

**32nd Conference of Rectors & Presidents of
European Universities of Technology
“The EIT - A new type of university-industry partnership: making the
Knowledge Triangle a reality”
Milan, September 28th 2013, 3pm**

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Member of the EIT Governing Board**

Good afternoon,

It's a pleasure to be here in Milan, and to have this opportunity to meet other Presidents of European universities.

I'm here as President, or Provost as we historically call it, of Trinity College, the University of Dublin. I'm also a member of the governing board of the EIT, and it's in this joint capacity that Professor Horvat has invited me to address you today.

The EIT is of enormous potential value to all our universities, and I'd like to talk today about how we can benefit from this new initiative.

My university, Trinity College, is - like your universities - key to the development of the city and region it is situated in - not only from the point of view of education and research, but also of innovation.

Trinity was founded over 420 years ago, in 1592. Today it is ranked 61st in the world in the latest QS rankings, and 18th in Europe. Trinity is a multidisciplinary university: we are strong in my discipline - engineering - and in other science and technology disciplines, but also in arts and

humanities. Because Trinity is Ireland's highest ranked university and is located in the heart of Dublin city, we are very aware of our place in Ireland's 'innovation ecosystem'.

You're probably familiar with the phrase 'innovation ecosystem' - it's used to denote the conditions necessary for innovation and entrepreneurship to flourish.

When conditions are good in a country's 'innovation ecosystem', you find businesses, individuals, universities, and government bodies interacting in the right regulatory environment to create jobs and open up opportunities.

The biological metaphor is apt: it gets across the idea of the different players, or "organisms", interacting to sustain growth.

Trinity is a key player in Ireland's innovation ecosystem. Since 2009, Trinity researchers have created on average seven new spin-out companies a year. In fact twenty percent of all Irish spin-out companies stem from Trinity, so we're important to the country's growth and entrepreneurship. This is not to say that Ireland's innovation ecosystem is as strong as it could be. It isn't. Conditions need to be improved in Ireland as in other EU countries. And universities are very much part of the solution.

I'd like to say that Trinity, as a high-ranking European university, also has a pivotal position in Europe's innovation ecosystem, but let's be honest: it's a bit premature to talk about 'Europe's innovation ecosystem'. Because, rather than one, large, united terrain - when it comes to innovation, Europe is still divided into fragmented territories, and this is hindering growth across the continent.

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This is where the EIT comes in. The EIT seeks to achieve a step change in innovation in Europe - to build networks across the continent and so create a pan-European innovation ecosystem.

The EIT proceeds from an understanding that Europe is well placed for innovation - but isn't yet fully delivering on that promise.

On the one hand, Europe has a track-record as the crucible of great ideas turned into products and services that permeate the world - from the car to the opera, from ballet to radio, from croissants to pizza. Modern banking was invented down the highway from here - in Florence and Siena. And Europeans formulated the idea of the university - from the Platonic Academy in Athens, to the great medieval universities of Paris and Bologna, through to the modern research university first put forward by Von Humboldt for the University of Berlin.

So there's no doubting Europe's achievements. But of course innovation begins anew every day; the clue is in the word - "nova". And Europe as a continent, despite - maybe **because of** - its great achievements, has been lagging behind, for several decades, perhaps indeed for a century.

It's striking that many inventions which had their origins in Europe were commercialised in North America - things like aviation and cinema in the early 20th century.

And in recent decades Europe's competitiveness has suffered further. The markers of the contemporary age - laptops, tablets, smartphones, social media - are not, for the most part, European creations. Not enough Europeans are engaged in entrepreneurial activities with associated employment and wealth creation

Statistics from the Global Entrepreneurship Monitor confirm this. Look at this table [slide] shows the percentage of the adult population engaged in entrepreneurship:

US - 13%

Germany - 5.3%

UK - 7.6%

France - 5.7%

Ireland - 6.1%

This is a human capital issue and relates to the function of the innovation ecosystems of Europe.

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The EIT has set out to reverse this. I know that criticism has been levelled at the EIT. Some people feel it's taking money from other important initiatives like Horizon 2020. I want to address this.

Europe has excellent research abilities, and part of the reason for this is down to the national funding programmes, the European Research Council and initiatives like Horizon 2020. EU programmes have been marvellous at funding individual and group excellence - indeed four of my own former PhD students have ERC grants. And European researchers share expertise with each other. I'm sure all your universities are, like mine, currently involved in FP7 research consortia. Such consortia are however created for **specific, well-defined** projects. This is valuable, but does not provide a sustainable solution and Europe's research and innovation systems have remained fragmented. This hinders the development of sizeable poles of excellence able to compete at global level.

Furthermore, the European Research Council and Horizon 2020 are aimed at researchers. Researchers can also be entrepreneurs, and we celebrate that when it happens. But without a strong entrepreneurial culture in European universities - without developed European ecosystems - opportunities for entrepreneurship are lost. And our universities tend to be publicly funded whereas entrepreneurship is a private sector activity. With due respect to the public sector, we mustn't forget the lesson of those bankers from Florence and Siena, we must always respect the profit motive. We need to wed the research capacity of our universities to the entrepreneurial culture, something that universities are essential to but which cannot be done solely from **within** universities.

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The EIT proposes to everse the decline in European innovation by increasing and facilitating common working between the **three** sectors of:

- higher education,
- the business community,
- and research and technology.

