TAKING STOCK OF THE EUROPE 2020 STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH

European Economic and Social Committee
Europe 2020 Steering Committee

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Introduction (1)

5 March 2014: Europe 2020 package

- Communication "Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth"
- Annex 1: Main steps under the European Semester
- Annex 2: Progress towards the Europe 2020 targets
- Annex 3: State of play on flagship initiatives
Introduction (2)

March 2010
Launch of the Europe 2020 strategy: promotion of smart, sustainable and inclusive growth

January 2011

What is the state of play on the Europe 2020 strategy in 2014?
Plan

Four years after the launch of the Europe 2020 strategy:

1. Economic developments and challenges in the EU

2. Progress towards the Europe 2020 targets and the flagship initiatives

3. First lessons from the strategy
1. Economic developments and challenges in the EU
Still high levels of sovereign debt, expected to decline as of 2015

% of GDP

Source: European Commission
A sluggish recovery after a deep recession

EU and Euro area real GDP level (index 2010 = 100)

Source: European Commission
Rising levels of unemployment, with slow decline expected as of 2014

EU and Euro area unemployment rate

Source: European Commission
After sharp credit tightening, first signs of relaxation

Credit supply to SMEs (*Reading: scores above 0 indicate a tightening*)

Source: ECB Bank Lending Survey
A range of long-term challenges

- Ageing
- Rising inequalities
- Globalisation
- The digital economy
- Productivity challenge
- Pressure on resources

need to renew the growth model in order to unleash the growth potential: ambition of the Europe 2020 strategy.
2. Progress towards the Europe 2020 targets and the flagship initiatives
Uneven progress towards the Europe 2020 targets

• The EU is on course to meet or closely approach the targets on education, climate and energy.

• This is not the case regarding employment, research and development and poverty reduction.

• Performance towards the targets also shows increasing differences across Member States, and sometimes within them, in several areas.
Example: R&D target – Progress at EU level

On the basis of current commitments, EU investment in R&D could reach 2.2% by 2020.

EU gross domestic expenditure on R&D as a % of GDP

*Scenario based on the continuation of ongoing reforms and financial efforts.

**No targets set by CZ and the UK: 2020 figures were estimated by Commission services.

***The EU target includes R&D expenditure by intergovernmental research infrastructures, which is not included in the R&D expenditure of the Member States.

Source: European Commission
Example: R&D target – Progress at MS level

In 2012, R&D intensity in the EU amounted to 2.06% of GDP, against a target of 3% for 2020.

R&D investment in EU Member States as a % of GDP

* LU: 2010.
**No targets set by CZ (only for the public sector) and the UK. IE: the target is 2.5% of GNP, which is estimated to be equivalent to 2% of GDP. LU: the target is between 2.30% and 2.60% of GDP (2.45% assumed). PT: the target is between 2.70% and 3.30% of GDP (3% assumed).

Source: European Commission
Example: R&D target – Progress over time

Investment in R&D in the EU has increased at an annual growth rate of 0.9% over 2000-2012, to reach 2.06% in 2012.

Situation in 2012 and progress since 2000, by country*


Source: European Commission
State of play on the flagship initiatives

• 7 "Work programmes" in the key areas of the Europe 2020 strategy.

• Most of the initiatives envisaged have been presented by the Commission and many have been adopted.

• Yet, it is too early to be able to assess their follow-up and impact.
3. First lessons from the Europe 2020 strategy
The Europe 2020 targets

Admittedly,
- The targets are **not exhaustive**.
- MS show **divergent levels of ambition and commitment**.
- Any quantitative assessment needs to be **complemented** by a qualitative one.

Yet,
- The targets are **easy to monitor**.
- They illustrate the dynamic change promoted by the Europe 2020 strategy and are **self-reinforcing**.
- The targets have been **key catalysts for action**, helping to steer policy focus at national and EU level.
The flagship initiatives

• They have contributed to **mutual learning** at EU level.
• Several of them have **inspired policy action** in MS, including at regional and national levels.
• They have at times served as **a guide for the use of EU funding**.

Yet,

• **Visibility and awareness** of the initiatives was hampered in some respects.
• **Umbrella, long-term frameworks** rather than operational programmes.
• **Lack of focus**: series of specific measures.
Europe 2020 in the context of the European Semester

- The goals of the Europe 2020 strategy are embedded in the various steps of the European Semester.

- **European Semester**: credible framework for policy implementation, integrated surveillance and helps to reconcile economic and budgetary priorities.

- **Reinforcement of contacts** between the EU and MS.

- **Awareness and ownership** by all relevant actors is a crucial prerequisite for success.
Conclusion – Next steps

• **20-21 March 2014 European Council**: discussion on implementation of the Europe 2020 strategy.

• **May-October 2014**: the Commission will launch a public consultation.

• **Early 2015**: the Commission will make proposals for the further development of the strategy.

• **Spring 2015**: the European Council will discuss the review of the strategy.
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