



# Europe 2020 strategy

## Involvement of the EESC



*European Economic and Social Committee*

# Preface

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*All European countries are currently facing important challenges, and the socio-economic crisis is not over. The European Union launched the Europe 2020 strategy in 2010 with the goal of “emerging stronger from the crisis”. During the last three years, the Europe 2020 strategy with its targets and flagships have been the mainstays of more coordinated and consolidated policy responses by the EU and the Member States.*

*At the EESC, the Europe 2020 Steering Committee has a horizontal mandate to incorporate the concept of Europe 2020 and the relevant EU working programme into the daily activities of the Committee’s sections, CCMI and observatories and to encourage the network of national economic and social councils (ESCs) and similar organisations to take an active part in developing the national programmes relating to Europe 2020, particularly the National Reform Programmes (NRP).*

*The Europe 2020 Steering Committee, together with the national ESCs, underlines that a prior degree of discussion and consensus among stakeholders is vital, particularly where sensitive reforms have to be implemented. The EESC has worked on all strategy areas and made tangible proposals for improving the reform process. I believe that the EESC and its network of national ESCs are ready, willing and able to help make the Europe 2020 strategy a success.*



Stefano Palmieri  
President of the Europe 2020 Steering Committee

# Involvement of the EESC

***“It is so important for civil society to be involved in the Europe 2020 strategy, which lends democratic legitimacy to the governance process of the strategy itself.”***

Stefano Palmieri  
President of the Europe 2020 Steering Committee

EU lawmakers in Brussels started putting the Europe 2020 strategy in place at the height of the economic crisis in 2009. The decade-long plan set out ideas and targets on creating new jobs, improving living standards, and making the bloc of 28 Member States more competitive on the global market.

To make it work, policy-makers developed procedures for greater EU-wide economic integration and governance. But excessive youth jobless rates and the roll-back of social programmes over recent years have made the overall strategy's objectives elusive.

Despite indicators that point to some slow progress, the EU still faces an uphill struggle to full recovery. The growth and social inclusion targets in the strategy are good, but obstacles – some of them created by austerity-driven EU policy-making – remain entrenched.

In 2010, the EESC set up a Europe 2020 Steering Committee, to work with national economic and social councils (ESCs), civil society organisations and EESC members to help implement the strategy, for example through National Reform Programmes and country-specific recommendations. Each year it produces an integrated report, to highlight bottlenecks and share best practices.

## European Union policy

The Europe 2020 strategy set up individual targets for employment, innovation, education, social inclusion and climate/energy.

They are:

- 75% of 20 to 64-year-olds in work;
- 3% of the EU's GDP invested in research and development;
- greenhouse gas emissions cut by 20% or even 30% compared to 1990 levels, meeting 20% of energy needs from renewables and increasing energy efficiency by 20%;
- reducing school dropout rates to below 10%, with at least 40% of young people completing tertiary education;
- 20 million fewer people at risk of poverty or social exclusion.

The targets are backed by seven 'flagship initiatives' covering a Digital Agenda for Europe, Innovation Union, Youth on the Move, Resource Efficient Europe, an Industrial Policy for the Globalisation Era, an Agenda for New Skills and Jobs, and the European Platform Against Poverty.

The flagships provide a framework for EU and national authorities to work together to implement the strategy. Each Member State also has tailored individual targets and follows country specific recommendations. Progress and problems areas in each are identified in the Annual Growth Survey which launches the European Semester, coordinating Member States' economic policies in line with Europe 2020 targets.

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## The EESC's position

The EESC supports the Europe 2020 strategy and its ambitions for greater EU-wide economic and social integration but has serious concerns about whether it will meet its targets, and so the participation of organised civil society is vital.

Two of the objectives, combating climate change and renewable energy policies, are within reach. Recent EESC opinions support action on 'mainstreaming' climate change into other policy areas while creating incentives for firms to become more sustainable.

But progress on the remaining targets on employment, research and development, reducing school drop-out rates and poverty is disappointing, in large part due to the economic crisis.

## Getting back on track

The importance of the seven EU 2020 flagships cannot be underestimated. But finding a way to improve progress towards meeting all the targets requires an honest assessment. This means providing a critical and comprehensive review of the entire strategy, plus concrete proposals to kick-start initiatives running behind schedule.

