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COVER NOTE

from: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

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to: Mr Pierre de BOISSIEU, Secretary-General of the Council of the European
Union

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Europe 2020 – public consultation - First overview of responses

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COMMISSION STAFF WORKING DOCUMENT

**Europe 2020 – public consultation
First overview of responses**

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Europe 2020 – public consultation First overview of responses

The public consultation on Europe 2020, which the Commission launched on 24th November 2009, officially closed on 15 January 2010. Since then, a considerable number of contributions have still been submitted. To date, the Commission has received well over **1500 contributions from a wide range of interested parties**: Member States, EU and national organisations, social partners from both the EU and national levels, regional and local authorities, business and professional federations, individual companies, NGOs, 'think tanks', representatives of the academic community and numerous European citizens. Some non-EU countries and stakeholders also responded.

Many of the contributions received are substantive and rich in views and perspectives. The Commission has been undertaking a major effort to analyse these responses so as to be able to take them into account as it prepares its proposals for discussion at the European Council. Even though it will take some more time to finalise the analysis, **the Commission considers it important to provide preliminary indications as to the main trends emerging from the consultation before the Informal European Council which will meet on 11 February**. A more detailed overview of the results of the public consultation will be made available in the next few weeks.

1. Member States:

All Member States have provided an input to the consultation.

In general, there is broad support among Member States for the thematic priorities (growth from knowledge, inclusive societies and a greener, competitive economy) proposed in the consultation paper. In the current context of an economic crisis and rising unemployment, many Member States stress the importance of keeping the focus of Europe 2020 on (smart) growth and jobs. Around half of the Member States explicitly endorse the strong links between the economic, environmental and social pillars. Several call for strengthening the social dimension. There is support for the view that Europe 2020 should be better linked up with other strategies (like the Sustainable development strategy, the Social Agenda, Cohesion Policy, Energy and Climate Change).

Many Member States point to the deterioration of public finances due to the financial and economic crisis as a crucial issue. The need for investments in (new) sources of growth will therefore have to be considered against a background of fiscal consolidation in years to come.

The important role of the manufacturing industry, the contribution of SMEs to growth and job creation, strengthening the single market and ensuring financial and macro-economic stability are mentioned by many Member States as areas that deserve to receive more focus in the new strategy. Many also want to see its external dimension reinforced.

Referring to lessons to be drawn from the crisis, most agree that "governance" must be improved to close the implementation gap of the Lisbon strategy. Several Member States call for stronger economic policy co-ordination and more binding governance arrangements. The majority of Member States agree with the idea of a limited number of EU targets translated into national ones. Effective monitoring, benchmarking, a partnership approach (more closely

involving regions) and reinforced ownership by stakeholders and improving communication are all highlighted as crucial factors in delivering the new strategy.

There is generally strong support for conferring lead responsibility to the European Council in steering the new strategy, and guiding the work of other Council formations. Few Member States plead for a stronger role for the Commission in monitoring delivery of the strategy.

While all Member States recognise the strong inter-linkages between fiscal policy and structural reforms in the aftermath of the crisis and thus the need for coherent policy advice, some Member States want to **preserve the role of different economic policy coordination instruments in the Treaty** so as to avoid any possible impression that the Stability and Growth Pact is being weakened. Finally, several Member States plead for a stronger link between the EU's budget and the priorities of the new strategy

2. Regional & local authorities:

Around 120 regional or local authorities from some two thirds of Member States responded.

There is broad agreement regarding the proposed objectives and governance arrangements. A consistent message running through many, if not all, of the contributions is that their role in the strategy needs to be increased to secure a full and equal partnership between different levels of government (multi-level governance). This should, in their view, go hand in hand with a close alignment of the strategy with cohesion policy and its instruments. Furthermore, many regional and local authorities argue that they enjoy important competences, combined with resources, in key areas of the strategy, so that they can make an important contribution to the delivery of reforms on the ground. Many examples are provided of this role ranging from education and innovation policies, infrastructure, labour market and social inclusion, business environment to high-quality public services and ICT policy.

3. European institutions, bodies and other instances:

The **Committee of the Regions** and the **Economic and Social Committee** adopted Opinions on the EU 2020 Strategy.

The **Eurosystem** submitted a contribution fully supporting the integration of social and environmental objectives into the EU 2020 Strategy, while maintaining its overall focus on growth and jobs. Particular attention should be given to a well-functioning labour market, internal market policies, competition and innovation, sound financial systems and the strict implementation of the Stability and Growth Pact. Social and environmental objectives should rely, as far as possible, on market-based instruments. The Eurosystem broadly agrees with the governance structures proposed by the Commission.

