

*Intervención (en inglés) del Vicepresidente Alejo Vidal-Quadras en el 1st Innovation Summit celebrado en el Parlamento Europeo los días 13 y 14 de octubre de 2009*

Dear President,

Dear friends, dear colleagues,

Dear future Nobel Prize winners,

It is a great pleasure to address you on the occasion of the 1st Innovation Summit here at the European Parliament. This is a very timely event when the 10 year period fixed by the Lisbon agenda is coming to its end. The Lisbon agenda was written on paper and unfortunately many of its goals and targets are still on the documents but not in the real world.

As you well know, the economic crisis we are going through has prompted the Governments to give immediate responses to limit its effects. You will have heard and read the news everyday about the consequences of the collapse of the financial and banking systems and how our economies are suffering. One of the effects of this crisis is that the inherent structural weaknesses of our economy have been highlighted: the truth is that we are not as efficient and competitive as we could and should be. The crisis should therefore be used to accelerate changes to shift towards a stronger, fairer and cleaner economic future. If we don't do this, we could only take measures to survive the current climate but we would risk facing the same challenges in the near future. Governments should therefore strive to take, among other policies, medium and long term strategies consisting of: promoting innovation through entrepreneurship, investments in smart infrastructure, encouraging R&D, upgrading workers' skills and improving education.

Today's event couldn't be timelier as the effects of the crisis in innovation are already severe. Indeed, R&D is sharply declining for lack of funding and long-term high risk innovation projects are getting the cut first. However, there are plenty of examples of firms that have magnified their competitive advantage in times of crisis. A very familiar case to you all is how Google took the lead by increasing significantly their R&D budget after the bust of the "new economy" in 2001.

Like I said before, economic crises are historical times of industrial renewal. Less efficient firms fail while more dynamic ones emerge and expand. Those able to adjust to new realities survive, and the new reality today is that developed economies such as ours can only have the competitive advantage by being innovative and efficient. In a globalised world, we cannot longer compete with the emerging economies in terms of costs (labour, environmental), so, were can we beat them? By being more innovative and producing better products.

Governments should therefore continue their previous efforts in promoting investments in a greener economy as improvements in efficiency in the use of energy and materials moving toward a more sustainable manufacturing will boost innovation significantly. Innovative energy-efficient buildings and transport systems, alternative energy supplies and "smart" electricity grid are just a small part of the opportunities ahead of us where economic growth can go hand in hand with sustainable solutions. The role of Information and Communication Technologies here is crucial.

One of the dramatic consequences of the crisis is that unemployment is sharply rising. Many skilled workers are already or will become unemployed and knowledge-intensive layoffs are announced daily. However, such talent could make an important contribution to many innovative businesses or could contribute to a new wave of innovative entrepreneurship.

Education and training are particularly important to the current crisis. In terms of recessions, budget constraints tend to reduce expenditure in these areas. On the other hand, because of rising unemployment, demand for training increases. Support for education and training can help displaced workers find new jobs and should therefore not be left aside as it can accelerate the healthy transition to new jobs and emerging opportunities. Building these skills begin in primary school, goes on in secondary level and require firm-based training and lifelong education.

Before I became a full-time politician in 1989, I had dedicated 20 years of my life to hard science in the fields of radiation physics, radiation detection and environmental radioactivity. When I was young, we were many that felt a vocation for science and technology. The generation of my eldest son, who is now thirty, preferred largely to become experts in business management and financial markets. The crisis we are enduring proves that it is time to turn again to the creation of real wealth and forget about virtual bubbles.

And that means you must enjoy the excitement of scientific research and technological innovation. Forget about derivatives, hedge funds and equity swaps. Wear a white gown and spend day and night in the lab or seated at the computer to design new and original products. Instead of

running after money, try to acquire wisdom. And don't worry, if you are good at your work, money will come anyway.

To conclude, we, as policy makers, have an obligation to take measures to stabilise the financial markets and minimise the negative effects of the crisis. But we should also try to build the foundations for a stronger long-term growth and a transition to a more sustainable economy. In today's world, our economies rely significantly on knowledge and investments in intangible assets are as important if not more as investments in machinery. You are the next generation that will have the opportunity to become the one that lead a second industrial revolution, that of knowledge. I am sure you will not take this challenge lightly as today you lay the foundations for a stronger future. A future that is yours because you are the future.