

EUROPE 2020

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Abstract:

In this article are highlighted out some important aspects of the development strategy for 10 years of Europe. There are presented the five objectives of this strategy, the seven flagship initiatives (pilot programs) and national programs.

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JEL Classification: O110

The European Commission announced in March 2010, *Strategy for smart, sustainable and inclusive growth*, called *Europe 2020*. The objective of this Strategy is outlined on the European Union's economic recovery by creating new jobs and providing better living conditions. By Europe 2020, the European Commission proposes five measurable objectives to be translated into national targets:

- ❖ employment: 75% of the population aged between 20 and 64 years should have a job;
- ❖ research and innovation: 3% of EU GDP should be invested in research and development;
- ❖ climate change and energy: an emission reduction increased to 30%, increasing to 20% share of renewable energy in final energy consumption and a 20% increase in energy efficiency;
- ❖ education: the rate of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree;
- ❖ poverty: 20 million less people should be at risk of poverty

Europe 2020 national objectives are:

- ❖ employment: 70% of the population aged between 20 and 64 years should have a job, the current situation is 62.8% ;
- ❖ research and innovation: 2% of GDP should be invested in research and development, the current situation is 0,47% of GDP;
- ❖ climate change and energy: an emission reduction increased to 19%, increasing to 24% share of renewable energy in final energy consumption and a 19% increase in energy efficiency;
- ❖ education: the rate of early school leavers should be under 11% and at least 26% of the younger generation should have a tertiary degree, the current situation is 17% rate of early school leavers, respectively 20,4% of the younger generation have a tertiary degree;
- ❖ poverty: number of people at risk of poverty would be reduced by 580.000.

Europe 2020 objectives are representative of its three priorities: smart, sustainable and inclusive growth. To stimulate significant progress within each priority, the Commission has provided seven flagship initiatives, which are¹:

Smart growth:

- Innovation: *Innovation Union*, at national level, member states, including Romania will have to reform the R & D and innovation to promote excellence and smart specialization, reinforce cooperation between universities, to ensure the availability of sufficient supply of science graduates, mathematics and engineering, as well as giving priority to the expenditure for knowledge;
- Education : *Youth on the move*, at national level must strive to make efficient investments in education and training, to improve educational outcomes, addressing each segment (pre-school, primary, secondary, vocational and university) within an integrated approach, taking into account the aim of reducing early school leaving, to strengthen openness and relevance of education systems by building national qualification frameworks and a better gearing learning outcomes towards labor market needs but also to facilitate entry of young people into the labor market

through integrated action covering guidance, counseling and apprenticeships;

- Digital society: *A Digital Agenda for Europe*, at national level we must consider developing operational strategies on high-speed internet, targeting of public funds, including structural funds, on areas not fully served by private investment, to establish a legal framework for the coordination of public works to reduce costs of network development, promote the development and use of modern accessible online services (eg e-government, online health services);

Sustainable growth:

- Climate and Energy: *Resource efficient Europe*, at national level must keep in mind mainly phasing out environmentally harmful subsidies, to develop intelligent transport and energy infrastructure, upgraded and fully interconnected and make full use of ICT, ensure coordinated implementation of infrastructure projects within the EU core network, which contributes significantly to the effectiveness of the EU transport system as a whole, and the regulation to allow energy performance standards development and construction tools market such as taxes, subsidies and procurement to reduce use of energy and resource and use structural funds to invest in the construction of public buildings energy efficient and a more effective recycling;

- Competitiveness: *An industrial policy for the globalization era*, at the national level should we consider mainly improving the business environment, especially for innovative SME's, reducing administrative burden on companies and improve the quality of business legislation, working closely with stakeholders from different sectors (business, trade unions, academics, NGOs, consumer organizations) to identify bottlenecks and develop a shared analysis on how to maintain a strong industrial and knowledge base;

Inclusive growth:

- Labor market: *An agenda for new skills and jobs*, should consider the national measures that were agreed at the European Council on reducing labor market segmentation, analyzing and monitoring the effectiveness of tax and social security systems to ensure work pay removing measures that discourage self-employment, the implementation of the European Qualifications Framework, through the establishment of national qualifications frameworks, provide skills necessary to further learning and the labor market and the development of partnerships between environmental education/training and work, especially involving the social partners in the planning of education and training;

- Against poverty: *European platform against poverty*, at national level should endeavor to define and implement measures addressing the

specific circumstances of groups at high risk, to develop full social assistance schemes and pension to ensure an adequate level of social support and access to healthcare.

