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Call for Evidence: European Research Area Act

Dear Sir or Madam,

the Austrian Federal Economic Chamber (WKO) responds to the Call for Evidence mentioned in the subject line, available at (https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14608-European-Research-Area-Act_en), as follows:

The WKO welcomes the initiative to strengthen and deepen the European Research Area (ERA) through the proposed ERA Act and fully shares the arguments put forward regarding its relevance and necessity. From the perspective of the WKO, it is of fundamental importance that Europe creates a truly integrated and competitive research and innovation landscape.

The ERA Act should become a central pillar of the EU's competitiveness agenda under the next Horizon Europe, ensuring that Europe's excellent research and knowledge base translate more effectively into innovation, industrial value creation and societal impact.

In this context, the ERA Act should contribute to reducing fragmentation in the European research system, strengthening cross-border cooperation, improving framework conditions for researchers and innovators, and enhancing knowledge transfer between science and industry. A stronger ERA is essential to build resilient innovation ecosystems, boost Europe's technological sovereignty and support sustainable economic growth.

We also share the assessment of the Draghi report that research and innovation will play a foundational role in next-generation digital and technological ecosystems, with far-reaching economic and security implications. Strengthening the ERA through a binding and

ambitious ERA Act is therefore a key prerequisite for safeguarding Europe's long-term competitiveness and strategic autonomy.

General remarks

Since the Lisbon Strategy, the European Union has pursued the objective of steering the European research and innovation (R&I) system in a way that closes the knowledge, innovation, and productivity gap vis-à-vis the United States and other global competitors. One key instrument to achieve this goal has been the reduction of fragmentation within the R&I system. Nevertheless, despite numerous initiatives and reform efforts, the EU continues to operate well below its potential, particularly in terms of innovation performance.

To better exploit this potential, stronger diffusion of knowledge and technologies is required through deeper integration of national R&I systems, as well as through the consistent use of Europe's diversity, including existing know-how and regional specialisations.

Developments in recent years have further reinforced the need for action. Today, the challenge is no longer limited to a persistent productivity gap and the associated loss of competitiveness, as most recently highlighted in the Draghi Report. In particular, the crises of recent years, above all geopolitical tensions, have intensified calls for technological sovereignty and underscored the importance of maintaining domestic capabilities, at least in the application of key enabling technologies. In the future, key technologies will play a decisive role in determining which economies are able to increase productivity, manage structural change, and develop viable solutions to major societal challenges.

Investments in R&I are therefore indispensable. These investments must be ensured across all Member States, while at the same time being strengthened through European cohesion. Against this background, the ERA Act plays a crucial role. It is necessary to further develop the existing framework conditions and to create a more strongly integrated European R&I system.

In the following, we structure our position on the ERA Act along the chapters of the public survey.

1. Strengthen R&D investment and bring it up to the 3% GDP target to address the current lack of investment

The Austrian Federal Economic Chamber (WKÖ) acknowledges that the innovation gap between the EU and other economies continues to widen. At the same time, a decline in the EU's competitiveness can be observed. In addition, major societal challenges and multiple crises further increase the pressure to act. Innovation is essential to develop sustainable solutions in this context.

Especially in times of budgetary constraints, it is therefore of central importance that investments in R&I are not reduced, but instead strengthened. The WKÖ considers R&I investments to be indispensable. It is crucial that additional funding is not generated

through reallocations from existing funds or programmes, but rather that the EU sets incentives to facilitate and mobilise private investment in R&I.

It also remains important to open the European framework programmes for research to dual-use topics, as this leads to additional R&I activities and broadens the R&I actor base. In this way, EU R&I policy can more effectively leverage overall R&D intensity in the economy.

Furthermore, it is evident that innovation potential within the EU is currently not being fully exploited. We see considerable potential in many regions, as well as in the stronger involvement of SMEs and start-ups, to increase overall R&D intensity. Since knowledge and innovation are spatially concentrated, there is a clear need to overcome diffusion barriers within the EU through strengthened interregional programmes.

