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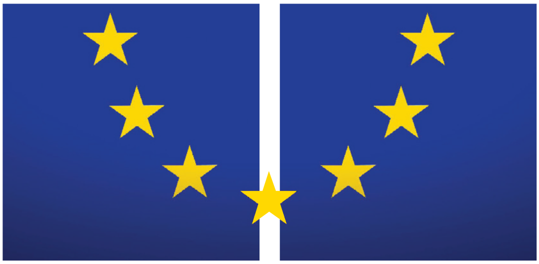

Perspectives for revision of the Europe 2020 Strategy

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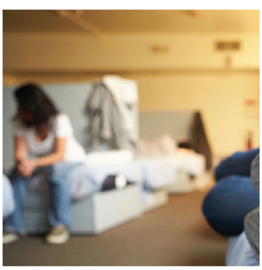

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PERSPECTIVES FOR REVISION OF THE EUROPE 2020 STRATEGY

Summary of opinion

Launched in 2010, the Europe 2020 Strategy focuses on smart, sustainable and inclusive growth as a means of overcoming the structural weaknesses of the European economy, to improve competitiveness and productivity and to lay down the foundations for a sustainable social market economy. To this end, it has set the following targets: :

- 75% of the population aged 20-64 in employment;
- 3% of GDP allocated to R&D;
- 20% reduction in greenhouse gas emissions compared with 1990;
- Increase of the share of renewable energies to 20% of final energy consumption;
- 20% rise in energy efficiency;
- Rate of young people leaving school and training early lower than 10% and at least 40% of 30-34 year olds with tertiary education or equivalent qualifications;
- Reduction of population at risk of poverty or social exclusion by at least 20 million.

Despite results obtained in the areas of climate change prevention, education and the prevention of early school-leaving, outcomes are currently mixed, particularly as regards expenditure allocated to research and development, employment and the prevention of poverty and social exclusion.

The financial and economic crisis that has been unfolding in Europe since 2008 only partially explains these results. The responses made and measures taken at national and European level in the form of binding budgetary and monetary policies are also key to explaining these disappointing results.

In this general context, the European Commission is due to make a number of proposals at the end of the year to revise the Europe 2020 Strategy.

The ESEC wishes to highlight the importance of this project for the EU that is now more necessary than ever, at a time when scepticism on the part of citizens is increasing concerning the ultimate ends of the European edifice.

ESEC Proposal areas

First, the ESEC sets out a number of proposals that are attainable in the short-term and that are able to remedy and better integrate the strategy's economic, social and environmental spheres in a way that safeguards equality.

Then, going beyond these necessary adjustments, the ESEC attempts to define a new and more ambitious strategy that is resolutely focused on sustainable development, a model that allows Europe to adapt to new global challenges.

Revising the method to make it more binding and to involve civil society organisations

With the exception of the climate change and energy targets which form part of a legally binding framework, each country has been able to set its own targets, which have often turned out to be unambitious.

The «open method» of «peer pressure», underlying the Europe 2020 Strategy appears to have reached its limits in view of the results obtained.

Also, the ESEC suggests:

- **Setting out all of the Europe 2020 Strategy targets in a more formal, more binding framework as is the case with the economic governance targets.**

The ESEC is also consulted annually by the government concerning the proposed National Reform Programme (NRP). Although it is happy to be consulted, it nevertheless laments the very short deadlines for response and above all the lack of monitoring of its contributions, which are passed on to the Commission annexed to the NRP. It advocates:

- **Greater visibility and impact of the works of the ESEC through referral at an earlier stage and an interactive dialogue with the public authorities.**

Finally, our Assembly is pushing for:

- **Bolstering of the democratic process through the creation of effective forums for dialogue and collaboration**. At both national and international level, the findings are clear: civil society and its organisations have little or no appropriate involvement in the implementation of the Europe 2020 Strategy.

Accord a central role to the Europe 2020 Strategy in major EU policies

The ESEC stresses three reasons for this:

- Over the years, it has become increasingly difficult to identify the level of priority given to strategies or policies that are cross-cutting in nature: Europe 2020, the European Semester, Commission Investment Plan, Climate and Energy Package, etc.
- These non-coordinated, non-hierarchical action plans, with differing time frames, muddy the waters for stakeholders and do not make for a clearer understanding of the medium-term outlook for the European project.
- The question therefore arises of coherency and the risk of marginalisation, dilution, even quite simply abandonment of the Europe 2020 Strategy which, despite its imperfections, remains the only strategy seeking to create a balance between the economic, social and environmental spheres.

Further define the five targets to better take account of the situation

Rather than increasing the number of current targets, especially since the excessive number of targets was one criticism levelled against the Lisbon Strategy, it appears more expedient to refine current targets and add some intermediate targets:

- **Supplement the employment criteria** with a range of indicators to measure job quality: level of insecurity, part-time contracts (whether voluntary or mandatory), youth unemployment, long-term unemployment**;**
- **Make social dialogue a component of the strategy;**
- **Add better guarantees on poverty and the prevention of social exclusion;**
- **Diversify environmental indicators;**
- **Expand the Research and Development approach.**

Review the Strategy to address new global priorities

The economic and financial crisis of 2008 placed on the agenda questions concerning the purpose of growth. Many international organisations such as the United Nations, the World Bank and the OECD, and several studies have clearly highlighted the fact that Gross Domestic Product (GDP) is not a pertinent measurement with which to evaluate the quality of growth.

In light of this debate, the ESEC advocates:

- Fully taking into account, when revising the EU 2020 strategy, the Sustainable Development Goals (SDG) that are set to be adopted by the UN in September 2015. This process would assist in bringing about a new way of defining the well-being and progress of societies that would be broader than merely taking account of economic growth alone.
- Pursuing, in order to place the EU on the path towards a new and more balanced development model, reflection on the indicators used, particularly in the 2009 Communication from the Commission entitled: «*GDP and Beyond: Measuring Progress in a Changing World*».

Opinion

General introduction

The Europe 2020 Strategy, which was adopted by the European Council in June 2010, was a relaunch of the Lisbon Strategy (2000-2010).

The stated goal of the Europe 2020 is to boost competitiveness in the EU, by working to overcome structural difficulties, whilst safeguarding economic, social and territorial cohesion for the benefit of its citizens.

Today, the strategy may be said to have had mixed results: despite progress obtained in the fields of the fight against climate change, education and early school-leaving, there is cause for concern in terms of research and development spending, employment and combating poverty and social exclusion.

The crisis is partially responsible for this state of affairs. However, the current governance architecture which subordinates the Europe 2020 targets to those of the European Semester merits discussion.

Additionally, what must be questioned is the effectiveness of the strategy, which was designed to bring about renewal through growth and employment.

Within this context, the European Commission launched a public consultation of stakeholders, running from May to October 2014, and at the end of 2015, it is scheduled to unveil a set of proposals to revise the Europe 2020 Strategy.

