
THE EUROPEAN UNION
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<i>R&D Expenditures 1998</i>	145.0 billion \$US (in purchasing power parities)
<i>R&D/GDP 1998</i>	1.81%

	R&D Performed 1998	R&D Funded 1998
<i>Industry</i>	63.6%	54.8%
<i>Government</i>	14.8%	36.0%
<i>Higher Education</i>	20.6%	

1. Snapshot of European Union's S&T in 2001

The European integration process started in the 1950's has resulted in a Union with 15 Member States (Germany, France, Italy, United Kingdom, Spain, Netherlands, Belgium, Greece, Portugal, Sweden, Austria, Denmark, Finland, Ireland, Luxembourg). The EU is the world's largest single market, having surpassed the United States in both GDP and population. The euro is now the official currency of 12 of the 15 EU Member States, and euro notes and coins will begin circulating in 2002. EU enlargement is well under way, negotiations having started with 13 candidate countries for accession to the EU, namely Poland, Hungary, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, the Slovak Republic, Malta, Bulgaria and Romania. Since 1999, these accession countries are "Associated" with European Union research programs, on condition that they contribute a growing fraction of their GDP to such programs.

Since 1983 and until recently, when discussing European S&T, reference was made chiefly to the succession of 4-year Framework Programmes for Research, Technology Development and Demonstration Activities (RTD). Where research activities proper are concerned, indeed the Fifth Framework Programme (FP5) for RTD (1998-2002) which was adopted in 1998, and launched in 1999, continues to dominate the scene. More than half the FP5 budget of approximately 15 billion euro over four years has been allocated. By the end of March 2000, over 3,500 contracts had been signed. In 1999 only, over 16,000 proposals were received, representing 90,000 participants, in 23 multi-disciplinary key actions, which are intended to respond to the priority needs of citizens and society. If FP5 represents 4 % of the total EU research spending, analysts are quick to point out that it is an important 4 %, because it funds new leading-edge initiatives, stimulates transnational research cooperation, and influences more and more the priorities and structure of national research programmes across Europe.