

The Europe 2020 Strategy

The Europe 2020 strategy is the European Union's new socio-economic strategy for the next ten years and was proposed by the Commission for two reasons. Firstly, the EU's previous strategy (the Lisbon Strategy) had attracted a great deal of criticism. Secondly, Europe is currently in the throes of economic and financial crisis. The European Commission unveiled the priorities of the new strategy, with its five quantified objectives, in its communication dated 3 March 2010. At European level, seven flagship initiatives will be launched in order to achieve these objectives. At Member State level, each Member State will be required to present an annual programme of reforms based on integrated guidelines proposed by the Commission and adopted by the Council. The main parameters of the new strategy were decided by the European Council in June 2010 and the objective of the Belgian Presidency will be to implement that strategy.

Background

Europe has been in the throes of serious economic crisis for two years and now faces high rates of unemployment, a poor growth rate and excessive debt. Moreover, the long-term challenges of pressure on resources, climate change and an ageing population are intensifying.

The communication on the Europe 2020 strategy presented by the Commission provides a glimpse of the European social market economy in the 21st century and attempts to provide an answer to the economic crisis and to show how the EU can transform itself into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. In the Commission's view, stronger economic governance will be required if lasting results are to be delivered quickly.

The Lisbon Strategy attracted a great deal of criticism, mainly because of its significantly high number of objectives, its complex structure and its overly-bureaucratic process. Furthermore, in the minds of some, the Lisbon Strategy was also lacking in clear political leadership, binding requirements and suitable measures. The Commission communication endeavoured to address this criticism.

Objectives of the Commission communication

Further to broad consultation in late 2009, the Commission adopted its communication on the EU's new socio-economic strategy for the next ten years on 3 March 2010.

The priorities of this strategy are as follows:

- smart growth: developing an economy based on knowledge and innovation;

- sustainable growth: promoting a more resource efficient, greener and more competitive economy;
- inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

The communication also lays down the five quantified objectives linked to the strategy:

1. 75% of the population aged 20-64 should be employed.
2. 3% of the EU's GDP should be invested in research & development.
3. The 20-20-20 climate and energy targets should be met (including an increase in emissions reductions to 30% under the appropriate conditions).
4. The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary-level.
5. 20 million fewer people should be at risk of poverty.

The strategy was adopted at the European Council held in June 2010. At Member State level, the European objectives will be translated into national objectives so that each Member State can adapt the EU 2020 strategy to their specific situation. In addition, specific recommendations will be addressed to each Member State. In order to attain these objectives, wide-reaching measures will be needed at both European and national level.

Flagship initiatives of the EU

At European level, the Commission will unveil seven flagship initiatives in 2010 to speed up progress under each of the strategy's priorities and objectives. These initiatives will be binding on both the EU and the Member States.

1. Innovation Union
2. Youth on the move
3. A digital agenda for Europe
4. Resource-efficient Europe
5. An industrial policy for the globalisation era
6. An agenda for new skills and jobs
7. European platform against poverty

Integrated guidelines

The Commission has also put forward ten integrated guidelines which form the framework for the strategy and reforms at Member State level. The first six guidelines set out below cover economic policy in the broad sense of the term. The other four are known as employment guidelines.

1. Ensuring the quality and sustainability of public finances.
2. Addressing macroeconomic imbalances.
3. Reducing imbalances in the euro area.

4. Optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy.
5. Improving resource efficiency and reducing greenhouse gas emissions.
6. Improving the business and consumer environment and modernising the industrial base.
7. Increasing labour market participation and reducing structural unemployment.
8. Developing a skilled workforce capable of meeting labour market needs, promoting high-quality jobs and lifelong learning.
9. Improving the performance of education and training systems at all levels and increasing participation in tertiary-level education.
10. Promoting social inclusion and combating poverty.

The European Council held in June 2010 endorsed these ten guidelines and it will fall to the Belgian Presidency to draft this decision in official form, once the European Parliament and other advisory bodies have expressed their views.

National reform programmes

From autumn 2010, the Member States will draw up national reform programmes based on these guidelines, detailing the actions they intend to take within the framework of the new strategy and with an emphasis on the efforts needed to achieve national objectives.

Evaluation of and reporting on national reform programmes and stability programmes within the framework of the Stability and Growth Pact¹ will take place simultaneously and will detail the respective instruments and ensure the autonomy of the Pact. Having simultaneous evaluations will prevent reforms designed to achieve the objectives of the strategy from being carried out at the expense of budgetary equilibrium in the Member States. Every year, the European Council will evaluate the progress made on the basis of reports presented by the Commission and may, if necessary, issue political warnings if too little progress is being made either at EU level or at Member State level.

The role of the Belgian Presidency

Belgium's objective is to implement the new Europe 2020 strategy during its Presidency on the basis of the outcome of the European Council in June 2010.

The European Council in October will hold a special debate on research and innovation and the objective of the Belgian Presidency will be to prepare and follow up on this European Council.

¹ The Stability and Growth Pact is designed to guarantee budgetary discipline in the Member States and prevent excessive deficit, thereby contributing to monetary stability. The Member States coordinate their economic policies at European level.