



Europe 2020 Strategy

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European Commission

Secretariat-General

Where Europe stands now ?

The crisis has wiped out recent progress:

- **GDP growth:** -4% in 2009, worst since the 1930s
- **Industrial production:** -20% with the crisis, back to the 1990s
- **Unemployment levels:**
 - 23 million people
 - 7 million more unemployed in 20 months
 - expected to reach 10.3% in 2010 (back to 1990s level)
 - youth unemployment over 21%



Europe 2020: EU after the crisis (i)

- **Europe's structural weaknesses have been exposed:** lower growth potential, productivity gap, high and rising unemployment, ageing, poverty, limited fiscal room
- **Global challenges intensify:** competition from developed and emerging economies, global finance, climate change and pressure on resources

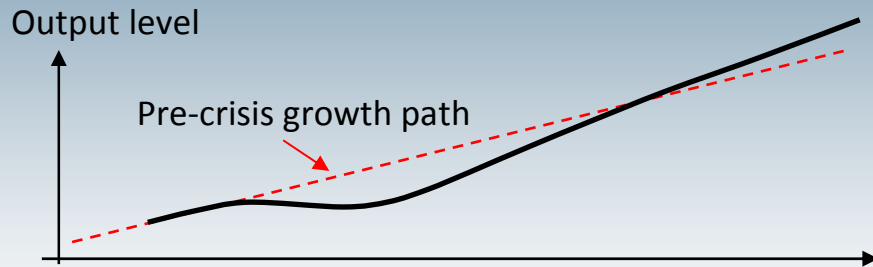


- President Barroso

“The crisis is a wake-up call ... ‘business as usual’ would consign us to a gradual decline”

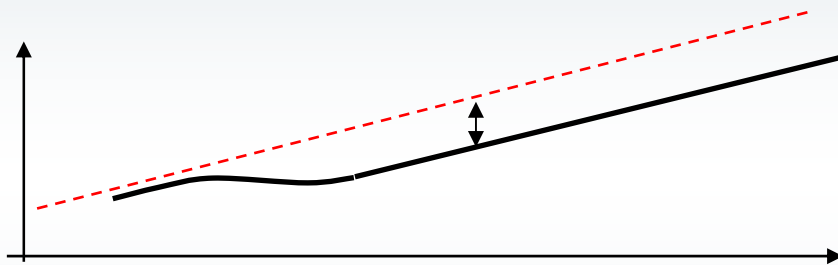
(Communication, 3 March 2010)

Three scenarios for Europe by 2020



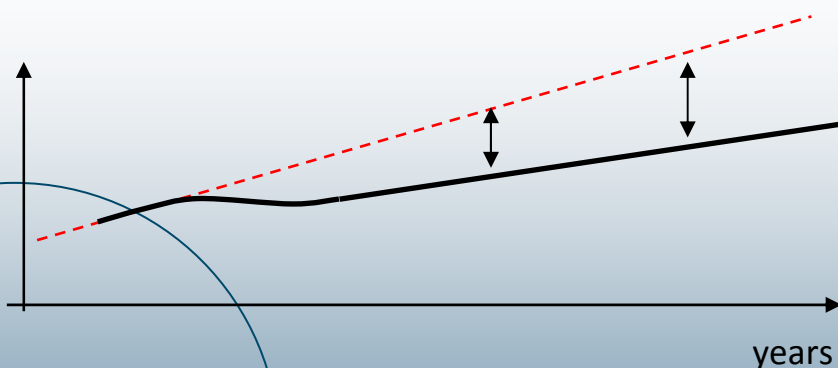
« Sustainable recovery »

Europe is able to make a full return to earlier growth path and raise its potential to go beyond



« Sluggish recovery »

Europe will have suffered a permanent loss in wealth and start growing again from this eroded basis



« Lost decade »

Europe will have suffered a permanent loss in wealth and potential for future growth



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Europe 2020: EU after the crisis (ii)

- **Europe needs to be back on track** : our short term priority is a successful exit from the crisis
- **Whilst taking a long-term vision:** where Europe should be in 2020 – no time to waste to face challenges



» **Therefore, a new strategy “Europe 2020” to return to growth, but not same – unsustainable – growth, rather: ‘smart’, sustainable and inclusive growth translating into high employment and social & territorial cohesion**

Why a European strategy?