The EESC's Europe 2020 Steering Committee is drawing up a mid-term review of the strategy, analysing its implementation, its priorities for action, and its post-2015 policy plans, to be submitted to the 2014 Spring Summit of EU leaders.

The Steering Committee's work programme for 2013-2015 – organised in three phases – also proposes a Civil Society Pact for a renewed Europe 2020 strategy, to be launched in late 2014, and an analysis of Global Challenges for Europe, assessing EU competitiveness in relation to other regions of the world.

One of the Steering Committee's tasks is ensuring that all EESC Members are closely involved in promoting the strategy, taking account of

Europe 2020 targets in opinions and contacts in their home states.

Another tool is the EESC opinion on the Commission's Annual Growth Survey. The survey not only looks at the European Semester but also the national ownership of the reform process and the governance of sustainable development.

Last year's EESC opinion deplored the lack of progress of the Europe 2020 strategy as a whole and the economic and social impact of austerity-driven policy. Draft opinion recommendations for 2014 call, among other things, for a practical guide for national authorities to follow in order to make progress.

## Mid-term review

In concrete terms, the EESC Steering Committee's mid-term review will be divided into four parts: a governance report, a summary of an external study, contributions by EESC sections and observatories, and contributions from the Liaison Group.

This report will focus on Europe 2020 strategy governance at both the EU and national levels. It will outline ways to improve the transparency of the reforms and shed light on how they are financed via Structural Funds within the framework of the new 2014-2020 EU budget. It will also explore methods of cooperation with the EU institutions.

An independent and external review launched last year is set for publication in June 2014, will assess the involvement of national economic and social councils in the strategy, in selected Member States.

The EESC has six sections covering different policy areas, from the economy to external affairs. The three specialist observatories focus on the single market, sustainable development, and the labour market. They will provide a selection of best practices in their respective domains.

The Liaison Group, set up in 2004, relays information between the EESC and European civil society organisations and networks. The group's task is to get the broadest possible input, so as to contribute to the Committee's position on the European Semester, and on the strategy as a whole.

# Smart growth: towards a knowledge- and innovation-based economy

***“Innovations lead to progress, growth, prosperity, social security, international competitiveness and employment. They must help us to overcome the great challenges facing society. To flourish, they need a European approach and a European single market.”***

EESC opinion on an Innovation Union

Europe 2020 is the European Union's ten-year growth strategy. Aimed at overcoming the ongoing economic crisis, it attempts to address the shortcomings of the European growth model and create conditions for a different type of growth that is smarter, more sustainable and more inclusive.

The success of Europe 2020 relies heavily on new governance structures and processes put in place since 2010. Central to these is the European Semester, a yearly cycle of economic policy coordination, involving, among other things, regular recommendations prepared by the European Commission.

The European Economic and Social Committee (EESC), a consultative body composed of employers' organisations, trade unions and other interested parties, plays an important role with respect to Europe 2020 – each year, the EESC's Europe 2020 Steering Committee compiles key Europe 2020 recommendations for European institutions and national authorities to consider when developing new policies and budgets.

## European Union policy

Europe 2020 sets five key targets for the EU to achieve by the end of the decade. These cover employment, education, research and innovation, social inclusion and poverty reduction, and climate/energy. The strategy also includes seven 'flagship initiatives', each falling into one of three priority areas. The focus of this chapter is the priority area on smart growth, which includes the flagship initiatives Digital Agenda for Europe, Innovation Union, and Youth on the Move.

Smart growth means developing an EU economy based on knowledge and innovation, by improving the quality of education, strengthening research performance, promoting innovation and knowledge transfer, and making full use of information and communication technologies. It also means turning innovative ideas into new marketable products and services that create growth and quality jobs and help address societal challenges.

## The EESC position

### I. Digital Agenda for Europe

The digital economy is growing at seven times the rate of the rest of the economy. The Digital Agenda for Europe flagship aims to help Europe's citizens and businesses to get the most out of digital technologies.

#### **EESC recommendations:**

- The EESC believes there should be more funding for ICT skills development and knowledge and awareness programmes for



citizens and for small and medium-sized enterprises (SMEs), with information and support in member countries. Meanwhile, there should be more initiatives across the EU to introduce school children, older citizens, and socially disadvantaged people to the use of broadband technology.