The ESEC wishes to take this opportunity, identifying first the limits of, and progress made by, the Strategy that was launched in 2010 (I), to formulate recommendations for the next five years and beyond (II).

Results that fall far short of the goals set

Clearly-defined initial goals

Beyond the inner sanctum of experts and stakeholders building the European project, it must be admitted that, five years after its launch, the Europe 2020 Strategy is not widely known about.

There is a need for an instructive presentation of the main actions, and it must be remembered that behind the dry-sounding statistics, figures and trends are the individual and collective circumstances of millions of people living in insecure economic and social situations among the European population of five hundred million.

For, behind the humanitarian concerns raised by the living conditions of the poorest, the increase in poverty is also a threat to social cohesion in Europe.

The strategy is based on **three interconnected priority areas** that are mutually reinforcing:

- smart growth: developing an economy based on knowledge and innovation;

– sustainable growth: promoting a low-carbon, resource-efficient, competitive economy;
– inclusive growth: fostering a high-employment economy that promotes social and territorial cohesion.

Progress made in the area of growth is assessed using **five headline targets**. This limited range of targets at EU level is transposed into national targets within each EU country, to reflect different situations and circumstances. To attain these targets, the Commission proposes a range of **seven «flagship initiatives**».

Employment

The goal is to raise the rate of employment among men and women aged 20-64 to 75, particularly by increasing the employment of young people.

Research and Development

The goal is to increase the level of combined public and private investment in this sector to 3% of EU GDP.

Climate Change and Energy

The goal is to cut greenhouse gas emissions by 20 % compared with 1990 levels; increase the share of renewable energy sources in our final energy consumption to 20%, and work towards a 20% increase in our energy efficiency.

Education

The goal is to improve education levels, particularly through a commitment to bring the rate of early school leaving down to 10% and by increasing to at least 40% the proportion of persons aged 30 to 34 with a higher education diploma or an equivalent level of study.

Poverty and Social Exclusion

The goal is to bring at least 20 million persons out of the risk of poverty and social exclusion (situation defined by three parameters: persons at risk of poverty, persons living in severe monetary hardship, persons with low work intensity).

Flagship Initiatives

To achieve these goals, concrete actions conducted at European and national level underpin the strategy. These are the following seven flagship initiatives:

- «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»
- «European platform against poverty».

Overall, compared with the Lisbon Strategy (2000-2010), the Europe 2020 Strategy is more transparent, which was the intended aim, due to fewer goals, the setting of flagship initiatives and the setting of numerical targets for each of the five headline targets chosen.

Woefully inadequate results

An important Communication by the European Commission dated 19 March 2014, provided an assessment that highlighted the main mid-term trends.

For the sake of clarity, we shall examine the average situation in the EU, in France and then in certain Member States.

Situation in the European Union (source: eurostat)

❒ *Employment*

At 69.2% in 2014, the **employment rate** in the EU has stagnated in the last few years and is still below the Europe 2020 Strategy target which is to have 75% of the population aged 20-64 in work by 2020.

❒ *Research and Development*

Standing at 2.02 % in 2013, GDP spending on **R&D** in the EU is still nearly 1 percent below the target of 3%.

To compare this with other countries (OECD figures), the figure is 3.5% for Japan, 2.8% for the USA and 2% for China, which has increased markedly (0.9% in 2000).

❒ *Climate Change and Energy*

By contrast, in terms of **greenhouse gas emissions**, the EU is on the verge of reaching its target (18.1% in 2012) of a 20% reduction compared with 1990 levels, and may even exceed this.

With 15% in 2013, the EU is on track to meet its Europe 2020 Strategy target of increasing to 20% the share of **renewable energies** in final energy consumption.

In terms of energy efficiency, current results (1,104 million tons of oil equivalent (toe) final energy consumption and 1566 Mtoe of primary energy consumption) make it likely that the 2020 targets will be attained (1086 and 1403 Mtoe respectively).

The slow-down in the European economy during this period in large part explains these results.

❒ *Education*

The rate of early school leaving among 18-24 year olds, which stood at 12% in 2013, has constantly declined since 2000, but is still above the set target of 10%.

With 36.9%, progress has been made on the path towards attaining the Europe 2020 Strategy target of 40% of **holders of higher education qualifications** (or equivalent).

❒ *Poverty and Social Exclusion*

The Europe 2020 Strategy target of **ensuring that 20 million people cease to be at risk of poverty or social exclusion** will not be attainable because the number of people exposed to the risk of poverty or social exclusion rose from 116 million in 2008 to over 121.4 million in 2013, i.e more than 25% of the European population.

According to the definitions used by Europe 2020, this data covers three population types:

- those presenting a risk of poverty when their income is below 60% of the national median income (median income = income level below which the income of 50% of the national population is located);
- those in severe monetary poverty, i.e. persons whose living conditions are curtailed by a lack of material resources and who have to contend with at least four areas of monetary poverty[1].
- those living in a home with a low work intensity (aged 18 to 59) who worked less than 20% of their potential capacity in the last year.

The situation in France (source: Eurostat and INSEE)

❒ *Employment*

Overall, the unemployment rate for the 20-64 age group is 69.8% compared with 69.2% on average within the European Union.

However, this average conceals some very contrasting facts:

- the employment rate is 73.6% for men and 66.2% for women;
- the youth unemployment rate (age 15-25) is 28.4% (Germany: 63.5%; United Kingdom: 59.6%);
- the «seniors» unemployment rate (age 55-65) is 45.6% (Germany: 63.5%; United Kingdom: 59.6%)
- the part-time employment rate (fixed term contract, temp contract, apprenticeship) is 18.4% which is highly divergent by gender: 7.2% for men and 30.6% for women:
- among 15-24 year olds, more than half of jobs are part-time (compared with one in six jobs in 1982);
- the rate of under-employment (part-time workers who would like to work more and who are available to do so) is 6.4% of which three-quarters are women).

The target of a 75% employment rate by 2020 would require, in order to be approached, that the condition of a return to growth is met in order to absorb shortfalls in employment, particularly for young persons and «seniors».

❒ *Research and Development*

The proportion of GDP allocated to research within the EU is 2.3% compared with 2.02%. Also, in this field, the target of 3% set by the strategy appears difficult to achieve.

1 Inability to pay the rent or bills, to adequately heat one's home, to meet unforeseen expenses, to eat a portion of protein every day, to go away on holiday for a week or to have a car, a washing machine, a television or a telephone.

❒ *Climate Change and Energy*

Greenhouse gas emissions (GHG) measures compared with 1990 levels have fallen by 11.4% (2012), whereas the 2020 target to be attained is 20%.

