in such a way as to equip it to meet the challenges that global competition in education, research and innovation represent.

At the same time, universities and other institutes of higher education are essential to the provision of the necessary skills if we are to ensure growth in Europe and meet the challenges that the present economic crisis represents. Situated at the crossroads between research, education and innovation – universities are central to strengthening our ability to compete within the knowledge society. The richest regions are those that are developed around universities of excellence.

Co-operation between higher education institutions and industry needs to be intensified at national and regional level, as well as geared more effectively towards innovation, the start-up of new companies and,

more generally, the transfer and dissemination of knowledge.

From a competitiveness perspective it is vital that knowledge flows from universities into business and society. The two main mechanisms through which the knowledge and expertise possessed and developed by universities can flow directly to industry are: the licensing of university intellectual property, and spin-off and start-up companies. It would facilitate the dissemination of knowledge into the EU industrial fabric, including SMEs in traditional sectors, if Higher Education institutions were to actively pursue the promotion of good university-industry relationships, and to better exploit the

results of their knowledge in relationships with industry.

Europe needs entrepreneurs and inventors more than ever as it seeks to improve competitiveness with the rest of the world and boost its economy. But how can our education system provide the right environment for that to take place?

It is essential that Universities prepare strategies to compete at the global scene, in general, and, in particular, for a successful participation in H2020 (e.g. defining the target scientific areas, establishing national and European partnership).

Also, it is necessary that universities fulfil the role we have requested for Smart Specialisation. In the next European Budget, the European Institutions have attributed a special role to the Universities in the scope of the regional development. Universities will be crucial for the definition of the regional innovation plans (smart specialization) and will be essential partners for the enterprises and other institutions of the region in the execution of the regional funds.

At a time where Member States are preparing their proposal for the priorities of the different regional funds, this exchange of views is very beneficial.

Horizon 2020

Is Europe making the most of the innovative potential of its research? Are universities across Europe cooperating enough and unlocking research potential? Will **Horizon 2020** provide a solution?

The phasing of the financial crisis and the need to face global challenges makes science, education and innovation more important than ever in European policies. Thus, for the period 2014-2020 it will be necessary to strengthen the knowledge base in Europe, reduce fragmentation by promoting excellence in

science and education, create the conditions to transform good ideas into marketable products, improve companies' access to innovative financing, creating an environment conducive to innovation and eliminating social inequalities and geographical spread through the benefits of innovation across the European space.

These are the guiding principles for all European programs in the period 2014-2020 proposed by the Commission and approved by the Council and the European Parliament. One of the key programs in European innovation policy is the Horizon 2020.

Horizon 2020 was designed to strengthen European leadership in research, science and innovation, and simultaneously overcome the weaknesses mentioned above.

Amongst the aspects of the Horizon 2020 program I highlight, in particular, the increase of the budget, the effort to simplify the rules of participation, a comprehensive approach that encompasses the entire innovation cycle, extending the possibilities of participation for smaller research units - widening participation - usually based in peripheral countries, and efforts to enhance synergies between the various sources of funding.

Research and innovation policy and regional policy should be complementary and we should seek to build bridges between the two. In the European Parliament the rapporteurs for both Horizon 2020 and the regional programmes have made provisions for greater synergies between the various programmes involved.

This entails building bridges in both directions between Horizon 2020 and the structural funds. In Horizon 2020, we have introduced the concept of "spreading excellence" and "widening participation". The goal here is to foster teaming and twinning initiatives in order to establish and reinforce partnerships between regional research units, countries and leading international counterparts.

This will enable Europe to construct units of embryonic excellence, such as small research groups and highly innovative start-ups. Such stairways to excellence will be able to lever support from the Cohesion Funds and this will contribute significantly to the creation of critical mass from existing seeding grounds.

At the same time, we have also taken considerable care to construct bridges in the opposite direction from the structural funds to Horizon 2020. In particular, the structural funds have a complementary role to play with regard to what Horizon 2020 seeks to achieve. Upstream from Horizon 2020, the structural funds can be used for capacity building.

Downstream from Horizon 2020, the structural funds will help smooth the passage from conception to market.

Smart Specialisation

Another policy of major importance is **regional policy**. The major objective of this policy is to support economic cohesion, reduce socio-economic disparities between the different European regions and to promote growth. Research, technological development and innovation are key aspects to regional policy and one of the main goals, in this respect, is capacity building in the field of

research and innovation. This will foster greater competitiveness at a regional level.

In this respect, the concept of smart specialisation is key to building these bridges. Smart specialisation involves developing a vision, identifying competitive advantages and setting the priorities for research and innovation at a specifically regional level. The universities and higher education institutions have a central role to play in furthering smart specialisation strategies and, in the process, constructing in the bridges between Horizon 2020 and the structural funds in both directions.

The new European Institute of Innovation and Technology should be seen as a reference as it is the European model which aims at building bridges with the regional policy. It introduces a new way of working.

It provides a new standard of partnership, in which the industry is involved in research and education at all levels - from its governance through strategic decisions for the design and implementation of programmes.

Conclusions

This brings me to the end but let me conclude by summing up the main points of what I have said:

1) Firstly, the higher education system is key player in Europe´s transition to a knowledge based economy. However it is necessary an in-depth restructuring and modernization of the sector to face global competition in education, research and innovation.

2) Secondly, the European Union has a catalytic role by providing political impetus and targeted funding in support of reform and modernization and with a significant impact on the quality and performance of universities.

Horizon 2020 and the Regional Funds have an enormous strategic importance for the development of innovation, competitiveness and, therefore, employment of the European Area.

3) Finally, the European Institute of Technology should be seen as a reference model to inspire change and to increase European sustainable growth and competitiveness by reinforcing the innovation capacity of the EU.

Thank you very much for your kind attention.