SCIENCE AND TECHNOLOGY PROGRAM - UNITED KINGDOM

Although Ministers are often quoted as referring to scientific research as the "absolute bedrock of Britain's economic performance and quality of life", in 1999 Britain fell from fourth to eighth in the global competitiveness league, with the World Competitiveness Forum stating that a reluctance to invest in R&D was a major contributory factor. The Government now invests 20% less in R&D (real terms) than in the early-1980's and even when the results of the CSR have come into effect in two years time, research investment will still be 17% less than it was 20 years ago. It is therefore considered that to just become average, let alone world-class, Britain would need to invest an extra £700 million each year to the Science Budget. This argument was raised recently when calls were made to establish a National Science and Innovation Strategy, with major objectives being to double the level of government R&D funding for SET and health over the next decade (warning that current expenditure places the UK 12th in a league of 16 industrialised nations) and to use the science base to drive improvements in the UK's innovation performance. Rumours have also suggested that the near future may see the Government's first major policy statement on science in the UK since 1993. Possible plans for a new white paper signal a major reappraisal of how and why the Government deploys research funds and new strategies are expected to build upon those introduced in the 1993 white paper, with more attention focused on issues such as: promoting life-long learning and a knowledge-based society; involving SMEs; and improving the poor image of science in the public eye. The Government has also recently made a surprise decision to begin it's second spending review, CSR2000, a year earlier than planned, in order to fit with a possible early re-election. The Research Councils are therefore currently mounting a frantic effort to produce measures and performance indicators to promote the case for further science funding. It is feared that the science budget may come under threat in this review because of the difficulties in evaluating how successful the previous boost has been after only 6 months of spending. However, indications suggest that university research and its commercial development through industry links are likely to remain a top priority for Government funding.

Amidst these recent announcements, the UK is also faced with the future opportunities and challenges that devolution will bring. The formation of a Scottish Parliament and the Welsh and Northern Irish Assemblies are major changes and their impact on how SET is addressed within a UK context is crucial. Devolution will change the patterns of responsibility for regional components of the SET base and it will create opportunities to use science programmes more effectively to support distinctive regional priorities, indeed Scotland is already in the process of establishing a *Scottish Science Strategy*. However, it is vital for the strength and diversity of the research base as a whole, and hence world competitiveness, that devolution does not lead to fragmentation, and that the regions remain a well integrated part of the UK SET base. For this reason it has been decided not to establish a separate Research Council in Scotland, but to maintain the current system whereby the Research Councils continue to have a UK-wide responsibility for the overall funding of basic science on a competitive basis.

4. Canada-UK S&T Activities and Opportunities for Canada

The UK realises that SET is becoming an increasingly international activity, with many issues (such as climate change and the human genome project) needing to be tackled on a global scale. It also realises that by carrying out only than 8 % of the world's research, it cannot hope to maintain a world-class science base or perform the S&T required to improve its competitive position and provide solutions for policy problems in isolation. The Government is therefore