



# efc briefing

## third sector

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## European Commission tables its proposals for 'EU2020' strategy

### Outline

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Smart growth, sustainable growth and inclusive growth are the three objectives of the 'EU2020 strategy'<sup>1</sup> released by the European Commission on 3 March 2010, which aims to set out a 10-year roadmap for action to enable the EU to go out of the crisis and prepare EU economy for the next decade. Five key EU-level targets, which Member States would be asked to translate into national targets, are proposed to measure progress towards these objectives, namely:

- **Increase of the employment rate of the population aged 20-64** from the current 69% to 75%, including through greater involvement of women, older workers and better integration of migrants in the work force.
- **Raising the investment in R&D to 3% of the EU's GDP** while developing an indicator which would reflect R&D and innovation intensity.
- **Meet the "20/20/20" climate/energy targets:** reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30%, if the conditions are right; increase the share of renewable energy sources in our final energy consumption to 20%; and a 20% increase in energy efficiency.
- **Reducing the share of early school leavers** from the current 15% to under 10% and increasing the share of the population aged 30-34 having completed tertiary education from 31% to at least 40% in 2020.
- **Reducing the number of Europeans living below the national poverty line** by 25%, lifting over 20 million people out of poverty from the current 80 million.

The European Council will provide overall guidance for the strategy on the basis of Commission proposals. The Commission will monitor progress towards the targets, facilitate policy exchange and make the necessary proposals to steer action and advance seven **EU flagship initiatives** proposed to move towards the goals. Flagship initiatives will address innovation, youth, the digital agenda, resource efficiency, industrial policy, skills and jobs and the fight against poverty. **Partnership with civil society** and other stakeholders is considered a key element to make the strategy succeed.

Member States representatives have already raised a number of comments and concerns regarding the Commission's proposal, notably the 5 key targets. At their meeting on 16 March 2010, EU's finance ministers indicated that "urgent consideration should be given to a wider indicator that would reflect R&D and innovation". They also questioned the very "principle and the correct design of a possible social inclusion target". EU heads of state and government are expected to reach a decision on the overall approach of the strategy and the EU targets at their summit on 25-26 March. The detailed parameters, including the integrated guidelines for 'Europe 2020'<sup>2</sup> and country-specific targets, should be adopted at the EU summit on 17-18 June.

You will find below more detailed information on the European Commission's proposals.

### EU2020 priority actions

- **Smart growth: an economy based on knowledge and innovation.** The objective is to unleash Europe's innovative capabilities, improve educational outcomes and the quality and outputs of education institutions, and exploit the economic and societal benefits of a digital society. Specifically action is needed in relation to innovation -focusing on the impact and composition of research spending and improving the conditions for private sector R&D in the EU-, education, training and lifelong learning and digital society -only one quarter of the €2 000 billion market that represents the global demand for information and communication technologies comes from European firms. Europe is also falling behind on high-speed internet, on-line dissemination of knowledge and distribution of goods and services.

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<sup>1</sup> See EFC's views on the strategy <http://www.efc.be/EUAdvocacy/EU%20Communiqus%20%20Briefings/befc1010.pdf> (34kb)

<sup>2</sup> The Europe 2020 strategy will be established institutionally in a small set of integrated 'Europe 2020' guidelines (integrating employment and broad economic policy guidelines), to replace the 24 existing guidelines.

- **Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.** This priority will require modernising, strengthening EU's employment education and training policies and social protection systems by increasing labour participation<sup>3</sup>- with particular attention to women, older workers and youth- allowing workers to acquire and develop new skills, as well as raising corporate social responsibility among the business community. Key aspects in this sense will be the access to childcare facilities and care for dependent persons, implementing flexicurity principles and enabling people to acquire new skills to adapt to new conditions and potential career shifts. A major effort will be needed to combat poverty and social exclusion and reduce health inequalities to ensure that everybody can benefit from growth. Equally important is EU's ability to meet the challenge of a healthy and active ageing population.
- **Sustainable growth: promoting a more resource efficient, sustainable and more competitive economy.** The aim is to help the EU to prosper in a low-carbon, resource constrained world while preventing environmental degradation, biodiversity loss and unsustainable use of resources. It will also underpin economic, social and territorial cohesion. Action under this priority includes implementing EU's emission-reduction commitments in a way which maximises the benefits and minimises the costs and to decouple growth from energy use and become a more resource efficient economy, which will give Europe a competitive advantage and reduce its dependency of foreign sources for raw materials and commodities.

### Flagship projects and their objectives

The Commission proposes seven flagship initiatives whose implementation should be a shared priority involving action at all levels: EU-level organisations, Member States, local and regional authorities.

- **European platform against poverty:** To ensure economic, social and territorial cohesion building on the current European Year for combating poverty and social exclusion so as to raise awareness and recognise the fundamental rights of people experiencing poverty and social exclusion, enabling them to live in dignity and take an active part in society.
- **Youth on the move:** To enhance the performance and international attractiveness of EU's higher education institutions and raise the overall quality of all levels of education and training, combining excellence and equity, by promoting student/trainees' mobility and improving the employment situation of young people.
- **An agenda for new skills and job:** To create conditions for modernising labour markets with a view to raising employment levels and ensuring the sustainability of our social models. This means empowering people through the acquisition of new skills to enable EU's current and future workforce to adapt to new conditions and potential career shifts, reduce unemployment and raise labour productivity.
- **Innovation union:** To re-focus R&D and innovation policy on the challenges facing our society, such as climate change, energy and resource efficiency, health and demographic change.
- **A digital agenda for Europe:** To deliver sustainable economic and social benefits from a Digital Single Market based on fast and ultra fast internet and interoperable applications, with broadband access for all by 2013, access for all to much higher internet speeds (30 Mbps or above) by 2020, and 50% or more of European households subscribing to internet connections above 100 Mbps.
- **Resource-efficient Europe:** To support the shift towards a resource efficient and low-carbon economy that is efficient in the way it uses all resources. The aim is to decouple EU's economic growth from resource and energy use, reduce CO<sub>2</sub> emissions, enhance competitiveness and promote greater energy security.
- **An industrial policy for green growth:** To help the EU's industrial base to be competitive in the post-crisis world, promoting entrepreneurship and developing new skills.

### How should the strategy be implemented?

- The **European Council** will have full ownership and be the focal point of the new strategy.
- The **European Commission.** The Commission will submit to EU leaders for discussion at their spring annual summit an annual report on progress towards the agreed headline targets and the implementation of flagship initiatives, and assess country reports and stability and convergence programmes. As part of this process, it will address country-specific recommendations to Member States and issue policy warnings<sup>4</sup> in case of inadequate response.
- The **European Parliament** will be a driving force to mobilise citizens and their national parliaments and act as co-legislator on key initiatives. The **Economic and Social Committee** as well as the **Committee of Regions** should also be more closely associated.
- **National, regional and local authorities.** National governments should report back on their progress in achieving the strategy's targets in the last quarter of each year, at the same time as they will submit their Stability and Convergence reports dealing with fiscal issues. National public authorities should implement the partnership, closely associating different stakeholders, including civil society.

For further information, please visit [http://ec.europa.eu/eu2020/index\\_en.htm](http://ec.europa.eu/eu2020/index_en.htm)

<sup>3</sup> Only two-thirds of EU's working age population is currently employed- and reducing structural unemployment

<sup>4</sup> "Policy warnings" are a new instrument provided by the Lisbon Treaty. It remains to be seen how this new instrument introduced by the Lisbon Treaty is implemented in practice. Policy warnings would need the approval of member states before they are issued, making them dependent on EU leaders' willingness to name and shame each other.