The share of renewable energies is 14.2% which is within the European average (2020 target: 20%)

In terms of energy efficiency, the fall in energy consumption (to 245.8 Million tons of oil equivalent) and final energy consumption (to 152.8 Mtoe) should enable the 2020 targets of 236.3 and 131.4 Mtoe to be attained.

❒ *Education*

The rate of young people aged 18 to 24 residing in mainland France with no qualifications or with only a school-leavers certificate who are not in education or training was 8.5% in 2014. France is therefore substantially above the European average of 12% and only 1 percentage point away from the national target set for the Europe 2020 Strategy.

The rate of higher education qualification holders aged between 30 and 34 years is 44.1% (2014 figure). This score has improved by over 10% since 2000. France is therefore above the European average of 36.9%.

❒ *Poverty and Social Exclusion*

Although the situation is not as bad as the EU average, 11.2 million people in 2013 were living in poverty or social exclusion in France, i.e. 18.1% of the population, compared with 20% in Germany, 24% in the United Kingdom and 25% in the EU. These figures fail to mask the individual and collective suffering of millions of people in their everyday lives.

❒ *Seven flagship initiatives*

The implementation of each of the above-mentioned flagship initiatives, the goal of which is to foster growth and employment, requires the committed involvement of Member States,

However, it must be admitted that these programmes have only been partially implemented and that, unlike the five targets, they are not assessed under the National Reform Programme submitted by France each year to the European Commission which, it may be argued, is regrettable.

This is also the case in other Member States.

The situation in other Member States (see table in annex I)

What are the results in other EU countries, within the social sphere, namely employment, poverty and education?

In 2014, five countries (Germany, the Netherlands, Denmark, Austria and Sweden) reached the target of an **employment** rate for the population aged 20 to 64 above 75 %, with only one country reaching the target for female employment (Sweden). Certain countries that had achieved this target in 2008 (Finland, the UK, Estonia and Latvia) fell short of the target. Here, we should mention that it is an overall target that does not take into account job quality.

The risk of **poverty and social exclusion** increased in the majority of European countries and this was particularly the case in Greece, (3M in 2008 and 4M in 2014) in Spain (11.12 M and 12.6 M), in Italy (15M and 17.3M) and in the United Kingdom (14M and 15.5M).

In a study of increasing poverty within the EU over the last five years, Mr Jérôme Vignon, President of the Observatory for Poverty and Social Exclusion (Observatoire de la pauvreté et de l'exclusion sociale) observes, in the article entitled «New Forms of Poverty and Concealed Poverty in the European Union» (Pauvretés nouvelles, pauvretés cachées dans l'Union européenne) published in 2015, that with a rate of relative monetary poverty close to 20%, young people aged 18 to 25 are affected significantly more than the generation that left the work force in 2010 (13 %). The rate of relative monetary poverty most often used in comparisons of countries within the EU measures the proportion of the population having a standard of living below the threshold of 60% of the median standard of living.

In addition to this distinction between the generations, the author of the article stresses that in many European countries, five groups merit particular attention:

- the increase in child poverty (young people under 18) is no doubt the most concerning factor for the future in almost all EU countries;
- among poor families, single-parent families – where the parent is generally a woman – are among the most deprived, which is hardly surprising since under-employment and job insecurity particularly affect women. In France, in 2010, the standard of living of 4.7 million women was below the poverty threshold of €964 per month for a single person. 70% of the «working poor» are women and the risk of insecurity is higher for single-parent families, 33% of whom have an income below the poverty line according to a study by the ESEC dated 11 February 2013 Women and Precarity, (rapporteurs Evelyne Duhamel and Henri Joyeux);
- also, almost ubiquitously in Europe, we observe high rates of poverty among the self-employed and in the farming, construction and business sectors;
- furthermore, poverty is also frequent among men living alone, both of active working age and retired, following family breakdown or loss of employment;
- finally, in the last two or three years, the EU has seen a significant increase in asylum seekers from nearby countries, and recently the arrival of migrants in conditions of extreme poverty who have been driven away from their country of origin where major conflicts are occurring and who are victims of human trafficking.

Furthermore, as the European Commission pointed out in its latest report[2] , the increase in poverty in the EU is taking on new and lasting forms with the «working poor» phenomenon becoming more widespread.

This concept is used to denote the co-existence of two circumstances that are, on the face of it, contradictory: being in work and belonging to a poor household, which first came to light in the United States and now affects the majority of European countries to various degrees.

Moreover, this increasingly common phenomenon is likely to become «baked in», in particularly due to the polarisation of salaries and a decline in the quality of jobs (newly created jobs are to a large extent part-time or temporary).

2 EU Employment and Social Situation (September 2014).

Concerning **education**, one of the strategy's two targets is to bring down to less than 10% the proportion of young people aged 18 to 24 leaving education or training early.

In 2013, nine Member States, namely Denmark, Slovenia, the Czech Republic, Sweden, Luxembourg, Austria, Latvia, Lithuania and Slovakia had already met their respective targets, but it is noteworthy that some of these countries had set less ambitious targets than other Member States. Germany, Belgium, Croatia, the Netherlands and Finland also came close to reaching their targets, whereas Spain, Portugal, Malta and Romania were far from doing so.

The second goal is to increase the number of higher education graduates (40% of young people aged 30 to 34 with a higher education qualification or equivalent).

In 2013, nine Member States, Latvia, the Netherlands, Denmark, Finland, Sweden, Lithuania, Cyprus, Germany and Austria, had already attained their national targets.

However, since the targets set by each Member State differed, it is preferable to measure **change over time**. In doing so we see that since 2000, significant progress has been made on the path towards meeting these two targets for education.

According to Eurostat, in the EU we observe that the proportion of young people leaving school early has decreased, from 17% in 2002 to 11.1% in 2014 and that less women than men leave education and training early.

The proportion of persons aged 30 to 34 with a higher education qualification has constantly increased, from 23.6% in 2002 to 37.9% in 2014. This trend was higher for women (from 24.5% in 2002 to 42.3% in 2014) than for men (from 22.6% to 33.6%).

It might be concluded that the EU is close to meeting its Europe 2020 education targets.

Impact of the economic crisis and how it is addressed in the results

The crisis that began in Europe in 2008 had a negative impact on the implementation of the Europe 2020 Strategy. However, the current governance architecture with a strong focus on budgetary and monetary policy led to the subordination of Europe 2020 targets, along with those of the European Semester.

A financial and economic crisis with a pivotal role

Any examination of the Europe 2020 Strategy's results must take into account the economic and financial crisis of recent years as some encouraging results obscure what is really happening.

The European Commission has analysed the crisis in the following manner.

In 2009, the European economy was struck by an unprecedented crisis which saw its GDP contract by 4.5%. In 2010, the respite in the economic decline proved to be short-lived and 2011 and 2012 were once again marked by negative trends. A steady improvement was observed in 2013.

