Europe 2020
Strategy and Cohesion Policy

STRAT.AT plus Forum « Europe 2020 »
Danube University Krems
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Nicholas Martyn
DG Regional Policy

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
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 national 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

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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**
### Europe 2020: 7 flagship initiatives underpin the targets

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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
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

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
### 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

### 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
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

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
Where do we go from here?

- **Commission launched wide public consultation:**
  1400 contributions received and analysed: [ec.europa.eu/eu2020](http://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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Europe 2020 Strategy