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

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Unemployment evidenced more declines in last months

Total unemployment and unemployment change on previous month by age, EU28, 2006-2014

Source: Eurostat, series on unemployment
Unemployment rate slightly falling from high levels

Source: Eurostat, series on unemployment
Labour market exclusion
Long-term unemployment stagnated overall, while some Member States still evidence increase

Long-term unemployment rates and changes compared to previous year, EU28 and Member States, 2013 Q3

Source: Eurostat, LFS
Situation for youth
Youth unemployment rate stabilised at high 23.4%, considerable differences across the EU prevailed

Youth unemployment rates, EU Member States, January 2014, January 2014 lowest and highest rates since 2008

Source: Eurostat, series on unemployment
The Europe 2020 Strategy

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:

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 targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Status</th>
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<tbody>
<tr>
<td><strong>EMPLOYMENT</strong></td>
<td>75% of the population aged 20-64 should be employed</td>
<td>✗</td>
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<tr>
<td><strong>INNOVATION</strong></td>
<td>3% of the EU's GDP should be invested in R&amp;D</td>
<td>✗</td>
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<td><strong>CLIMATE / ENERGY</strong></td>
<td>A reduction of CO2 emissions by 20%</td>
<td>✓</td>
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<td></td>
<td>A share of renewable energies up to 20%</td>
<td>✓</td>
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<td></td>
<td>20% energy efficiency (EU primary and final energy consumption of 1474 and 1078 Mtoe in 2020, resp.)</td>
<td>?</td>
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<tr>
<td><strong>EDUCATION</strong></td>
<td>The share of early school leavers should be under 10%</td>
<td>?</td>
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<td></td>
<td>At least 40% of the younger generation should have a degree or diploma</td>
<td>?</td>
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<tr>
<td><strong>POVERTY</strong></td>
<td>20 million fewer people should be at risk of poverty</td>
<td>✗</td>
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Employment rate: progress over time

Situation in 2012 and progress since 2000, by country

Progress between 2000 and 2012 (% point change)*

Source: European Commission

Reading: for the EU as a whole, the employment rate increased by 1.8 percentage points over 2000-2012 (horizontal axis), to reach 68.4% in 2012 (vertical axis).

* 2000: EU27 data; HR: 2002-2012
The Europe 2020 targets so far

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.
Seven Flagship Initiatives

*Flagship Initiative on the Agenda for New Skills and Jobs*

- to make Europe's labour markets function better through the adaptation of flexicurity policies to a post-crisis context,
- to equip people with the right skills for employment,
- to improve work quality and working conditions,
- to promote job creation and labour demand

13 key actions -> 69 measures
The Flagship Initiatives so far

- 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.
2012 Employment Package

- It is a medium-term agenda for EU and Member States' action. It lays down proposals for employment to be a driver for growth, by:
  - **Stimulating labour demand** through well-designed measures (e.g. green economy, white jobs, ICT)
  - **Balanced reforms** for more inclusive, dynamic, competitive and resilient EU labour markets
  - **Investing in skills** policies to enhance workforce mobility and adaptability prospects
  - **Strengthening** the employment & social dimension in EU governance, by involving Social Partners more closely in decision making
Youth Employment Package

- Young people dropping out of education or are out of work; low skilled youth most at risk of unemployment and exclusion in the longer term
  - **Youth Guarantee schemes** (see the next slide)
- Difficult school-to-work transitions:
  - Increase the supply of high-quality traineeships and apprenticeships
  - **European Alliance for apprenticeships**
- Growing skills and geographical mismatches, 2 million vacancies across EU
  - **Labour mobility**
- Transitions more difficult in countries with segmented labour markets
  - **Reforms in labour market regulation**
Youth and ESF

2007-13: ESF funding & Youth Employment Action Teams

2014-20: ESF, Youth Guarantees & Youth Employment Initiative: targeted support for regions most hit by youth unemployment
Next steps for the Europe 2020 mid-term review

• **March 2014 European Council**: discussion on implementation of the Europe 2020 strategy
  "Achieving the Strategy's goal of smart, sustainable and inclusive growth remains crucial. The crisis has slowed down progress towards the key goals of the Strategy and the long-term challenges affecting growth in Europe have not gone away. *The European Council calls for stepping up efforts to reach the Europe 2020 targets (...)*"

• The Commission will launch soon a **public consultation**.

• **Early 2015**: the Commission will make proposals for the pursuit of the Strategy.