"Horizon 2020: Investing in the common good"

Treating knowledge as a public good in EU research and innovation

30 November 2011

EVENT MEMO

Summary

On 30 November 2011, the European Commission presented its Research and Innovation Framework programme – Horizon 2020. With a budget of € 80 billion, unequalled by other research and development (R&D) budget, Horizon 2020 will fund R&D projects between 2014 - 2020. On the same day, MEP Luigi Berlinguer and MEP Philippe Lamberts, with the support of the Trans Atlantic Consumer Dialogue (TACD) and Health Action International (HAI) Europe, organized an expert conference to explore how this proposal will invest taxpayers' money in economically and socially sustainable biomedical innovation models. New models of research and innovation that guarantee more openness, easier accessibility and higher result-orientated efficiency is essential especially relevant in light of the current financial crisis.

Opening

MEP Luigi Berlinguer (Progressive Alliance of Socialists and Democrats), introduced the conference by reminding the audience that the Framework Programme is 'one of the initiatives that can support research in our Union', underlining the fact that 'research as a common good' is not affirmed enough to date. Therefore there is a need to provoke discussion in the frame of Horizon 2020. "Results of public financing of research has to go back to the public" he said.

Mariana Mazzucato - The Entrepreneurial State

A Professor in Economics at the University of Sussex, Mazzucato argued that **active state investment has been the secret behind most radical innovation - an important point that is often overlooked**. For example, 70% of truly innovative drugs in the USA are financed by the National Institutes of Health, as big pharmaceutical companies focus more on "me-too" medicines. Nonetheless, pharmaceutical companies market certain medicines at exorbitant prices, arguing that this is needed to re-coup research and development (R&D) costs.

The iPhone is another example of entrepreneurial state investment, where all novel parts of the iPhone and iPad were financed by government subsidies. The iProduct came to be when Apple assembled all the pieces, and today reaps maximum profit out of both the State's initial risky R&D and its own subsequent, less risky, investment.

The R&D done by the State is generally the initial risky and expensive research for which there could be very little return. For such a system to be sustainable, **research models should avoid socializing the risks of investment while privatizing the profits** of innovation by ensuring the public receives return on its investment.

It is not sufficient to talk about open innovation. While innovation is becoming more open, return is becoming increasingly narrow. So what can States do? According to Mazzucato, we need to talk about **knowledge governance**. Economists have to start thinking about how to shape markets in order to ensure returns which correspond to

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the level of public investment contribute to the overall research and innovation process.

Peter Gøtzsche – Health research in the European Union

Peter Gøtzsche, Director of the The Nordic Cochrane Centre, spoke about the need to strengthen and open up the European Union's (EU) health research. Currently, public investment in research delivers a poor yield because of data secrecy. **"Data sharing would lead to tremendous benefits for patients, progress in science, and much more rational use of healthcare resources based on evidence we can trust,"** he said.

As an example, Gøtzsche used the 2009 so-called influenza epidemic where clinical trial data on Tamiflu was not published by the manufacturer. He maintains that there was no evidence as to whether or not Tamiflu reduces influenza complications. In his presentation, Gøtzsche illustrated the consequential mixed signals from medicines regulators: "The European Medicines Agency (EMA) stated that Tamiflu reduces influenza complications, whereas the FDA stated that Tamiflu has not been shown to prevent complications." The billions of Euros spent by governments across the EU today seem rather wasted, according to Gøtzsche.

"**The public is always a partner**," Gøtzsche maintains. The citizenry contributes participants in clinical trials and taxpayers contribute substantial sums to both biomedical research and medicines reimbursement once they are on the market. Respect for trial participants and the unknown risks they take mean that they should be the ultimate owner of the data generated. "**Research can only be a public good, if the public can see the data**."

Glyn Moody – Open research

Glyn Moody, technology expert and author of several books on open source technology, used the example of the IT sector to underline how open access and citizen-based research can be good business, both financially and socially. Moody noted that **power of open innovation is derived from its openness to all**. The Human Genome Project, the first and biggest open data project, highlights the potential of open innovation. Started in 1991 with a budget of $3.8 billion, the return on this project to date is of $796 billion and it also has created 310,000 jobs. According to Moody, **we should not only look at open access to research results and data, but also look at the potential of open research process**.

Discussion

MEP Lamberts moderated the discussion in which Peter Dröll, Head of Unit, Policy Development for Industrial Innovation, DG Enterprise and Industry, European Commission, first agreed with the need to move away from market failure towards knowledge governance, while achieving mutual trust and responsibility, which are currently lacking. According to Dröll, it is important that more actors be included in today's research and innovation, not only university and industry. This can be achieved through prize competitions that are explicitly referenced in the Horizon 2020 proposal.

According to Jean-Francois Deçhamp, Policy Officer in the DG for Research and Innovation, open access is not a means in itself. It is a gateway to further exploitation of research results.

Mazzucato noted that usually, any big research grant awarded by a university has strings attached, such as the results belonging to the university. At the European level this is

currently not the case as the EU awards grants without any ownership conditions attached. The current 'amount' the EU receives back as a funder is therefore disproportionate, as taxpayers do not reap maximum benefit out of their investment.

End notes

Executive Summary EU Policy Opportunities in Biomedical Innovation and the Public Good: http://haieurope.org/wp-content/uploads/2012/02/29-Nov-2011-Executive-Summary-EU-Policy-opportunities-in-Biomedical-Innovation-and-the-Public-Good.pdf

Press release - Horizon 2020: We all invest, who get's the return? http://haieurope.org/wp-content/uploads/2012/02/30-Nov-2011-Horizon-2020-We-all-invest-who-gets-the-return.pdf