



Europe 2020 Strategy and Cohesion Policy

STRAT.AT plus Forum « Europe 2020 »

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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%

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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”

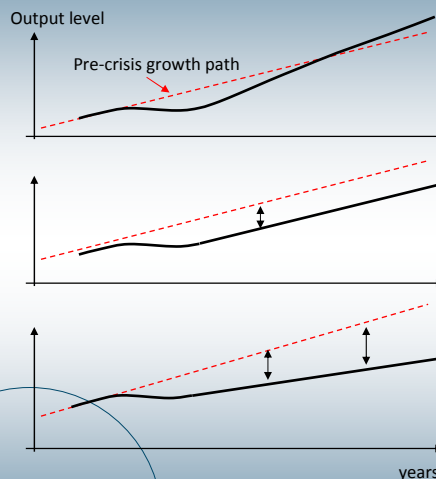
(Communication, 3 March 2010)



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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

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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

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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



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Europe 2020: delivering reforms

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



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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



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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**




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Europe 2020: 7 flagship initiatives underpin the targets

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

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Europe 2020: new governance



- Lead role for the **European Council**
- Extend **partnership** to regions, social partners & civil 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

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Europe 2020: role of cohesion policy



- Cohesion Policy is largest source of multi-sector EU funding
- Need to demonstrate that EU instruments work together, not against each other
- Europe cannot achieve '2020' goals unless regions achieve them

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Relevance of Cohesion Policy

- Cohesion Policy provides an integrated framework for investment
- Cohesion Policy provides a tried and tested delivery system
- Cohesion Policy provides ownership on the ground

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Cohesion Policy and the Flagships

- **Smart Growth**



- **Innovation Union:** structural funds will support innovation
- **A digital agenda for Europe:** the structural funds will contribute to support in the field of ICTs, promote internet access and otherwise facilitate this agenda

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Cohesion Policy and the Flagships (2)

- **Sustainable Growth**



- **Resource-Efficient Europe:** structural funds will be mobilised as part of a consistent funding strategy;
- **An industrial policy for the globalisation era :** Structural Funds will be used to support SMEs to enhance their competitiveness

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Cohesion Policy post 2013 and Europe 2020

- Thematic priorities aligned to Europe 2020
- Integrated strategic approval for main funding instruments
- Strengthened role of Commission in programme negotiation
- Use of conditionalities to reinforce focus on results



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Austria and Europe 2020

Austria has key elements to contribute to success of Europe 2020 :

- Strong emphasis on research and education
- Excellence in education system
- Well-developed digital single market
- High awareness on issues of renewable energy and energy efficiency
- 95% of Structural Funds target smart sustainable growth



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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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