Unemployment rose significantly, from 7.1% in 2008 to the record level of 10.9% in 2013. Taking into account the lag between the beginning of the upturn and net job creation the unemployment rate is set to only fall slowly in the near future (to 10.4% in 2015). The situation has become entrenched over time.

Long-term unemployment, namely the percentage of the working age population without a job for more than one year, has increased by 2.1 percentage points between 2008 and 2012 (rising from 2.6% to 4.7%). This could signal an increase in structural unemployment, which will have serious consequences for the working age population and the potential for economic growth, as well as for the political and social fabric of the European Union, which could lead in particular to poverty and social exclusion.

Certainly the situation varies widely from one country and region to another, with unemployment rates ranging from 5% in Austria to 27.6% in Greece in 2013. Although all age groups are concerned, the situation is particularly difficult for people over 55 and for young people, with the youth unemployment rate (percentage of young people aged 15 to 24 without a job) reaching 23.3% on average within the EU in 2013 and even 59.2% in Greece and 55.7% in Spain. The increase in the proportion of young people who are not in employment, education or training, or «NEETs», which rose to 13.2% in 2012, is another major cause for concern. The draconian austerity policies imposed by the Troika (European Commission, European Central Bank and the IMF) on certain countries has worsened the recessionary nature of the 2008 crisis and plunged those countries into mass unemployment.

Currently, according to the latest forecasts by the European Commission from May 2015, growth is set to increase slightly to 1.8% (1.5% within the Eurozone) in 2015 and 2.1% (1.9% in the Eurozone) in 2016.

Although falling slightly, the unemployment rate is nonetheless set to remain high, at 9.6% within the EU, and 10.5% in the Eurozone in 2015, with diminishing but major variations between Member States, (4.6% in Germany and 25.6% in Greece in 2015).

Inflation is set to remain low within the EU and the Eurozone in 2015 (0.1%).

Finally, public deficits are forecast to continue to fall to 2.5% of GDP within the EU (2% in the Eurozone) and public debt is set to total 88% of GDP (94% within the Eurozone).

For the last seven years, however, whilst the global economy has shown signs of more robust growth since 2008, despite risks and tensions, overall the EU has recorded a worse economic and social performance than its global competitors.

At any rate, above and beyond any assessments that may be made of the scope and specific characteristics of the crisis, it emerges that in 2010, when the Europe 2020 Strategy was launched, the scope and duration of the crisis were significantly underestimated.

Although major differences existed between countries within the EU prior to the crisis, its seriousness revealed a host of imbalances that had built up over the years that the Lisbon Strategy had not been able to resolve.

The crisis brought to the fore a long-standing question for EU economies and societies concerning the efficacy and fairness of the wealth produced and distributed through growth. Although GDP and growth have continued to increase overall, inequalities have increased in Europe just as in other developed nations, since the mid-1980s. At the current time, according to the Commission[3], there are profound inequalities in income distribution within the EU: on average, the top 20% of incomes increased 5.1 times more than the bottom 20% in 2012.

3 Communication of 5 March 2014 , «Taking Stock of the Europe 2020 Strategy».

According to this assessment, the crisis has brought about a renewed increase in inequality and has exerted still greater pressure on redistributive systems. The issue of fairness of income distribution in turn accentuates the difficulty of meeting the challenges that European economies face.

The crisis has also deepened or further entrenched territorial disparities within and between Member States.

Although the crisis provides a partial explanation, policies pursued during this period have also played a role in the results obtained.

The imbalanced nature of governance.

It must be acknowledged that the current governance architecture reflects a structural distortion by virtue of which the economic sphere prevails over the social and environmental spheres.

Faced with an increase in sovereign debt, the contagious nature of financial instability, and low, or even negative growth, some immediate measures were taken, together with other measures of a systemic nature, particularly within the Eurozone, such as the setting in place of a borrowing capacity for countries that had fallen prey to financial difficulties, and the stepping up of the rules for economic governance, and regulation and oversight.

The monetary and budgetary measures taken by the Commission together with Member States led to austerity policies in certain cases, the consequence of which was to hinder investment and salary increases, undermine social security systems (whose role as a shock absorber is acknowledged in times of crisis in certain countries), maintain mass unemployment and act as a drag on growth.

As was highlighted in the ESEC opinion The European Union at the Crossroads adopted on 13 May 2014 (rapporteur: Christophe Quarez): «For certain States, these have taken the form of very significant cuts in social security and education spending, cuts in nominal wages and redundancies on a massive scale. The IMF has also noted that it had not sufficiently appreciated the impact in Greece, Ireland and Portugal, of budgetary tightening policies and the OECD (Organisation for Economic Co-operation and Development) also underestimated the perverse side-effects of recommendations that were intended to restore growth.»

Key concerns for renewal of the strategy

In a context in which the European Commission has announced, following previous postponement, that proposals for renewal of the Europe 2020 Strategy will be issued at the end of 2015, the **ESEC wishes to stress the importance of this project for the EU** in a period marked by scepticism and defiance by citizens vis-a-vis Europe.

In fact, it is to be feared that the desire to set a strategy for Europe for five years and beyond is no longer a shared conviction supported by all Member States and civil society representatives.

Despite disappointing results and faced with pragmatists resigned to the short-term management of European issues, the **ESEC is pushing for a medium-term strategy which has the merit of setting a definite course**.

As will be remembered, the Lisbon and then the Europe 2020 Strategies were presented by their promoters as attempts at an overall European response to the challenges of globalisation, characterised by an unstable environment in which the power of national and European authorities to take action is progressively restricted and placed in the short-term.

In the opinion of the ESEC, such strategies have the advantage of prioritising a cross-cutting approach for European action, involving all of the EU policies and their national iterations. The setting of shared ambitious numerical targets in line with the policy priorities of the European Union and supplemented by the adoption of flagship initiatives are important instruments in this regard contributing to a more competitive and a more protective Europe.

The ESEC is convinced that for the years ahead the European Union requires an overall medium-term strategy for sustainable growth and quality jobs. This strategy will help to overcome the current crisis which is dragging on in certain countries and may remedy increasing inequalities at the national level between regions and within the countries of the north and those on the periphery of Europe.

As Philippe Pochet, Director General of the European Trade Union Institute, emphasized on appearing before the Section for European and International Affairs: «The social dimension of European integration is in the process of disappearing and [the Europe 2020 strategy] is still one of the places where we have a foothold on the issue of poverty. The social issue is much more extensive than poverty alone but at least we have a foothold».

Together with the social dimension that Europe urgently needs, the desire to promote a growth economy, one of the pillars of the strategy, is a pertinent ambition with the ability to mobilise Europe, Member States and citizens.

In an economy that grows more global by the day, public and private investment in knowledge, in its broadest sense (education, research and innovation) proves to be crucial. Everyone admits that faced with the continuous ageing of the European population, strong competition and marked difficulties in energy provision, only innovation can ensure a high level of production in Europe, satisfactory salaries and therefore the maintaining of European social models.

