



New Bruegel Policy Brief

Europe's R&D: missing the wrong targets?

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Europe is not living up to perhaps the most well-known target in the Lisbon agenda: to increase private and public investment in research and development (R&D) to 3 percent of GDP. The EU's R&D spending has been stable at under 2 percent since the early eighties, while the US has achieved an average above 2,5 percent. At the same time Japan has constantly increased its R&D intensity and is now above the 3 percent threshold. China, with dramatic increases over the last ten years, has almost caught up with the EU.

This Policy Brief shows that setting a target for total R&D spending (public and private) is problematic since research activity is dependent, to a large extent, on each country's industrial structure. Countries with high-tech bias will naturally have a higher R&D spending. Governments should thus focus on correcting their own shortcomings by supporting research activities up to a threshold of 1% of GDP. To stimulate more private R&D investment there is a need for a more integrated European market for technology and patents and more funding for academic research to act as a magnet for local and foreign business R&D activity in Europe.

The full brief can be downloaded by clicking on [this link](#).

A short Q&A media memo about the brief can be downloaded in [English](#), [French](#), [German](#).

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