- Sustainability should be a high priority for R&D, with more investment in technologies that break the link between growth and environmental damage.
- With online services a key driver of online activity, governments, public authorities, utility companies and other businesses should accelerate the migration of customers to online services. And citizens should have a European electronic identity (eID) to facilitate the development of eServices and online commerce.
- The Commission should implement an EU-wide certification and labelling scheme for e-traders, to protect consumers when buying goods and services online, and the Union should fund a strengthening of Europol's capability to fight cybercrime.

## II. Innovation Union

This flagship calls for innovation in how we conceive, develop, produce and access new products, industrial processes and services.

### EESC recommendations:

- The EESC agrees that innovation applies not only to research, technology and products, but also to human interactions and organisations. Furthermore, it believes innovation partnerships should be built upon processes and instruments already initiated, in line with streamlining and simplification.
- The EESC supports a drastic reduction in the cost of patents and urges moving towards an EU Community Patent.

- With SMEs and micro-enterprises playing an important role in the innovation process, the EESC supports measures tailored to their specific needs. In particular, start-ups should be exempt from normal procedures and regulations, as should social economy enterprises. More generally, Europe needs reliable, innovation-friendly boundary conditions and frameworks, relieving innovators of the burden of unwieldy regulatory frameworks and bureaucracies.

## III. Youth on the Move

*"The EESC is aware of the need to focus on young people who are seriously affected by the current economic crisis."*

EESC opinion on Youth on the Move

Youth on the Move aims to improve education and employability, to reduce youth unemployment – in line with the wider EU target of achieving a 75% employment rate for the working-age population (20-64 years).

### EESC recommendations:

- The EESC believes education and training should lead to stable employment for young people, while youth jobs should not interfere with studies. At the same time, legal and administrative obstacles to the free movement of young people for education, traineeships and apprenticeships should be removed.
- The EESC welcomes the Commission's initiative to validate non-formal learning and increase the visibility of skills acquired outside the formal education system, including the introduction of a European Skills Passport.
- It also backs other efforts to support youth employment, including training programmes, security measures and benefits, combined with activation, recruitment subsidies, suitable wage and social security arrangements, and career guidance.
- The EESC points to the need to develop social capital and youth participation in European civil society, and it calls on Member States to offer more incentives for employers who create traineeships.

# Making growth in Europe sustainable

***“Greater resource efficiency has a major part to play in reconciling the continuing quest for economic growth with the need to recognise the finite nature of many of the world’s natural resources.”***

EESC opinion on the Roadmap to a Resource Efficient Europe

Sustainable growth is one of Europe 2020’s three priority areas, which reflects the huge importance the EU attaches to the environment and the finite resources upon which we depend. This strategic priority area focuses on developing a more competitive, low-carbon economy; protecting the environment; utilising and maintaining Europe’s lead in green technologies; introducing ‘smart’ electricity grids; improving cooperation between enterprises and enhancing the business environment; and empowering consumers to make the most informed choices.

Towards promoting sustainable growth, the EU has agreed a number of ambitious targets, including the so-called ‘20-20-20’ objectives. By 2020, the Union plans to have reduced greenhouse gas emissions by 20% compared with 1990 levels, to boost the share of renewables to 20% of the energy mix, and to bolster energy efficiency by 20%.

## European Union policy

The EU’s sustainable growth priority comprises two flagship initiatives: a Resource Efficient Europe and an Industrial Policy for the Globalisation Era.

The Resource Efficient Europe flagship is founded on the conviction that reducing our consumption of fossil fuels is not enough. We must also find ways to rationalize our use of the world’s other finite resources as global demand grows, especially in emerging economies. This strategy provides Europe with a long-term blueprint for actions across the entire resource-related policy spectrum. This ranges from the acquisition and use of raw materials to transport, industry and agriculture. As with green technologies, this emerging sector is expected to bring Europe major economic opportunities, while helping to protect the environment.

The Industrial Policy flagship stems from the economic crisis and subsequent slowdown in Europe, the shift to a low-carbon economy and fiercer global competition, which represent serious challenges, but also provide opportunities for European industry. Drawn up with stakeholders, this ambitious framework covers not only the entire value chain – from access to materials to after-sales service – but also the various industrial sectors, each of which faces its own unique challenges. Among other things, it seeks to transform the EU into a veritable Innovation Union.

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## The EESC position

The European Economic and Social Committee (EESC) has set up a special Steering Committee to help guide and implement the Europe 2020 strategy. With regard to the sustainable growth priority, the Committee has made a number of recommendations based on the work of its Sustainable Development Observatory (SDO).