However, one can only deplore the lack of appetite of many Member States for this strategy or for any type of multi-year agenda in recent years.

Responsibility for this situation falls to varying degrees to the European and national authorities. As the ESEC has continually pointed out, most recently in its opinion entitled The European Union at the Crossroads adopted on 13 May 2014 (rapporteur Christophe Quarez), bringing Europe close to its citizens requires «improving understanding of how the European Union operates through an assertive communications policy led by policymakers themselves and guided by the imperative of explaining how the EU works and by a requirement that the day-to- day concerns of citizens are addressed».

Questions and approaches to ensure balanced integration of the economic, social and environmental components

Does the method require revision?

In terms of the method, one finding must be acknowledged: «Europe 2020» uses the open method of coordination (OMC) set in place with the Lisbon Strategy.

This relies solely on «peer pressure» and runs up against a number of limitations: non-binding targets, lack of resources to meet targets and the difficulty of comparing social and economic realities between States using standardised indicators that serve as common denominators within the EU.

Unlike the Stability and Growth Pact (SGP), or even the new procedure on macroeconomic imbalances for which the reference values or criteria are defined within a legally binding framework providing in particular for possible sanctions, the Europe 2020 goals are essentially policy-based.

Thus far, apart from the climate and energy targets, which form part of a legally binding corpus, each country has been free to set its own targets, which have often turned out not to be very ambitious.

This «open» method, underpinning the Europe 2020 strategy, appears to have revealed its limits in terms of the results obtained.

It would be desirable to set the Europe 2020 Strategy within a more formal and more binding framework, like the economic governance targets.

This approach was supported by Ms Pervenche Berès, MEP, in a conversation with the Section for European and International Affairs when she stressed that the Lisbon and Europe 2020 strategies revealed the inadequacy of governance mechanisms.

It is indeed hard to understand why the reminder and evaluation of targets were overlooked in the underlying documents created by the Commission for the European Semester: the priority given until now of economic governance to the detriment of other components does not justify such an absence.

Since 2011, the Commission has published, within the framework of the European Semester, an Annual Growth Survey (AGS), which serves as a basis for country-specific recommendations on the budgetary policy and the reform programme issued to each country in July.

The initiative taken by the Commission, which appeared in its Communication from 2013 entitled «Strengthening the social dimension of the Economic and Monetary Union (EMU)», **the objective of which was to provide a scoreboard of key social and employment indicators deserves to be seen as a major step forward for our Assembly**.

This analytical instrument was used for the first time for the European Semester 2014 and served as a working base for the departments of the Commission to formulate its country-specific proposals and recommendations.

However, one may legitimately question the absence of any reference to the Europe 2020 Strategy in its Communications on the Annual Growth Survey, the first major phase of the European Semester.

Also, the targets of the Europe 2020 Strategy ought to appear each year in the «country-specific recommendations» approved by the European Council in June that are now the foundation for economic policy implemented within each Member State.

Therefore, it is important to be able to carry out an annual quantitative and qualitative evaluation during the European Semester. This method would also enhance the visibility of the Strategy, and set in place and appropriate its targets, for both national public policy and regional and local measures.

How to involve civil society organisations

It is almost a euphemism to state that the Europe 2020 Strategy suffers from a lack of recognition and popularity.

At national level, the fact that no top level public figure makes any reference to the project, the technocratic approach taken by the process and the lack of public debate organised around the main options underlie the development of this process, and the fact that the strategy is not binding on States may explain this. Finally, the paucity of academic studies and comments from recognised specialists in the field compared with the process of reflection that accompanied the Lisbon process must be underscored.

Certainly, the social partners were called upon to provide their opinions through the work of the Social Dialogue Committee for European and International Affairs (CDSEI - *Comité du dialogue social pour les questions européennes et internationales*). Created in 1988, it has become the foremost body for dialogue between the administrations concerned and the social partners on social issues that are international and European in scope. The CDSEI is regularly consulted on the NRP. However, it seems that the social partners consider the consultations to be too formal in nature and the tight deadlines to be incompatible with a response to a genuine consultation.

Moreover, the ESEC is consulted each year by the government concerning the proposed National Reform Programme (NRP). Although it is happy to be consulted, it nevertheless laments the very short deadlines for response and above all the lack of monitoring of its contributions, which are passed on to the Commission annexed to the NRP. An earlier referral and interactive dialogue with the public authorities could improve the quality and relevance of the work that the ESEC strives to produce.

This democratic dysfunction is not specific to France but is rather found to varying degrees among the majority of Member States. The lack of resonance with European citizens, who are supposedly the primary beneficiaries of this strategy is an incontestable fact.

To wit, the recent study conducted by the ESEC on the basis of a questionnaire issued to all national ESC and similar institutions in Europe (22) composed of some forty questions broadly addressing the role of European issues in the work of the ESC during the last five years, the view taken by citizens on the European architecture and the expectations evoked by the new mandates of the European Parliament and the European Commission.

The summary report presented on the basis of this study to the Conference of National ESC Presidents held in Paris on 13 November 2014 observed primarily that:

«*Although initially no provision seemed to have been made for civil society's views to be heard, the ESC have tried, with varying degrees of success, to integrate themselves into these processes. However, in general, although these bodies have succeeded in getting their governments to consult them on the draft NRP, more often than not this consultation is informal and varies widely in form, ranging from mere consultation for the purpose of obtaining advice, without provision of feedback, to official liaison such as the annual meeting of representatives of the Dutch Ministry of Economic Affairs and a delegation of the Economic and Social Council (SER) in preparation for the March European Council devoted to the Europe 2020 Strategy and the European Semester. This difficulty in involving the ESC in the European processes also applies when it comes to action taken in response to recommendations. One observation stands out: as with the other work of the ESC, whose main role is consultative, it is difficult, not to say impossible, to quantify the impact of their proposals on European issues. In addition to this obstacle, many ESC noted that the national public authorities do not give due consideration to the recommendations made in the framework of the European Semester, and that the consultation arrangements should be improved*.»

In this regard, the initiative of the European Economic and Social Committee (EESC) which in 2010 set up a Steering Committee to guide and implement the Europe 2020 Strategy, working closely with the national Economic and Social Councils (ESC) and similar institutions, is a commendable example of structured, thematic cooperation.

The quarterly meeting of the national ESC and the European ESC is an opportunity for very useful exchanges of views on national situations and for dialogue with European Commission and European Parliament representatives.

Furthermore, a joint annual report is prepared on the evaluation of National Reform Programmes (NRP), with a breakdown by country within the ten-year strategy. In 2014 the Steering Committee undertook important work on the renewal of the strategy, entitled: *Towards a More Effective Europe 2020: Civil Society's Proposals for Boosting Social Inclusion and Competitiveness in Europe* which may be consulted on the ESC portal: «Ceslink».