From the WKÖ's perspective, the three proposed measures are appropriate and necessary to strengthen Europe's research and innovation performance and to enhance competitiveness. We consider the contribution of all Member States to be essential and support, for example, a uniform increase of R&D intensity to at least 3% of GDP. Given Austria's already high R&D intensity, we are aiming for a target of 4%.

Multiannual national roadmaps are meaningful in this context, provided that they are aligned with European objectives and ensure better coordination between EU and national funding instruments. Efficient monitoring of progress is also required. Mobilising private capital will be decisive in using public funding as a lever for additional investments in the future. Overall, these measures should support the development of strong regional and European innovation ecosystems.

2. Greater alignment of R&I investments, policies and programs between the EU and Member States, and between Member States

The WKÖ supports the view that, particularly against the backdrop of current geopolitical developments, a stronger, more coherent, and better-coordinated EU R&D policy is required. At the same time, it must be ensured that increased European coordination does not lead to additional bureaucracy or restrict national autonomy in the general orientation of R&D policy.

Rather, the WKÖ sees a clear need for deeper European coordination, particularly in the field of key technologies. As a small country within the EU, Austria can set its own priorities, but is necessarily dependent on European support in central technological fields. This includes, in particular, European Partnerships, as well as a stronger strategic orientation of IPCEIs.

In the past, the WKÖ has already advocated for the simplification and disentanglement of existing European Partnerships. These are currently characterised by high complexity, differing governance structures, and partially overlapping thematic areas. This issue was al-

ready addressed by the WKÖ in its discussion paper on FP10 (wko-fp10-discussion-paper.pdf). Against this background, a concentration on fewer, but strategically highly relevant areas—especially in key technologies—should be pursued. These strategically relevant areas must be clearly defined and delineated.

While the inclusion of artificial intelligence is fundamentally appropriate, other technological fields in which companies and locations can sustainably establish themselves must not be overlooked and should continue to be supported through suitable programmes. Region-specific characteristics also play an important role in this context. Strategic frameworks should therefore not be formulated exclusively top-down, but should adequately reflect the breadth of the innovation base.

From the WKÖ's perspective, a concrete approach to strengthening coordination and coherence lies in closer integration of R&D measures financed by cohesion funds with the Horizon Europe framework programmes.

3. Improve the general conditions for research and researchers in Europe

3.1.1 Freedom of scientific research

The WKÖ supports freedom of scientific research as a central value and a key factor in strengthening Europe as a location for research and innovation. Appropriate measures and EU regulations should ensure that academic freedom is equally guaranteed in all Member States, regardless of current political developments at national level. The example of the United States has shown how quickly science can come under pressure.

The EU should position itself as a counterweight and act as an attractive destination for scientific talent from around the world through appropriate measures. Initiatives such as Choose Europe are therefore highly welcome.

The WKÖ is clearly committed to the objectives of equal opportunities, diversity, and inclusion in research and innovation. To increase the EU's innovation potential, a strong impetus in the area of gender equality and participation is required. It must be acknowledged that women remain significantly underrepresented in scientific publications, entrepreneurial activity, and access to venture capital. This represents a clear innovation barrier and a market failure that must be addressed in a targeted manner.

The WKÖ therefore supports appropriate measures and recognises that equal opportunities, diversity, and inclusion are central factors in making labour markets and business locations more attractive, as well as in sustainably expanding the pool of talent and experts.

3.2.1 Researchers' careers and mobility

The WKÖ considers the mobility of researchers to be essential for advancing the diffusion of knowledge, technologies, and innovation within the EU. Ensuring mobility paves the way for simple and attractive movement of talent across Europe. The WKÖ therefore supports all measures that facilitate researcher mobility and promote simple, recognised procedures across Europe for the recognition of qualifications, visas, and mobility.

Of particular importance is the duration of procedures for granting residence permits to third-country students and researchers, which under Directive (EU) 2016/801 may take up to 90 days. Member States should endeavour to keep this period as short as possible. The same applies to the transition from student residence permits to those for researchers. Overall, a significant acceleration of procedures is required.

In addition, guidance in the form of voluntarily applicable EU-wide contract standards could be helpful; even more effective, however, would be common minimum standards, such as an EU-wide contract standard serving as a reference framework.