### I. Sustainability

The EESC recommends that the EU not only needs to focus on reviving its manufacturing industries, but must also develop the service sectors serving industry, with a particular focus on small and medium-sized enterprises (SMEs). Calling it the 'next industrial revolution', the EESC insists that greening the economy is vital, as is energy efficiency and the bio-based economy.

In addition, the Committee believes that designing and implementing effective frameworks and strategies is not enough. Progress needs to be measured in order to assess the success of various policies and formulate future actions or corrective steps. Specifically, this entails the rapid development of robust indicators and the thorough analysis of the interaction between resource efficiency and the EU's environmental objectives.

### II. Resource efficiency

When it comes to the first flagship initiative, the EESC advises that resource efficiency should be incorporated into the criteria for all European spending programmes and in public procurement. This is partly because this flagship supports a wide range of other policy areas – energy, transport, climate change, industry, etc. – and partly because it would help to create demand-side stimulation for resource efficiency.

The Committee also believes that exploiting raw materials more efficiently in a 'circular economy' helps to keep value chains and manufacturing processes in the EU. In addition, it is imperative for Member States to cooperate closely, to ensure Europe's continued and secure access to primary resources and diversified energy sources.

### III. Industrial policy

*"Industrial policy is about maintaining a strong manufacturing industry in Europe and about raising an overall awareness in society and among stakeholders that the EU must evaluate and put in place adjusted conditions to empower industry – manufacturing and services – to develop successfully in home markets and abroad."*

EESC opinion on Industrial Policy

In terms of the second flagship initiative relating to industrial policy to meet the challenges of globalisation, the EESC has made a number of recommendations. The Innovation Union, which strives to mesh together the EU's innovation landscape to create synergies that can counteract the 'innovation emergency' facing Europe, is closely linked to industrial policy, even though it comes under the smart growth priority. This is especially true with regard to key enabling technologies – such as nanotechnologies, biotechnologies and other innovative processes – and energy-intensive industries. The Committee stresses that Europe needs to speak globally with a single voice when it comes to trade – including insisting that trading partners respect common standards – and to monitor international market developments closely.

Clusters and the knowledge chains linking academia with enterprise require greater focus, suggests the EESC, which would bolster both research and innovation by creating synergies.

An industrial policy for the globalisation era must be founded on a holistic approach which links industrial policy to all other relevant areas of legislation. The EESC points out that these inter-linkages should lead to smarter legislation, better research and innovation, enhanced access to finance, as well as to an energy-efficient and low-carbon economy.



# Inclusive growth: making jobs and living standards a priority

***“Today, EU countries are far from reaching the 2020 target and the worsening social situation caused by the economic crisis is undermining the sustainability of social protection systems.”***

European Commission, DG Employment, Social Affairs and Inclusion

The European Union's Europe 2020 strategy sets out a programme of action for the current decade, aiming to bring Europe out of the economic crisis and lead it towards a fairer and greener future with sustainable growth, high-quality jobs and improved living standards. “Europe 2020 sets out a vision of Europe's social market economy for the 21st century,” said the European Commission.

For the strategy to reach its objectives, civil society must be actively involved in implementing and evaluating it. So in 2010, the European Economic and Social Committee established a Europe 2020 Steering Committee, to enable civil society organisations at both EU and national level to work together to exchange information and good practice and put forward practical measures to make the strategy a success.

## European Union policy

The Europe 2020 strategy defines three overarching and “mutually reinforcing priorities”: smart growth, sustainable growth and inclusive growth. Under the inclusive growth heading, the EU hopes to foster a high-employment economy delivering social and territorial cohesion. Two of the strategy's five headline targets contribute to this objective: reducing school drop-out rates to below 10% and educating at least 40% of young people to degree level, and cutting the number of people at risk of poverty by 20 million.

To achieve inclusive growth, the strategy identifies two flagship initiatives:

- The Agenda for New Skills and Jobs is a programme for modernising labour markets and empowering workers by upgrading their skills throughout their careers, increasing labour participation and mobility and matching supply and demand in the workforce.
- The European Platform Against Poverty fosters social and territorial cohesion and combats poverty, so that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are given the opportunity to live in dignity and take an active part in society.



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## What the EESC is doing

### I. An Agenda for New Skills and Jobs

This flagship initiative aims to raise employment levels in Europe by improving the quality of jobs and conditions for job creation, combined with greater flexibility and security in the labour market. The Commission sets out a series of measures at EU and national level to help Europe reach its jobs target for 2020: 75% of the working-age population (20-64 years) in employment.