This type of cooperation appears to be unique, since, whether at national or European level, the findings are unambiguously that civil society and its organisations have little or no appropriate involvement in implementation of the Europe 2020 Strategy.

What links exist with the investment plan presented by the Commission?

In an economic context characterised by still insufficient job creation, the plan seeking to boost public and private sector investment and the competitiveness of businesses by the European Commission President Jean-Claude Juncker could provide a partial answer for relaunching the economy and boosting European competitiveness and job creation.

Since the peak of the crisis, investment in the 28 countries of the EU has been markedly below pre-crisis levels: the European Commission estimates that investment has declined by some 20% compared with pre-crisis levels.

The 9.7% unemployment rate in the third quarter of 2014 is almost three percent higher than the rate for the same period in 2007. Furthermore, half of those out of work are long-term unemployed. To provide a comparison, in the United States for example investment has risen by more than two percent and the unemployment rate has declined by more than three percent since 2009.

The ILO, in its report, «An employment-oriented investment strategy for Europe» (January 2015), estimates that over 2.1 million net jobs could be created between now and mid-2018 if sufficient attention were to be paid to the design of the programme and to the allocation of resources.

At this stage, the ESEC wishes to draw attention to two important points.

On the one hand, there are questions as to the amount of money to be deployed under the Commission's investment plan regarding what is needed to really bring down unemployment and under-employment. The anticipated amount of €315 billion over three years or 0.77 % of EU GDP appears to fall far short of what is needed.

There are also doubts as to the ability to secure this amount, which is to be financed initially through a budget of €21 billion, which, in terms of structured finance, requires a very high leveraging ratio of 15:1. To reach this stage, it is likely that only those projects deemed to be the most profitable from the standpoint of the private investor will be selected, which means that public-private partnerships are more likely to be used.

The European Trade Union Confederation (ETUC) has established that a much more ambitious public and private sector investment plan in the order of 2% of GDP per annum over a ten-year period could create up to 11 million new jobs.

On the other hand, the mid-term review exercise could also have been seen as an opportunity to define and build a large-scale strategy for 2020 and beyond, the basic principles of which would have been a model for sustainable development and social cohesion.

In this context, determined action to promote investment in sectors having the potential for growth and quality job creation would be justified in a number of areas, among which one might include major infrastructure, energy efficiency, training and qualifications (particularly of young people); the needs of healthcare any many other fields (pharmaceuticals, tailored medicine, the elderly services economy, culture, etc.).

In practice, this is not the method pursued by the Commission, which has decided to present its investment plan independently from its proposals for revision of the Europe 2020 targets, which have been pushed back to the end of 2015.

More generally, over the years, there has been a sense of overlaying of strategies with poorly defined contours (Europe 2020, Investment Plan, Climate/Energy Package, etc.) non-coordinated, non-hierarchical, with different time frames, which evidently muddies the waters for observers and stakeholders and is not helpful for envisioning the medium-term future for the EU architecture.

This being the case, the ESEC wishes to raise the issue of the risk of marginalisation, dilution, and even simply abandonment of the Europe 2020 Strategy, which, despite its imperfections, continues to be the only strategy whose focus is on reaching a balance between the economic, social and environmental spheres.

It is not surprising that this issue arises upon examination of the «European Semester» sequence, a mode of economic governance set in place by the Member States of the

European Commission to provide a coordinated and effective response to the financial and economic crisis that began in 2008.

How to better take into account the goals of the Europe 2020 Strategy in the European Semester

The European Semester is an instrument for the oversight and enhanced coordination of economic, structural, budgetary and social policies between Member States at EU level formulated in response to the start of the financial and economic crisis within the EU and the sovereign debt crisis within the Eurozone in 2008.

The European Semester therefore ensures that the budgetary and economic policies of the Member States continue to meet their commitments.

The European Semester groups together closely linked procedures to ensure coordination of all political, economic and budgetary mechanisms. Specifically, it provides a general framework for the following processes:

- the budgetary policy of Member States which is essentially governed by the rules of the Stability and Growth Pact;
- the Macroeconomic Imbalance Procedure (MIP).
- This process was implemented in 2011 and is composed of a number of stages that varies according to the following schedule (see table in Annex II):
- annual growth survey by the Commission, which sets out priorities for the EU and relaunches the cycle each year (November);
- these priorities serve as a basis for discussions between Member States during the period preceding the European Council in spring (end March) and play a role in the formulation of their National Reform Programmes and stability and convergence programmes, which they submit in April;
- the Commission then evaluates these programmes and sets out its conclusions in its country-specific recommendations (May), which are then adopted by the Council and the European Council (July);
- non-compliance with implementation of the recommendations may have a range of consequences, from simple peer pressure to legal and financial sanctions, depending on the legal framework of the coordination and oversight processes that the recommendations actually refer to.

From the beginning of the crisis, the action of the EU and of Member States centred around the immediate concerns of budgetary consolidation and the resorption of macro-economic imbalances which dealt a blow to social and economic targets.

The right links between the Europe 2020 Strategy and the European Semester Process have not been forged: the budgetary targets are a limiting factor, unlike those of the Europe 2020 Strategy. The former are priority targets, which for the most part explains why the latter have not been attained, at least as regards those that address the fight against poverty and for employment, with the risk that the post-crisis social context will remain damaged in the long-term.

The priority is therefore to reconcile the different goals, ensuring convergence between short and medium-term outlooks.

Some courses can be mapped out.

For example, whereas monitoring of the Europe 2020 Strategy is conducted at the national level annually through the National Reform Programmes, the stepping up of monitoring to the European level appears necessary. In this regard, the annual growth survey could go beyond an assessment of the actions of Member States so as to systematically evaluate initiatives undertaken at EU level to achieve the Europe 2020 targets, including those of the flagship initiatives.

In this regard, the Commission could furthermore present its action plan for the year ahead.

As was outlined previously, the European Commission ought to accord a greater place to the targets of the Europe 2020 Strategy in its country-specific recommendations for the National Reform Programmes.

All parties agree on the need to step up the democratic process of economic governance and take the view that closer participation by the European Parliament, national parliaments and civil society are a prerequisite for increasing democratic legitimacy.

The ESEC is of the opinion that their role in the European Semester and in particular in the policy guidance proposed by the Commission for the Annual Growth Survey is very limited, the result of which is to undermine the legitimacy of decisions taken during this process.

Moreover, the European Council could play a role in formulating the Annual Growth Survey and in the approval by the heads of state and government of country-specific recommendations.

A «recalibration» of the European Semester ought, therefore, to offer an assessment of the semester's impact on accomplishing the Europe 2020 Strategy. It should be remembered that the budgetary targets must serve as a means to achieving «smart, sustainable and inclusive growth»: they cannot and must not become an end in themselves.