Europe 2020 will rely on two pillars: the priorities and objectives set in the strategy and the preparation of country reports which will enable Member States to develop their own strategies. The country reports will show the degree of fulfillment of objectives strategy simultaneously with the Stability and Growth Pact evaluation. This refers to the proposed annual stability and convergence programs and reform programs to establish measures to report on progress towards the objectives and key structural reforms to overcome bottlenecks to growth.

Contributions in the new Strategy will have both the European Council that will guide this strategy as the body which ensures the integration of policies and manages the interdependence between Member States and the EU and the European Commission in monitoring progress towards the targets, and the European Parliament to represent a role as co-legislator. National, regional and local authorities contribute to the implementation of the partnership being very closely with the parliament but also with the social partners and civil society in terms of national reform programs.

National programs:

National Reform Programme. Considering that each Member State has its own economic particularities, objectives of the Europe 2020 Strategy are being transposed into national targets, which is contained in a document which represents policies and measures to achieve the targets of the Strategy, a document called the National Reform Programme . The National Reform Programme is presented in parallel with convergence programs, and is develop annually.

Convergence Programme 2014 - 2017, represents Multiannual budget plan and is prepared for the next three years.

The European Union has established annual an economic policy coordination instrument called the *European Semester*. Each year, the Commission develops a thorough analysis of the National Reform Plan, the Convergence Program, of macroeconomic and structural reforms, the analysis ends with recommendation for the next 12-18 months. European Semester ensures that Member States retain the economic and budgetary policies in line with EU commitments.

The multiannual financial framework 2014 - 2020 was adopted on 2 December 2013 by European Union Council with Regulation 11791/7/2013, which provides, as from 1 January 2014, EU funding of a new generation of programs. The new Multiannual Financial Framework provides expenses of EUR 959.99 billion in commitments and 908.40 billion payments over seven years. Compared to the Financial Multiannual Framework 2007 - 2013, may be noticed a decrease of 3.5%, respectively 3.7%, and the focus is on spending to boost growth and create new jobs as priorities at EU level. The multiannual financial framework (MFF) is not the EU budget; it establishes the annual maximum ceilings in various fields providing a framework for financial programming and budget discipline. It also allows the European Union to achieve long-term common policy. In fact, the MFF sets policy priorities for the coming years, besides representing a budgetary framework and policy framework.

Contract/Partnership Agreement 2014-2020, replaces the current National Strategic Reference Framework 2007-2013 and represents a single programming framework within each Member State. Partnership Agreement between Romania and the European Commission establishes national authorities plan on using funding from the Structural Funds and the European investments in the period 2014-2020, the strategic objectives and investment priorities in line with those set forth in the Europe 2020 strategy.

Partnership Agreement with the European Union was signed in August 2014 and shows the operational programs to be financed from EU structural funds and five investments.

Romanian Ministry of European Funds official sent to the European Commission following operational programs:

- Large Infrastructure Operational Programme 2014-2020 (was submitted on 15 October 2014);
- Operational Programme Helping Disadvantaged People (was submitted on 13 September 2014);
- Human Capital Operational Programme (was submitted on 6 August 2014);
- Competitiveness Operational Programme (was submitted on 28 July);
- Technical Assistance Operational Programme (was submitted on 25 July).

The legislative package for the period 2014 - 2020:

Council of the European Union adopted new regulations that will govern investments cohesion policy for the period 2014 - 2020, which were

published in the Official Journal of the European Union on 20 December 2013:

- Regulation (EU) 1303/2013 laying down general and common provisions on the ERDF, ESF, CF, EAFRD and EMFF, repealing Council Regulation (EC) No 1083/2006;
- Regulation 1300/2013 on the Cohesion Fund and repealing Council Regulation (EC) no. 1084/2006;
- Regulation (EU) No 1301/2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;
- Regulation (EU) No 1304/2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006;
- Regulation (EU) No 1305/2013 on the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005;
- Regulation (EU) No 1299/2013 on the European territorial cooperation goal;
- Regulation (EU) No 1302/2013 on a European grouping of territorial cooperation (EGTC).

Information sources:

1. <http://ec.europa.eu> - Europe 2020 Strategy
2. <http://ec.europa.eu> - Council Recommendation
3. <http://ec.europa.eu> - Convergence Programme 2014-2020
4. <http://ec.europa.eu> - Europe 2020 targets
5. <http://ec.europa.eu> - Partnership Agreement for Romania, 2014-2020

Abbreviations:

CF - Cohesion Fund

ERDF - European Regional Development Fund

ESF - European Social Fund

EAFRD - European Agricultural Fund for Rural Development

EMFF - European Maritime and Fisheries Fund

ICT - Information and Communication Technology