

# Europe 2020 - urban aspects of EU policies

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**European Commission** 

#### **Europe 2020 strategy**

- EU's growth strategy for the coming decade
  - Short term and long term priorities for development
  - Priorities for spending and investment (incl. the EU budget and the EU cohesion policy)
- Holistic approach:
  - Fiscal consolidation (SGP) and addressing macro-economic imbalances
  - Structural reforms for jobs and employment
  - Frontloading growth enhancing measures

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## Why Europe 2020 strategy?

- To help Europe recover from the crisis
  - Europe heavily affected by the crisis (back to the 1990's levels)
  - High unemployment: 9.6% of the working population, youth unemployment as high as 40%
  - High levels of government debt: 85% of GDP in the euro area, 80% EUwide
- To increase the potential growth in Europe
  - Without structural reforms, potential growth for Europe remains low:
     1.5% in 2020
- To benefit from the inter-linkages between EU economies
- To be stronger globally
  - President Barroso
  - "The crisis is a wake-up call ... 'business as usual' would consign us to a gradual decline" (Communication Europe 2020 Strategy, 3 March 2010)

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#### **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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#### EU headline targets for 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
- Less than 10% school drop-out rates and at least 40% of the population aged 30-34 having completed tertiary or equivalent education
- Lifting at least 20 million people out of the risk of poverty or exclusion

Targets to be translated into national targets (in April 2011 at the latest)



### **EU headline targets for 2020**

	Current situation	Europe 2020 targets	US / Japan at present
Investment in R&D	2%	3%	2.7% / 3.5%
Employment	69%	75%	71% / 75%
Early school leaving	14.4%	10%	
Tertiary education	32%	40%	
CO2 emissions	89%	80%	
Renewable energies	10%	20%	
Energy intensity	167koe per €1000		180 / 90
Risk at poverty	23% (114 million)	20 million less	

Source: Eurostat

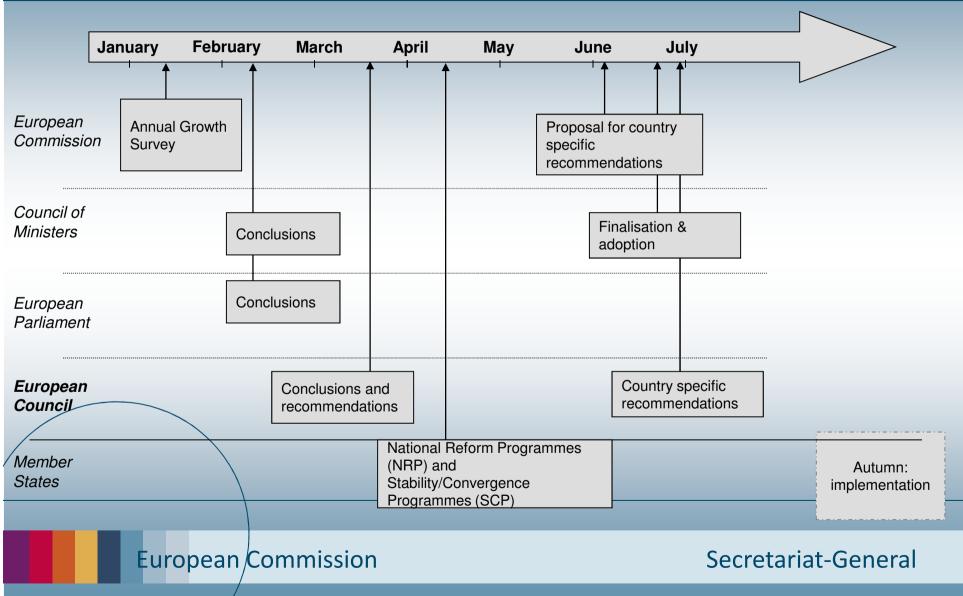


# Europe 2020: a stronger governance architecture

- The European Council at the centre of the strategy
- National ownership and emphasis on bottom up implementation
- A « European Semester » for ex-ante economic policy coordination
- A robust surveillance process:
  - Integrated: fiscal, macroeconomic and structural aspects covered
  - strengthened fiscal and macroeconomic governance (legislative proposals)



#### **European semester**



# **Europe 2020: national level**

#### **National Reform Programme**

- National 2020 objectives
- Main measures to create growth and to advance towards the 2020 objectives
- Preparation: co-operation between the national, regional and local authorities, social partners and civil society

# Stability/Convergence Programme

Mid-term fiscal outlook

- Yearly package of inter-related documents
- Reflect long-term as well as short term priorities (Annual Growth Survey, March European Council)

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#### Reform priorities in 2011/2012 (1)

- Main challenges at present:
  - Macroeconomic stabilisation
  - Fiscal consolidation
  - Growth and jobs
- Proposal for reform priorities for 2011/2012
  - Commission's Annual Growth Survey (January 2011)
- Confirmation of reform priorities for 2011/2012
  - European Council of 24/25 March 2011



#### Reform priorities in 2011/2012 (2)

- Rigorous fiscal consolidation
- Make work more attractive
- Help the unemployed get back to work
- Combat poverty and promote social inclusion
- Invest in education and training
- Balance security and flexibility
- Reform pension systems
- Attract private capital to finance growth
- Boost research and innovation
- Cost-effective access to energy, step up energy efficiency policies
- The Euro plus pact (competitiveness, employment, fiscal sustainability, financial sector stability)

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# Europe 2020: 7 flagship initiatives underpin the targets

S	mart Growth	Sustainable Growth	Inclusive Growth
« In	Innovation novation Union »	Climate, energy and mobility	Employment and skills
		« Resource efficient Europe »	« An agenda for new skills and jobs »
	Education	Competitiveness	Fighting poverty
« Youth on the move »		« An industrial policy for the	« European platform against poverty »
Digital society		globalisation era »	
<b>«</b> ,	A digital agenda		
	for Europe »		

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## Thank you

For more information and documents:

www.ec.europa.eu/europe2020

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