

Foreword

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Research, education and innovation—the three sides of the knowledge triangle—are primary factors for European competitiveness and welfare, and for addressing societal challenges, such as climate change and globalisation. Realising the ‘fifth freedom’, the free circulation of knowledge within Europe, and investing more and better into R&D are core elements of a long-term European research policy strategy. This is the rationale behind the Agenda for Growth and Jobs, originally launched in Lisbon in 2000, which set the goal of making the European Union the most competitive and dynamic knowledge-based economy in the world.

Small and medium-sized enterprises (SMEs) are at the heart of the European knowledge economy. They are the basis of its future growth and prosperity because they are turning knowledge into new products, services and business opportunities. This is why the Commission launched the Small Business Act in June 2008, which sets the overarching framework for improving future SME-related research and innovation policies.

There are 23 million SMEs in Europe, and 90% of these are micro-enterprises, diverse in nature, with fewer than ten employees. Among those are quite a few “technology pioneers”, high-tech companies for which research is the very life-blood of entrepreneurial success. In addition, there is a significant number of innovative SMEs with high growth

potential, which develop, apply or acquire new technology. For the vast majority of SMEs, however, innovation is not about technological revolution, but about a permanent process of evolution.

I am pleased that one of the leading international journals in the field of the economics of SMEs has decided to publish a special issue on *Drivers and Impacts of Corporate R&D in SMEs*, which has been developed in close cooperation with the Joint Research Centre of the European Commission.

I am encouraged to see that the conclusions of the papers point to the need to have targeted policies directed at particular subgroups of SMEs. This supports the diversity of current European policies and programmes. These support research-intensive SMEs, with tailored measures such as the joint EUREKA-EU Eurostars Programme and through the Community Research Framework Programme, whilst complementing these with other measures tailored to help SMEs without research capacity to acquire the research and knowledge they need from outside. Further downstream, the European Commission has also developed measures designed to encourage innovation and entrepreneurship, such as equity and debt-based financial instruments, information and networking, and we are striving to create a regulatory environment that is more conducive to innovation and entrepreneurship, particularly in “lead markets” with high growth potential.

I wish to thank the editors and authors who contributed to this special issue. Their work provides a valuable contribution to Europe’s sustainable growth.

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