

The mid-term review of Europe 2020: from austerity, to prosperity?

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Agenda

- **Half-way assessment**
- **The review: three main fronts**
 - *Reviewing the content of the strategy*
 - *Fixing the governance of the strategy*
 - *Re-positioning the strategy at the core of EU policy*
- **Policy implications – main take-aways**

Europe 2020: targets and initiatives

	Targets	Flagship initiatives
Smart Growth	<ul style="list-style-type: none">— 3 % of GDP to be invested in the research and development (R&D) sector.— Reduce the rates of early school leaving to below 10 %, and at least 40 % of 30 to 34 year olds to have completed tertiary or equivalent education.	<ul style="list-style-type: none">— Innovation Union— Youth on the move— A digital agenda for Europe
Sustainable Growth	<ul style="list-style-type: none">— Reduce greenhouse gas emissions by 20 % compared to 1990 levels.— Increase the share of renewables in final energy consumption to 20 %.— 20 % increase in energy efficiency.	<ul style="list-style-type: none">— Resource efficient Europe— An industrial policy for the globalisation era
Inclusive Growth	<ul style="list-style-type: none">— 75 % of 20 to 64 year old men and women to be employed.— Reduce poverty by lifting at least 20 million people out of the risk of poverty and social exclusion.	<ul style="list-style-type: none">— An agenda for new skills and jobs— European platform against poverty and social exclusion

A Fresh Start?

- The Italian presidency must be praised for having understood the importance of this debate, and organizing discussions in all relevant Council formations
- Now the time is ripe for brave proposals...



Taking stock

- **Most of the targets will not be achieved**
- **Some targets are still valid, some were not meaningful from the start**
- **Flagship initiative too isolated, too empty, sometimes conflicting, often marginalized**
- **Governance did not improve much compared to the Lisbon strategy**

**Was Europe 2020 ever a
“complete” growth
strategy?**

An incomplete strategy

- What are the main drivers of growth for the European Union today?
 - ~~Internal market (especially services)~~
 - Education *need to re-launch EU's strategy*
 - ~~Infrastructure~~
 - ~~Good governance at all levels of government~~

Towards the mid-term review

Reviewing the scope (1)

- **Changing targets?**

- Complementing or replacing the 3% target for R&D
- Complementing or replacing the poverty and social exclusion target

- **Adding targets?**

- Resource productivity target ready to be introduced (GDP divided by Raw Material Consumption)

Reviewing the scope (2)

- **Reshaping flagship initiatives?**
 - **A new initiative on the converged infrastructure** (including transport, electricity and gas, smart grids, broadband connectivity, spectrum policy)
 - **A new initiative on the internal market** (including internal market for services, in particular digital services)
 - **A new initiative on administrative capacity and the rule of law** at all levels of government (including better regulation, good governance, corruption, etc.)

Reviewing the scope (3)

- **A well-being strategy?**
 - Would represent a major re-focusing and a quantum leap for the future of the strategy
 - Would dictate priorities (employment/security, education, quality of life, healthcare, environment)
 - Could also prelude to a future (beyond 2020) in which EU competences are expanded and the Union is closer to its citizens

Fixing the governance of Europe 2020

Four steps:

1. **Stronger consistency and policy coherence at the EU level**
2. **Reconciling and rebalancing macro- and micro-economic policies**
3. **A micro-conditionality for the attribution of cohesion funds**
4. **A stronger territorial dimension**

A new role for Europe 2020

Five steps:

1. AGS refers to progress towards Europe 2020 goals
2. MS break down objectives at sub-national level and refer to Europe 2020 goals in their reform plans
3. MS plan spending of cohesion funds as a function of national/sub-national reform plans
4. Proposed reforms are backed by in-depth impact evaluations, implementation plans, monitoring plans based on clear indicators, and a time horizon for *ex post* evaluation
5. The European Commission validates NRPs subject to clear conditionalities (based on good governance indicators)

Key take-aways

A fresh start?

- **Europe 2020 needs to be fixed before it can be placed again at the center of EU policies**
- **Europe 2020 has to be made a pan-European strategy, not the mere sum of national strategies**
- **The crisis has created an opportunity for Europe 2020 (a stronger European semester)**
- **More flexibility at national level can be achieved if there is trust between MS (currently lacking)**
- **Trust can be obtained if national governments undertake both structural and regulatory reform**

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