In an opinion adopted in July 2011, the EESC broadly welcomed the Agenda for New Skills and Jobs, but stressed the need for policy coherence at EU and national level, as well as the key role of non-governmental stakeholders. It called on Member State governments to make use of social dialogue and consultation with organised civil society, as a means of improving labour markets.

#### *EESC comments and recommendations:*

- There is an urgent need to create good-quality jobs and for sufficient stimulus to Member States to set more ambitious national goals backed by structural reforms and investment policies designed to secure real growth and new job opportunities.
- The link between improving and updating skills and a growth in labour productivity must be strengthened.
- A coherent proposal to re-examine EU social legislation should support rather than weaken the efforts of Member States to implement beneficial labour market reforms and promote social investment.
- The EESC emphasises the need to use European funds more effectively, and joins the Commission in calling on Member States to target European Social Funding and other sources of finance towards meeting the goals of the Europe 2020 strategy.

### II. European Platform Against Poverty

*"As poverty represents a violation of human rights, governments, the social partners and civil society must take shared responsibility for its eradication."*

EESC opinion on the European Platform  
against Poverty and Social Exclusion

This flagship initiative establishes a coordinating role for the EU in reducing poverty and social exclusion, through identifying best practices, setting EU-wide rules and providing funds. The aim is to help EU countries reach the headline target of lifting 20 million people out of poverty and social exclusion.

In an opinion adopted in June 2011, the EESC drew attention to the 80 million people in the EU living below the poverty line. Since the launch of Europe 2020, the number of people at risk of poverty or social exclusion in the Union has actually increased to more than 120 million, due to the economic crisis.

Poverty goes beyond not having enough money: "People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted."

### **EESC comments and recommendations:**

- Austerity measures should not increase the risk of poverty, and an effective social impact assessment must be made and debated.
- The Active Inclusion Strategy should be implemented together with measures to guarantee adequate income support, an inclusive labour market and access to quality work and services.
- A stronger emphasis is needed on reducing inequalities and safeguarding fundamental human rights, through fairer income distribution and implementing the horizontal social clause in the Lisbon Treaty. This clause calls for the EU to take account of the social impact of all its policies, so that they do not undermine progress in areas such as employment, social protection, the fight against social exclusion, education, training and human health.
- There should be increased emphasis on investing in human capital through lifelong learning in education and training, including improved skills training matched to needs in and outside the labour market.
- The participation of civil society stakeholders in the Platform, including people experiencing poverty, NGOs and social partners, should be reinforced through structured dialogue at EU and national level and supported through appropriate EU funding. The EESC should play an active and collaborative role in this dialogue.
- EU funding to combat poverty, especially Structural Funds, should be increased, with simpler access procedures, more transparency, and monitoring to ensure they are delivered effectively.
- The social Open Method of Coordination (OMC), whereby Member States share and compare social policies, should be strengthened and linked to the development of national strategies for social protection and social inclusion.

### **Further information**

#### **EESC Europe 2020 Steering Committee:**

<http://www.eesc.europa.eu/?i=portal.en.europe-2020>

<http://www.eesc.europa.eu/?i=portal.en.europe-2020-steering-committee>

#### **Europe 2020 strategy:**

[http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/index\\_en.htm](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/index_en.htm)

#### **EESC Sustainable Development Observatory:**

<http://www.eesc.europa.eu/?i=portal.en.sdo-observatory>

#### **Europe 2020:**

<http://ec.europa.eu/europe2020>

#### **Europe 2020: Smart growth:**

[http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/smart-growth/index\\_en.htm](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/smart-growth/index_en.htm)

#### **Europe 2020's Sustainable Growth priority:**

[http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/sustainable-growth/index\\_en.htm](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/sustainable-growth/index_en.htm)

#### **The Resource-efficient Europe flagship:**

[http://ec.europa.eu/resource-efficient-europe/index\\_en.htm](http://ec.europa.eu/resource-efficient-europe/index_en.htm)

#### **The Industrial Policy for the Globalisation Era flagship:**

[http://ec.europa.eu/enterprise/policies/industrial-competitiveness/industrial-policy/index\\_en.htm](http://ec.europa.eu/enterprise/policies/industrial-competitiveness/industrial-policy/index_en.htm)



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