3.2.2 Free circulation of scientific knowledge

The WKÖ considers the principle of freely accessible scientific knowledge to be essential for strengthening the dynamics of the innovation system and promoting collaboration. Publicly funded research should therefore ensure that research results are made publicly accessible.

Moreover, the WKÖ believes that access to scientific results should be designed in such a way that the necessary rights remain with the researchers or their organisations. This is a key prerequisite for ensuring immediate open access to research results and facilitating their reuse. The WKÖ sees this as a substantial contribution to strengthening knowledge transfer and the diffusion of knowledge within the EU.

3.2.3 European Research Infrastructure Consortia

From the WKÖ's perspective, it is crucial that Europe acts jointly and develops strong synergies among Member States. Better integration and shared use of research and technology infrastructures (RTIs) can enhance Europe's innovation performance and contribute to a more coherent and competitive European innovation system.

A coordinated European RTI landscape is therefore required not only within Member States, but across Europe as a whole. In this context, the WKÖ considers European Research Infrastructure Consortia (ERICs) to be a necessary and effective instrument that should be specifically strengthened.

3.2.4 Knowledge valorisation

Given the persistent transfer barriers within the EU, the ERA Action "Knowledge Valorisation" remains a central pillar for sustainably strengthening the performance of the European innovation system.

From the WKÖ's perspective, the existing incentive system is inadequately designed, as it continues to focus heavily on scientific publications. While a small number of publications in high-ranking journals achieve high visibility, the majority of scientific results remain outside broad awareness, significantly reducing their overall economic and societal impact.

Researchers should therefore be increasingly understood as co-creators of knowledge and innovation, who can, for example, enable companies to pursue new technological or strategic directions. This leverage should be used by giving much greater recognition to academic engagement beyond universities.

Researchers should be systematically supported and trained to cooperate with actors outside traditional research institutions, such as industry, policymakers, and civil society. Research points to the importance of extra-academic engagement, which not only supports industry but also strengthens the impact of researchers' own work (Nast et al. 2024).

With regard to career permeability, it must be critically noted that a one-sided focus on publications discourages researchers from moving into industry or entrepreneurial activities. This hampers knowledge transfer and the diffusion of innovation. Researchers should therefore be granted greater access to flexible working and career models in order to intensify exchange with the business sector—especially SMEs and start-ups, which can benefit particularly from the expertise of experienced researchers.

This calls less for a fundamental reform than for greater flexibility in prevailing practices and a better understanding of faculty-industry relationships in the future.

3.3 Aligning guidance on artificial intelligence (AI) in research

The Austrian Federal Economic Chamber welcomes efforts at EU level to create greater clarity and coherence in the handling of artificial intelligence in the research and innovation context. Harmonisation efforts with regard to different guidelines should be supported where they help remove barriers caused by fragmentation and differing requirements, thereby promoting legal certainty and cross-border cooperation.

From our perspective, there are currently significant deficiencies in the clarity of key concepts, most notably the concept of risk. Although “risk” is a central element of existing regulatory approaches, a clear and easily understandable definition, as well as explicit identification of the protected legal interests, is still lacking. This complicates the legally secure application of existing frameworks and contributes to legal uncertainty for users and developers.

Similar issues arise with the definition of AI systems themselves, where imprecise wording may lead to an expansion of scope and thus to overregulation.

Against this background, the WKÖ explicitly advocates for non-binding, application-oriented guidance documents that present existing regulations in a clear and practical manner. Such guidelines—e.g. on risk assessment, including checklists—can make a substantial contribution to practicality, acceptance, and consistent application without unnecessarily restricting research and innovation.

We do not consider additional binding regulation of research, testing, and development activities to be appropriate, as these activities are essential for the development of trustworthy AI in Europe and should not be hindered by regulatory uncertainty.

3.4 Improving consistency in approaches to international cooperation and research security across the EU

With regard to international competitiveness and cooperation, it is essential to avoid fragmentation and ensure a minimum level of legal certainty. Only under these conditions will companies and research institutions choose Europe as a location for the development and application of AI systems.

Divergent national approaches and requirements risk undermining the EU's ambition for technological sovereignty and causing Europe to fall behind in international competition.

Queries:

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Kind regards

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