- **Economic interdependence:** crisis showed need for joint EU responses and more economic policy coordination if EU is to weigh in global fora



- **The political momentum within the EU is clear:** problem analysis on urgency and need for more econ. policy coordination is shared (informal Summit of Heads of state & govt – 11.2.2010)

- **Only the EU gives us the critical mass to have impact:**
 - Activate all policy areas and levers in an integrated way
 - Exchange best practice

Lessons from Lisbon Strategy

Strong convergence on direction of reforms ...

- Concrete results before crisis
- Partnership EU & Member States
- « Lisbonisation » of structural funds



... but a delivery gap has built up:

- Uneven progress between Member States
- Key targets (R&D, employment) not reached
- Lack of ownership; weak communication
- Regions not sufficiently involved
- Too EU-inward looking

→ **UPDATE VISION TO POST-CRISIS WORLD &
IMPROVE DELIVERY**

Europe 2020: delivering reforms

- 3 thematic **priorities**
- 5 EU headline **targets** – translated into nat'l ones
- 7 **flagship** initiatives – EU & national action
- Mobilising existing EU **instruments**:
 - Single market ;
 - External dimension
 - SGP
 - EU and national Budgets & new financing instruments

Europe 2020: 3 interlinked priorities



1.) **Smart growth**: developing an economy based on knowledge and innovation



2.) **Sustainable growth**: promoting a more efficient, greener and more competitive economy



3.) **Inclusive growth**: fostering a high-employment economy delivering social and territorial cohesion

Europe 2020: 5 EU headline targets (translated into national targets)

By 2020:

- 75 % **employment** rate (% of population aged 20-64 years)
- 3% investment in **R&D** (% of EU's GDP)
- “20/20/20” **climate/energy** targets met (incl. 30% emissions reduction if conditions are right)
- < 10% **early school leavers** & min. 40% hold **tertiary degree**
- 20 million less people should be at **risk of poverty**

Europe 2020: 7 flagship initiatives underpin the targets

Smart Growth	Sustainable Growth	Inclusive Growth
<p>Innovation « <i>Innovation Union</i> »</p>	<p>Climate, energy and mobility « <i>Resource efficient Europe</i> »</p>	<p>Employment and skills « <i>An agenda for new skills and jobs</i> »</p>
<p>Education « <i>Youth on the move</i> »</p>	<p>Competitiveness « <i>An industrial policy for the globalisation era</i> »</p>	<p>Fighting poverty « <i>European platform against poverty</i> »</p>
<p>Digital society « <i>A digital agenda for Europe</i> »</p>		

Europe 2020: new governance

- Lead role for the **European Council**
- Extend **partnership** to regions, social partners & civic society
- **COM and European Council monitoring ...**
 - 1.) **Thematic** - combining priorities and headline targets
 - 2.) **Country** - Member States strategies to meet targets

... **based on international** comparison
- **Country-specific recommendations & policy warnings**
- **Simultaneous reporting** under Europe 2020 and SGP – but keeping instruments separate & maintaining integrity of SGP



Where do we go from here?

- **Commission launched wide public consultation:**
1400 contributions received and analysed: ec.europa.eu/eu2020
- **March 3rd 2010:** Commission proposal (COM(2010)2020)
- **Spring European Council (25.3.2010):** endorse overall approach, EU headline targets and “governance”
- **June European Council 2010:** approve detailed parameters, including the integrated guidelines and national targets
- **Thereafter:** launch of **flagship initiatives & implementation**

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<http://ec.europa.eu/eu2020>



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