Attainable targets to be maintained but made more specific

The choice of numerical targets designed to guide a strategy can always give rise to discussions and debate and those defined within the framework of the Europe 2020 Strategy did not escape criticism.

They certainly meet the desired criteria that enable statistical comparisons to be made: they are simple, accessible, relevant, time-bound, and able to be evaluated and revised.

However, although technical in nature, they are the result of policy choices, negotiated compromises and legacies and sometimes have the disadvantage of making changes difficult to interpret from one country to the next, given that each State breaks them down according to their own targets.

Also, the relative value of certain targets should not be forgotten.

The correlation between the economic crisis and the rise in unemployment, poverty and social exclusion is obvious, as is the link between the results obtained in terms of climate change and energy and the economic slow-down in Europe.

That being said, numerical targets nevertheless have the advantage of having been accepted politically at a certain point in time, and of enabling the measurement of trends and progress or lapses by Member States regarding a number of policies linked to citizen well-being.

This is why, rather than increasing their number, especially since the excessive number of targets was one criticism levelled against the Lisbon Strategy, it appears more expedient to refine current targets and ensure that these are monitored.

A single criterion for employment is not enough

What is needed, in this regard, is a **raft of indicators** to measure job quality: level of insecurity, whether part-time (voluntary or mandatory), youth unemployment, long-term unemployment.

Taking gender equality into account in the «employment» target of the Europe 2020 Strategy is also a requirement that must be met. Only 62.6% of women participate today in the European labour market compared with 74.2% of men, or almost 12% fewer women than men (in France, the numbers are 65.6% and 73.7 % respectively).

Also to be deplored is the fact that women are over-represented in part-time employment, one reason for which is the difficulty in combining professional and private life. Finally, we should mention that this situation means that acquired competences are under-used and not acknowledged even though women are now leaving education better qualified than men. The issue of discrimination therefore arises, particularly in terms of wage inequality.

Social dialogue as a component of the strategy

In the European Treaties and also the many European Communications, it is considered that social dialogue must play a central role, which makes it surprising that no indicator for this dialogue features in Europe 2020.

It is true that social dialogue is difficult to gauge, but we can draw upon certain factors such as the level of cover of employees by collective agreements, the number of agreements signed each year, the percentage of businesses or sectors in which a substantial union presence exists and the level of social protection.

Introducing better guarantees for combating poverty

In this field, the ESEC concurs with some of the recommendations set out in the opinion adopted on 10 December 2013 by the European ESC entitled «European minimum income and poverty indicators» (rapporteur M. George Dassis and co-rapporteur Mr Seamus Boland):

- the setting of indicators, at European and national level, for groups with a risk of poverty higher than that of the population as a whole – such as children and single-parent families – and the working poor;
- an examination of the way in which Member States calculate poverty levels and set their national targets;

Diversification of environmental indicators

A «carbon footprint» indicator (based on the amount of carbon emitted in relation to population size) making it possible to measure the decarbonisation of a country, and incorporating emissions outside of national territory for imported products.

This would prevent unfair competition effects resulting from the incomplete calculation of carbon emissions and would increase the comparability of the growth of European countries.

5. Broadening the Research and Development approach

To take into account the sector-based make-up of the economies of Member States in their evaluation, the 3% target could be supplemented by information on the proportion of public expenditure allocated by sector.

Going beyond current targets, re-thinking the strategy in a changing world

Merely tweaking current indicators is an approach for which a consensus can easily be reached, but this doesn't mean that one cannot question the relevance of the growth model underpinning the strategy and try to find out whether the European project is suited to the world in the years ahead.

The limitations of GDP - a central tenet in the reflection process

The economic and financial crisis of 2008 placed on the agenda questions concerning the purpose of growth.

This is a debate that emerged in the early 1970s when the Club of Rome warned about the «limits to growth[4]» : beyond increasing GDP, how can we be certain that a society is progressing in the long-term, i.e. without jeopardising available resources and by safeguarding the well-being of the population as a whole, and that of future generations?

«Sustainable development» and «sustainable growth» are concepts that emerged in the 1980s[5] , in work conducted by the United Nations.

The development of an economy, and more broadly of a model for society, is said to be sustainable when it is able to meet the needs of a population and pass on to future generations the resources required in order to meet their own needs. This concern with ensuring the well-being of future generations reflects a «holistic» view of systems, as well-being must be understood in its broadest sense, encompassing the economic, social and environmental spheres.

A number of international organisations (United Nations, World Bank, OECD) and many studies[6] have clearly highlighted the fact that Gross Domestic Product (GDP) alone cannot serve as a pertinent measure for evaluating the quality of growth: it is composed of

4 Meadows Report, (1972).
5 Brundland Report, «Our Common Future» (1987).
6 Stiglitz -Sen-Fitoussi Report on the measurement of economic performance and social progress (2009).

flows measurements, and therefore does not reflect stocks of resources or address social sustainability (GDP is, in particular, «blind» to socioeconomic inequalities) or environmental sustainability, or the qualitative aspects of economic life.

In this regard, the work conducted by the OECD for over ten years deserves to be cited and supported. As a pioneer in this field of research, this organisation works on the best means of measuring the progress of societies, going beyond GDP and examining areas that have an impact on people's lives.

Drawing upon the recommendations of the United Nations Commission on the Measurement of Economic Performance and Social Progress, the OECD, which played a substantial role, identified eleven areas as being essential to well-being: social connections, education, environment, civic engagement, health, housing, income, employment, satisfaction with life, security and work-life balance.

In the spirit of these well-known and already old arguments, the ESEC suggests incorporating the well-being perspective into the Europe 2020 Strategy.

Towards a sustainable model for growth

Certainly, the five targets for employment, R&D expenditure, climate impact, education and poverty already contribute partially to measuring the well-being of individuals.

However, shouldn't the targets of the Europe 2020 strategy be revisited to incorporate perspectives from thinking on «GDP and beyond»?

Although the debt issue involves a number of dimensions to take into account for future generations, it is nonetheless true as has been pointed out by Mr Marco Mira d'Ercole, (Head of Division for Household Statistics and Progress Measurement, OECD, heard by the section for European and International Affairs), that for seven years: «the system of governance of economic policy in place in our countries is focused almost exclusively on public finances. He remarked that «it is important to consider other sectors and other types of capital apart from public debt in general and to move beyond measures of gross debt. The idea of sustainability, and durability, is the idea that it is important to leave capital resources to future generations in order to meet their requirements. We shouldn't just look at debt, but also at heritage status, look at what are financial and property assets and perhaps ask ourselves whether we ought to treat current expenditure differently from investment expenditure. «

This type of approach, i.e. the balance between assets and liabilities was highlighted by the Stiglitz Commission. An example of this is investment expenditure being treated differently from current expenditure, because although it contributes to an increase in public debt, it also plays a role in developing infrastructure that is important for future generations.