The **European Centre for Development and Vocational Training (CEDEFOP)** believes the EU 2020 Strategy should include detailed policies on innovation and creativity and in particular on education and training, including vocational education and training. Partnerships between businesses and research bodies should include education and training authorities to help match skills with jobs.

The **European Research Council (ERC)** underlines the importance of generating knowledge leadership as a basis for innovation, greening the economy, competitiveness and prosperity. It calls for world-class knowledge infrastructures and for retaining and repatriating top scientific talent from the EU and beyond.

European Standards Organisations (CEN, CENELEC, ETSI) highlight the role standardisation can play to support the objectives of the EU 2020 Strategy and in particular for the further development of the single market.

4. European political parties:

The Commission has so far received contributions from **S&D, ALDE and ECR**.

S&D pleads for drawing lessons from the crisis, focusing in future on fair growth and a more sustainable economy. It proposes 5 priorities: a new deal for sustainability; high quality full employment with decent work and social inclusion; fight against poverty, inequality and insecurity; a high-productivity knowledge economy; social & territorial cohesion. In each area a series of policy proposals are put forward. One proposal is to merge the Lisbon strategy, the Sustainable Development Strategy and the Stability and Growth Pact into a single strategy. On governance, S&D does not share the view that the European Council be given a central role. Instead, it argues that sectoral Councils, the EP and national parliaments should be better involved. S&D agrees with the need to better involve social partners and regions. Furthermore, S&D calls for a stronger link between the multi-annual financial framework and the Europe 2020 strategy. It also suggests using the European Investment Bank, European Bank for Reconstruction and Development, Public-Private Partnerships as well as eurobonds and green taxes to finance the new strategy.

ALDE agrees with the main priorities (green & smart), but calls for more focus on the internal market and free movement of people and financial supervision. It criticises the Lisbon strategy for being "a weak open method of coordination". On governance, ALDE calls giving the Commission a central role which should use a "carrots and sticks" approach (e.g. rewarding strong performers with additional structural funds and applying financial penalties to those not providing declarations on correct spending of EU Funds for EU 2020 priorities). The Commission should decide on indicators and convergence criteria to avoid "social dumping" or undermining other Member States' competitiveness. The Commission should monitor the SGP even better. The EU budget should be better aligned with EU 2020 priorities. Finally, ALDE argues for involving social partners, regions and EP, national & regional parliaments more and for using communication as a 'pressure tool'.

ECR argues for focusing the new strategy on Europe's comparative economic advantages and existing commitments rather than extending it into "new" areas. The proposal for the new strategy should be reconsidered in the light of the lessons drawn from the Lisbon strategy. ECR proposes to concentrate on a set of proposals (i) to complete the single market for goods and services (incl. IPR) but also for R&D and energy (ii) to further reduce administrative burdens on enterprises and focus on SMEs, (iii) foster innovative procurement and PPPs. Subsidiarity should be respected when designing social policies. Wage flexibility is considered crucial and young people should be better prepared for the labour market. Universities and quality of teaching must be improved as skills are essential. The climate and energy legislative packages should be implemented as a matter of priority.

5. Stakeholders:

In addition to the numerous contributions submitted by registered EU-level organisation/stakeholders, the Commission received many contributions from national (member) organisations, confirming that there is an intense debate about future priorities not only at EU level but also nationally.

5.1. European Social partners

All social partners agree on improving education and developing skills. Both UEAPME and **BusinessEurope** plead for removing remaining internal market barriers, further reducing administrative burden and "thinking small first" when designing regulation, access to finance, and "flexicurity". BusinessEurope advocates far-reaching structural reforms to secure growth, jobs and viable public finances.

ETUC calls the Lisbon strategy "*too liberal an approach*" and wishes this to be changed by reinforcing the EU's "social profile" with the development of a social programme (built around deepening the social *acquis* and demand-side labour market policies). Short-termism in corporate governance to be tackled urgently. ETUC agrees on focusing on green and smart growth.

UEAPME highlights the challenges SMEs face and calls for better market access (internal market and third countries' markets), fair competition and a level playing field. Referring to the Small Business Act, it emphasises the importance of implementing policy commitments effectively.

5.2 Consumer organisations:

BEUC supports the proposed Europe 2020 objectives, whilst advocating a stronger focus on social inclusion and consumer rights. It also takes the view that more should be done to empower citizens. The single market should be deepened and consumer protection made a cross-cutting priority in the new strategy.

Several **national consumer organisations** also contributed to the consultation. They share the general views expressed by BEUC on the importance of consumer policy in the new strategy. They equally underline the importance of guaranteeing adequate legal protection for online commercial activity and of e-commerce fragmentation more generally.

