

Europe 2020: a strategy for the 21st century

by Francesca Sperotti

“2010 must mark a new beginning. I want Europe to emerge stronger from the economic and financial crisis” (European Commission *Europe 2020. A European strategy for smart, sustainable and inclusive growth*, COM (2010)2020, 3 March 2010). With these words the European Commission President José Manuel Barroso opened the Communication of 3rd March 2010 launching the new strategy for Europe’s growth, replacing the Lisbon Agenda, adopted in 2000, which failed to turn the EU into the “the world’s most dynamic knowledge-based economy by 2010” (Lisbon European Council, *Presidency Conclusions*, 23-24 March 2000). The global impact of the financial crisis, which negatively affected the European levels of employment, productivity and social cohesion, indeed urged the definition of a new strategy for the future.

The new strategy – EU2020 – sets out a vision of Europe’s social market economy for the century ahead, focusing on three mutually reinforcing priorities: smart growth, sustainable growth, and inclusive growth. “Aiming to raise to 75% the employment rate for women and men aged 20-64, including through the greater participation of young people, older workers and low-skilled workers and the better integration of legal migrants” – which signifies a 7% increase over the next ten years, as the current EU-wide figure is 69% – and “improving the conditions for research and development, in particular with the aim of raising combined public and private investment levels in this sector to 3% of GDP” (European Council, *Conclusions*, EUCO 13/10, 17 June 2010, p. 12) are just two of the key targets that will guide the implementation of the new EU’s strategy for jobs and growth. A third goal of the EU 2020 Strategy focuses on those targets aiming at tackling climate change by 2020, namely a reduction in EU greenhouse gas emissions of at least 20% below 1990 levels; 20% of EU energy consumption to come from renewable resources; and a 20% reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency (the so called 20-20-20 targets). This is particularly relevant since the transition to a low-carbon economy is recognized as one of the main engines for job creation and one of the main drivers of skills demand. Thus, the real strategy’s soul seems to lie in the synergy among these targets – employment, growth and energy/climate – and not just in their simple enumeration.

As the EU slowly started to emerge from the economic crisis, Member States’ governments have to face the tough task of reviving their job markets and increase employment rates in the coming years. For a number of Member States this task is particularly tough. This is the case of Italy, Hungary and Malta, whose employment rates, registered in 2009, were respectively equal to 61.7%, 60.5% and 58.8% (Eurostat, *Employment rate-total*, 8 October 2010). In line with the “integrated guidelines” indicated by the Council on 13th July 2010 for structural reforms, which have to be carried out over the next few years under the EU 2020 Strategy, Member States began to draw up national reform programmes which will set out in detail the actions to be undertaken (Council Of The European Union, *Europe 2020 Strategy for jobs and growth: the Council adopts broad economic policy lines*, Press 12082/10, Brussels, 13 July). For instance, the Czech Republic, where employment rate in 2009 was equal to 70.9%, set a national goal equivalent to the EU’s one, namely raising to 75% the employment rate among 20-64 years old by 2020. It will reach this goal through a number of partial targets: “raising the employment rate among women to 65% and among older workers to 55%; reducing unemployment among 15-24 year olds by a third (compared with 11% in 2010); and reducing unemployment among lower-skilled workers by a quarter (compared

with around 13% in 2010)” (*Czechs prepare for major job market reforms*, EurActiv, 9 September 2010). On the contrary, Bulgaria, where employment rate in 2009 was equal to 68, 8%, set a higher employment target than the EU average equal to 76% (*Bulgaria sets higher employment target than EU average*, EurActiv, 31 August 2010).

However, as mentioned before, the 2020 Strategy is not just about successfully exiting from the last financial and economic crisis – which left over 23 million people across the Union unemployed (European Commission, *EU employment situation and social outlook*, Monthly Monitor, September 2010, p. 5) – but it is about looking beyond, through the development of an economy based on knowledge and innovation, the promotion of a more resource efficient and competitive economy, and the fostering of high-employment economy. Indeed, through the energy/climate targets, the Europe 2020 strategy puts innovation and green growth at the heart of its blueprint for competitiveness. As a consequence, green job creation started to be considered as “crucial to ensuring smart, sustainable and inclusive growth” (Cedefop, *Skills for green jobs. European Synthesis Report*, 2010, p. 106). Researches showed that green investments, particularly in the renewable energy sector, are potentially significant engines of job creation (see for instance, *The economic benefits of investing in clean energy: how the economic stimulus program and new legislation can boost US economic growth and employment*, Political Economy Research Institute, Center for American Progress, June 2009). However, the international community is not sharing neither a definition of “green jobs” nor a clear quantitative evaluation of their occupational impact in the European labour market. Nevertheless, it is widely claimed that, to increase productivity and so jobs and growth, more and better skills are indispensable for the European labour force “as they make it easier to innovate, adopt new technologies, attract investment, compete in new markets, and diversify the economy” (Ecorys, *Programmes to promote environmental skills*, Final Report, 30 June 2010, p. 6). The availability of skills for green jobs plays a crucial role in triggering change and transition. To succeed, the new long-term strategy needs to invest in skills. «Improving people’s skills is a real ‘win, win’ for all – for the economy, for the society, for employers and for individuals themselves» (European Commission, *New Skills for New Jobs: Action Now*. February 2010, p. 4). Skills are the key lever not only to move out from the recession, but to better sustain a smart, sustainable and inclusive growth. This clearly shows that employment, climate and growth targets can and shall go together in this new strategy conceived not only for the year 2020, but for the century ahead.

This long-term perspective has been reaffirmed by the President Barroso during one of his last speeches – *Stat of the Union*, 7th September 2010, Strasbourg (J. M. BARROSO, *State of the Union 2010*, 7 September 2010, in *Adapt Special Bulletin*, 2010, n. 31) – in which he stressed the relevance of skills, jobs and investment in life-long learning for a competitive, social and inclusive Europe. The last financial-economic crisis found the EU unprepared, set the failure of the Lisbon Strategy, and gave stimulus for the new 2020 Strategy. If it is true, in Carl Von Clausewitz’s words, that the strategy is the policy’s mean but it is the tactics’ final aim, now it is the turn of Member States to implement this strategy and support the EU in this ambitious and challenging agenda. National strategies to create green jobs, as it has been indicated by the Council of the European Union, are a good starting point. The new beginning has begun; let’s map out the right pathway.

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