

## Introduction

The Europe 2020 strategy is a plan for economic renewal. It was adopted in June 2010, replacing the Lisbon strategy (2000-10). By 2020, the new strategy aims to guide Europe's economy out of the economic recession (which began in 2008) and to enable a high quality of life whilst preserving Europe's social model, raising employment, productivity and social cohesion.

## History

The heads of states and government of all EU members agreed on the Lisbon strategy at the European Council in Lisbon in March 2000. The strategy was a development plan which set out a bold vision of creating 'the most competitive and dynamic knowledge-based economy' in the world and to push forward the creation of the single market between 2000 and 2010. It promised to create more and better jobs and to improve European society.

The original Lisbon strategy had several key aims. It set out to create an 'information society' that would be based on strong research and development skills. It also called for fundamental reform of the economies of member states. In particular, it aimed to deregulate the single market for services, a sector in which about 70% of Europeans are employed. It also said that the European Social Model needed to be modernised and it set the goal of 70% employment across the EU.

Although there was a great deal of support for the ideas behind the Lisbon strategy, in subsequent years, an economic downturn in many parts of the EU meant that politicians did not follow the timetable set down in Lisbon in 2000. As a result, the EU launched an enquiry, led by former Dutch Prime Minister Wim Kok, to identify why the Lisbon strategy was not bringing about the intended improvements. The Kok Report, released in 2004, blamed EU states for not doing enough to bring about difficult changes. The report also recommended reducing the ambition of the strategy's targets.

Member states had to report on the progress they had made every three years, but because the Lisbon strategy was not legally binding, the EU couldn't force states to make changes to reach the strategy's targets. Another blow was delivered to the Lisbon strategy in 2005 when the European Council rejected the Services Directive which would have made competition easier in the service sector. A less ambitious version of the Services Directive was later adopted in 2006 and came into force in EU states in December 2009.

Following calls for the Lisbon strategy to be updated, the Europe 2020 strategy replaced the Lisbon strategy on 17 June 2010.

## What does the Europe 2020 strategy do?

The Europe 2020 strategy aims to create jobs, and encourage 'green' economic growth and create an inclusive society. The strategy's main targets include:

- ❖ raise EU employment rate from 69% to 75%;
- ❖ reduce school drop-out rates to less than 10%;
- ❖ reduce the number of Europeans living in poverty by 25% (equivalent to 20 million people);
- ❖ reduce greenhouse gas emissions by 20% compared to 1990 levels (or by 30% if the conditions are right);
- ❖ 20% of total energy consumption to be from renewable energy and increasing energy efficiency by 20%;
- ❖ 3% of the EU's GDP to be invested in Research and Development.

EU states' progress is monitored: states must outline how they intend to meet these targets in 'national reform programmes', which are submitted to the EU Commission, and the European Council evaluates states' progress at one summit each year.

## Arguments

### For

- ❖ The Europe 2020 strategy is important to improve economic growth in the EU and complete the single market – both aims central to the original European project.
- ❖ European productivity needs a boost to get ahead of competitors like the USA.

### Against

- ❖ The new 2020 strategy does not have sufficient power to force change to happen.
- ❖ The Europe 2020 strategy treats all EU countries' economies as the same regardless of how they now operate.
- ❖ By promoting free market reforms, the Europe 2020 strategy challenges the EU's traditional social model.

*"The Lisbon Strategy was not successful due to weak governance structure and lack of accountability of the member states. This should not happen again."*

Joseph Daul MEP, leader of the European People's Party (EPP), 2007

*"The Commission's proposals are not green enough and not strong enough on jobs and social policy and overall too lukewarm."*

Stephen Hughes MEP

## Technical Terms

- ❖ **Knowledge-based economy:** an economy where value is placed upon having an educated workforce who use their intelligence to increase growth.
- ❖ **Deregulate:** reducing the legal restrictions upon business in order to encourage economic growth.
- ❖ **Productivity:** the level of output per unit of input.

## Links

- ❖ [http://ec.europa.eu/eu2020/index\\_en.htm](http://ec.europa.eu/eu2020/index_en.htm)
- ❖ <http://www.euractiv.com/en/priorities/europe-2020-green-growth-and-jobs-links dossier-280116>