Applied to the Europe 2020 Strategy, this approach, which treats R&D expenditure as an important part of intellectual capital that our generation will be leaving to future generations, would result in it being treated differently when public debt sustainability is evaluated. If more money is spent on financing R&D expenditure, and we were convinced that this would pay a dividend in the form of patents, there would be some justification in excluding this type of expenditure from budget targets.

After spending the beginning of the decade focusing primarily on managing the economic and financial crisis of the Eurozone, the EU must now concentrate its activities

on measures that create sustainable growth, that can help re-launch our economies and absorb excess unemployment, whilst taking into account environmental concerns.

The ESEC considers it crucial to pursue such a process of reflection, which would have the merit of bringing the European Union into line with the position it will occupy at the United Nations Development Summit, which will take place in New York in September 2015 to eradicate poverty and boost sustainable development where discussions will focus on areas such as the creation of a broad range of 16 sustainable development indicators.

This agenda is an initial element that could be a way of giving greater political weight to the Europe 2020 Strategy. The summit is a new and important factor, compared with the past when discussions traditionally focused on development in poor countries. Now the targets are recognised as having a universal value. They are equally important for rich and poor countries. They are exclusively multi-dimensional in the sense that they encompass the economic, social and environmental spheres from a very long-term vantage point that runs to 2030.

Once approved, the targets will not be binding on member countries but it may be expected that there will be a lot of political pressure on each country to show that they are being taken seriously, and that strategies are in place to monitor and achieve targets.

All of the objectives that should be approved in September go far beyond the five areas of the European Strategy. The focus is on inequalities beyond poverty - something that is not present in the European strategy - and together they form a coherent whole, charting a course that ought to encourage European policy-makers to make their strategy more ambitious and more comprehensible.

The ESEC proposes that revision of the Europe 2020 Strategy should be an opportunity to fully take into account the Sustainable Development Goals (SDG) to be adopted at the United Nations. This approach, which has been affirmed for decades, would lead to a new definition of well-being and social progress that is broader than economic growth alone.

It should be remembered in this regard that this approach has already been discussed in depth by the European Commission, specifically in its Communication dated 28 September 2009 entitled: *GDP and Beyond: Measuring Progress in a Changing World*.

The goal of this Communication was to better reflect political and societal concerns by improving, adjusting and supplementing GDP with indicators that monitor social and economic progress. The goal ceased to be going «beyond GDP» but rather to «GDP and beyond».

This semantic change was the signal and starting point for a new direction.

Accordingly, in its Communication, the Commission highlighted, in particular, «the need for more inclusive markers than just GDP growth; for indicators that concisely incorporate social and environmental achievements (such as improved social cohesion, accessibility and affordability of basic goods and services, education, public health and air quality) and losses (e.g., increasing poverty, more crime, depleting natural resources).

Against this background, the Commission suggested:

- adding environmental indicators to the overall GDP including: climate change and energy usage, nature and biodiversity; atmospheric pollution and health impacts; water use and pollution; waste generation and use of resources;

- include a quality of life index and well-being index consisting of: income, public services, health, leisure, wealth and a clean environment;
- place greater emphasis on issues related to distribution and inequality;
- develop a European sustainable development scoreboard;
- extending national accounts to include data on environmental and social issues.

In its Communication, the Commission announced that in 2012 it would issue a report on the setting in place of «indicators that do what people really want them to do, namely measure progress in delivering social, economic and environmental goals in a sustainable manner.»

It is regrettable that the issue of «beyond GDP» has ceased to inform the process of reflection, since all attentions are focused on short-term crisis-prevention measures, thereby detracting from the debate on the elevation of GDP to the status of an empty formula.

The chance to develop more coherent economic governance in Europe has therefore been missed in the first instance.

The ESEC suggests that reflection on the indicators set out in the Communication of the European Commission (which in the opinion of our Assembly are still relevant now) will assist in the development of new strategy targets to place the EU on a path towards a new and more balanced model of development .

Work on these issues is currently being undertaken by the ESEC.

The European Economic and Social Committee also recommends taking such an approach: «*Economic recovery and, indeed, overcoming the crisis require a new benchmark that bases development on well-being and the progress of societies. This is the only way of focusing greater attention on the origins of the crisis...*» (Opinion of 29 March 2012: «Growth and beyond – the involvement of civil society in choosing complementary indicators - rapporteur M. Palmieri).

«*The main issue now is to understand which changes need to be made to the smart growth framework proposed by Europe 2020 in order to ensure that the development goals are achieved more effectively. This means starting the review with a reassessment of the concept of growth in general, in the light of the disappointing results of Europe 2020, before turning to an analysis of the ability of the "Beyond GDP" framework – as a measure of both growth and its drivers – to inform and forge European economic governance oriented towards smart growth*[7].» .

7 Extract from the Europe 2020 Steering Committee Report: «The Mid-Term Review of the Europe 2020 Strategy» http://www.eesc.europa.eu/resources/docs/mid-term-of-the-europe-2020-strategy-en.pdf.

Conclusion

Five years after its launch, the Europe 2020 Strategy now finds itself in an in-between stage, and is close to stalling. If the European Union is unable to grant it a decisive new lease of life, there is a high risk that it will see the Europe 2020 Strategy fail, following on from the failure of the Lisbon Strategy. This is why the mid-term review of the strategy is a unique opportunity to give it the shot in the arm that is needed to successfully relaunch it.

The ESEC calls upon the Commission to present its mid-term review of the Europe 2020 Strategy without delay, in view of the need to make progress in the attainment of targets for poverty reduction, employment, and education.

For 2015-2020 and beyond, the ESEC does not recommend setting new numerical targets; rather, existing tools should be improved. Above all, the ESEC calls upon the Commission to present ambitious proposals that are squarely in alignment with a sustainable development model.

The Commission and Member States must place the Europe 2020 Strategy centre-stage and give it a new lease of life, which cannot just be a dashboard of European indicators, in order to meet the challenges of the future, such as how to prepare for a fair transition of the global economy, i.e. one that is socially just and environmentally sustainable, and how to adapt to new trends such as the exchange and sharing economy through technological transformation.

Europe must come together and step up cooperation among Member States on a plan for the future that fosters solidarity if it is to rekindle hope and meet the expectations and needs of its citizens.

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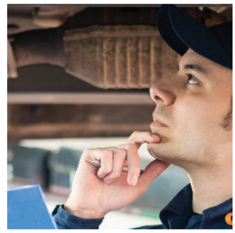

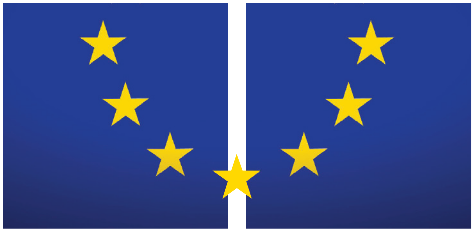

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