[SLIDE]

The EIT views these three sectors as a “Knowledge Triangle”. The idea is to integrate the three parts of the triangle to create a pan-European group that will drive entrepreneurship and innovation. This group is given a special name: the Knowledge and Innovation Community, or KIC for short.

Each KIC is funded by the EIT to bring together knowledge triangle partners to create value for European citizens. The European Parliament, rather than the EIT governing board, chooses the areas in which to create KICs.

The three KICs, already underway are:

- Climate Change;
- ICT; and
- Sustainable Energy.

Obviously these are crucial areas, not only for entrepreneurship but for quality of life and the environment.

These three KICs have been running for the past three years and have already achieved much:

- For Climate KIC, an incubator network has been established across Europe - 11 incubators have incubated a total of 78 ideas. Via SME innovation vouchers and support, twenty SMEs were helped innovate in 2012. The Pioneers-into-practice programme aims to train already multi-skilled people to address climate change challenges - in 2012, 172 such people were mentored and trained; they now join a community of 300 KIC-climate 'change agents' across Europe.
- EIT ICT Labs adopted an invest-for-impact approach which has generated more than 40 knowledge adaptations and transfers, created more than ten new companies, and launched more than 15 new products and services.
- KIC Innoenergy currently has 41 innovation projects running, involving 108 enterprises, of which half are SMEs. 45 new products and services are forecast, with 25 patents already filed. Regarding entrepreneur incubation, 184 entrepreneurs with a business idea are currently being 'nurtured', and the "KIC Innoenergy highway" now consists of 25 ventures, with eight start-ups already created. And a team of five student-entrepreneurs came second in the Bill Clinton-sponsored worldwide contest, HULT Global challenge.

[Might be a good idea to use table from p.8 Annual Activity Report, and also perhaps table from p.6 and use them to discuss activity of KICs]

So we're happy about the activity of the inaugural KICs, and three months ago we agreed on five future KICs to be selected in three waves: **[slide]**

- Two in 2014: 'Raw materials' and 'Healthy living and Active Ageing'
- Two in 2016: 'Food4Future' and 'Added-value manufacturing'
- And one in 2018: 'Urban mobility'

The first call, for the 2014 KICs, aims to be launched on 14th February 2014 - Valentine's Day, if that helps you remember. The EIT will publish a framework of guidance and hold an Info Day in March to help with preparing your plans, but I can tell you that, as compared to the last selection round, plans should put particular focus on:

- Economic and social impact
- The Business model and financial plan
- Demonstrating commitment, including financial commitment
- Strong and diverse partnership

The deadline isn't until September 2014, but we, as University Presidents, should already be thinking of building networks and finding business partners.

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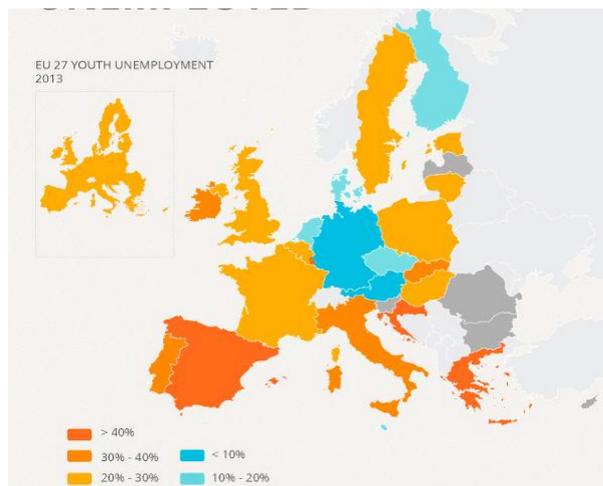
The EIT's unique selling point is the melding of research, education, entrepreneurship and innovation into sizeable poles of excellence.

My university, like your universities, has a dual mission to educate and research. Sometimes in the excitement around research, education gets forgotten about, but without education, we aren't universities.

It's students who provide the freshness, excitement, energy and new ideas that make universities spark. We have a duty to educate our students so they can realise their potential - for their own sakes and for the sake of the societies they will contribute to.

My final slide is a grim one.

[SLIDE]



This shows youth unemployment in Europe. Only in Germany and Austria is unemployment less than 10 percent. In much of Europe it is between 20 and 30 percent. In Ireland, Italy, and Portugal it is over 30 percent. And in Spain, Greece, and Croatia, it is over 40 percent.

This map is an indictment. All that energy and talent going to waste! All that potential unrealised! Of course there are many reasons for youth unemployment, but let's not underestimate the problem caused by our lacklustre innovation and entrepreneurial culture.

A new survey by the Global Entrepreneurship Monitorship reports that 61% of young Europeans (between 18 and 35 years) think 'starting a business is a good idea'. That's positive. BUT only 17 percent believe there 'are good business opportunities available'. And 42% cite 'fear of failure' as a barrier to starting a business (compared to, for instance, 28% in Latin America).

In Europe in 2013, a quarter of our young people are out of work; almost two-thirds would **like** to start a business, but 40 percent are **afraid** to, and only a sixth **believe** there are good business opportunities out there.

My term as President of Trinity ends in 2021. Among my strongest wishes is that by the time I leave, we will, collectively in Europe, have reversed those figures. We will, collectively, have created the conditions for the innovation ecosystem to flourish across our continent, and for our young people to believe in opportunity.

Thank you.

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