5.3 Stakeholders from the business community:

Stakeholders from the business community by and large share the key priorities identified by the Commission but put relatively more emphasis on "creating growth and knowledge" and on "creating a competitive, connected and greener economy". The majority underline the importance of the single market, the Small Business Act and better regulation for the successful delivery of the new strategy. The external dimension is considered key in ensuring that foreign markets are accessible for trade and investment, as well as creating a level playing field with regard to environmental standards. Governance issues are seen as essential to the success of the strategy and closing the implementation gap. Stakeholders must be better involved and communication made more effective.

5.4 Stakeholders with a social vocation:

Stakeholders with a social vocation broadly support the Commission's proposed priorities, but consider its scope too narrow. They believe that more attention should be given to measures and instruments to achieve the priority of "inclusive societies" beyond education and skills. "Inclusive societies" should also receive more attention in the growth through knowledge priority. The general feeling is that the social dimension is weak, if not absent, in spite of the stated intentions.

On governance, a four-pillar based strategy is proposed (organised around social, employment, economic and environmental dimensions), each given equal weight. Policy integration and monitoring should be strengthened. Target-setting will foster delivery. Indicators "beyond GDP" need to be developed and used in assessing progress. The involvement of all relevant stakeholders in all phases and at all levels of government is key. Implementation should build on existing mechanisms, such as a strengthened open method of coordination on social issues.

5.5 Stakeholders with an environmental vocation:

Environmental stakeholders support the priorities identified by the Commission while calling for better integrated environmental issues in other policies. The economic relevance of

protecting the environment and eco-systems, as well as eco-efficiency, sustainable development, social cohesion, health and well-being are mentioned as additional priorities. Loss of biodiversity and pollution should not be forgotten in the new strategy. A large number of stakeholders calls for taking a global approach. A majority pleads for strong links with the Sustainable Development Strategy, the Stability and Growth Pact and cohesion policy.

On governance, environmental stakeholders support target-setting (at EU and national levels), greater stakeholder involvement, exchange of best practice, benchmarking, reinforcing the open method of coordination and proposals to simplify the integrated guidelines.

5.6 Stakeholders from the education and/or research community:

Stakeholders from the education community underline the importance of education to achieve social inclusion as well as active citizenship. They also stress that the focus of the new strategy should not only be on higher education but also on primary and secondary education. Pre-primary education is also mentioned by some stakeholders. Educational stakeholders highlight that a broad range of skills is key to social inclusion. Many stakeholders call for the partnership between the private sector and universities to be extended.

Stakeholders from the research community generally agree with the three priorities defined by the Commission for the new strategy. The general view is that a thriving European Research Area based on openness and excellence is key to the achievement of the three priorities. Synergies between the current research, education, and innovation programmes are encouraged. Many stakeholders point out that the new strategy should not attempt to spread out excellence equally across all institutions. The majority of stakeholders underline that the importance of research in the new strategy should also be reflected in the future EU budget. Finally, the proposal to appoint a Chief Scientific Advisor is welcomed by some stakeholders.

5.7 Academic community

Most academic contributions agree with the challenges identified by the Commission and broadly support the thematic priorities. Several argue that Europe's current growth model is unsustainable, that the benefits of growth should be shared more fairly and that the financial system should serve the 'real' economy. There is support for stronger economic policy co-ordination and more benchmarking.

6. Citizens:

Almost 500 responses were received from EU citizens based in nearly all Member States. Responses were particularly numerous from citizens based in Spain, but also from Poland, Germany, France and the UK.

Most citizens' comments focused on education, research and the knowledge society, which are seen as crucial for the EU's future. Many citizens express support for the social dimension of the Strategy, arguing for a more social Europe. Increased environmental protection and the fight against climate change, gender equality, and international development are widely supported. Globalisation was seen as both a threat and an opportunity.

7. The international perspective:

7.1 Third countries

The Japanese and Norwegian governments both expressed their support for the EU 2020 Strategy. Japan stressed the importance of international trade for economic growth and expressing its desire for a continued cooperation. Norway argued that free trade within, and outside the single market should be amongst the strategy's priorities.

7.2. International organisations

The **IMF** believes the new Strategy should aim at creating the best possible environment for markets to support employment and productivity, focusing on reforming labour markets and on raising productivity. The **UN** highlighted the global dimension of the strategy. The **European Free Trade Association (EFTA)** emphasised the importance of research and education, an efficient single market, reducing administrative burden and standardisation and certification.

7.3 International stakeholders

The **American Chamber of Commerce (AmCham)** calls for bold action to support growth and jobs and welcomes the proposed objectives. AmCham suggests adding two additional thematic priorities: deepening the single market and "an open EU". The **Japan Business Council** recommends the EU to maintain its focus on competitiveness and underlines the importance of a fully functioning internal market and of working towards a global harmonisation of regulatory environments.