

"Economic Research and Economic Policy Challenges in Europe"

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Research on innovation and growth

- Economic research on growth has led to major advances in our understanding of
 - the determinants of growth
 - how policy design affects growth
- The Schumpeterian model in particular has allowed us to think more carefully about the functioning of markets, innovation and growth
- This research has led to a fairly broad consensus among economists and policy makers on the importance of structural reforms

Policy towards innovation and growth

- Despite considerable consensus among “experts” the policy recommendations that come out of this, and related, research have not always had popular appeal
- Presents a challenge to researchers and policy makers
- But this is a challenge that we are well equipped to tackle
- For example
 - how have (and will) the effects of growth be shared
 - what is the relationship between innovation, income inequality and social mobility
 - promising new research that helps to address clear public and policy concerns across Europe (and elsewhere)

Funding of Economic Research in Europe

- Independent research is important for addressing policy challenges
- Funding of large research groups that undertake core research is important for
 - developing research capacity in Europe that can address key policy challenges
 - keeping top international researchers in Europe and keeping them doing policy relevant research
 - ensuring that research is responsive to policy developments
- This is a key role played by ERC and national Research Councils