

2. THE “EUROPE 2020 STRATEGY” AS A VISION TO EMERGE FROM THE CRISIS: AN OVERALL INTERPRETATION

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2.1. Introduction

The Europe 2020 Strategy (EU2020S) was launched by the European Commission (EC) in November 2009 and discussed in the first semester of 2010 by different European Union (EU) institutions (the Parliament, the Council, etc.), with a first overall discussion held in the European Council meeting on the 25th-26th March 2010 in Brussels. The consolidated official document of the EU2020S constitutes a Communication from the Commission published in March 2010 (European Commission, 2010a), being finally adopted by the European Council on the 17th of June 2010 in a meeting held in Brussels. The presidency of the Union at the time of the first semester in 2010 wished the EU2020S to be binding for member states,¹ an intention that was never to materialise. Thus, the EU2020S is a document of a strategic nature, that is to say, it is neither normative nor binding.

At this point, it must be stressed what a document of a non-binding strategic nature implies, fundamentally, it is considered to be a guiding framework for action but not a normative plan in the normal sense of planning (Zoido *et al.*, 2000). Accordingly, the following definition of strategic planning is relevant to the EU2020S: “the effort made in generating those decisions and actions which are considered to be fundamental in making the desired *vision* of the future a reality [...] through involvement in objectives and measures to achieve them, with well established priorities” (Farinós *et al.*, 2005: 119; in italics in the original). As in all strategies, the idea of *vision* is fundamental: while conventional planning “merely brings the expectative into line with the tendencies derived from the existing model (scenario approach)”, the strategy consists of “change depending on the required goals (visions)” (Farinós *et al.*, 2005: 120).

¹ Isenson, N. (2010). Spain calls for binding EU economic goals - and penalties. *Deutsche Welle* 8.1.2010. <<http://www.dw.de/spain-calls-for-binding-eu-economic-goals-and-penalties/a-5098907-1>> (Accessed 13.1.2013).

The EU2020S has as meaningful subtitle “a strategy for smart, sustainable and inclusive growth”. That is to say, the EU2020S, first and foremost, seeks *growth* and considers that this prime objective must be achieved through three priorities, also known as pillars, which, as the terms used in the subheading states, go beyond the strictly economic sense and embraces social and environmental questions. The document contains a preface of the President of the EC saying that the context of “economic and financial crisis” has motivated the elaboration of this EU2020S for achieving “a sustainable future”, which is “about more jobs and better lives”, acknowledging that the EU “has the capability to deliver smart, sustainable and inclusive growth, to find the path to create more jobs and to offer a sense of direction to our societies” (European Commission, 2010a: 2); this constitutes the basic rationale of the EU2020S.

If the strategic document of the EU for the decade 2000-2010 was the so-called Lisbon Strategy (also known as the Lisbon Agenda or Lisbon Process), the intended strategic document for the decade 2010-2020 is the EU2020S. Mainly, the need of a new strategic direction of the EU is motivated by the crisis context. In accordance with the EU2020S itself, the global circumstance since 2008² “has wiped out years of economic and social progress and exposed structural weaknesses in Europe’s economy” (European Commission, 2010a: 4). Importantly, there is ample agreement that the objectives set by the Lisbon Strategy have been unfulfilled (for instance, Moltó, 2012 or Lundvall and Lorenz, 2011). This generalised opinion can even be found in official documents, for example in the *ad hoc* assessment of the European Commission itself (2010b) or in a book sponsored by the European Union on the application of the Lisbon Strategy and the EU2020S in Croatia — in which it can be read “the results were weaker than expected” (Butković and Samardžija, 2010: 6). Also, in terms of the research generated by ESPON with the conclusion reached being that the objectives set during the Lisbon decade have not been achieved in much of the Union: “Some countries have reached the targets for some indicators, but most countries still have some way to go” (Bundesamt für Bauwesen und Raumordnung, 2006: 24).

2.2. General Structure of the EU2020S

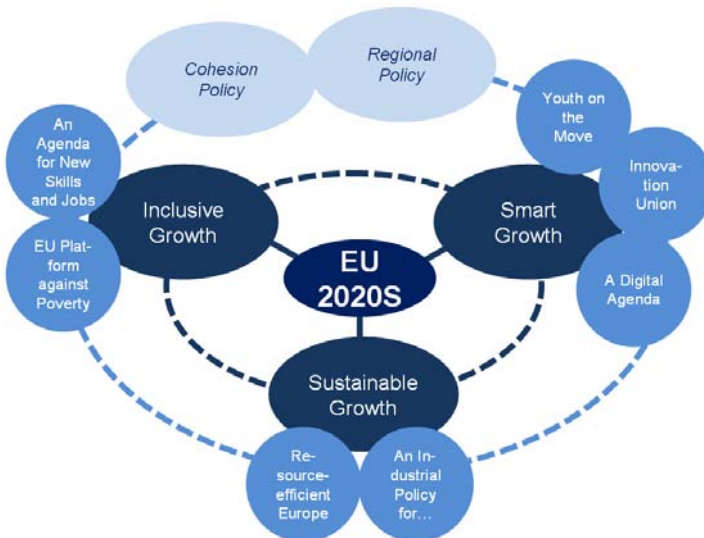
The EU2020S consists of a double-folder of thematic organisation (Graphic 1.1): on the one hand, three priorities are launched; on the other, seven flag-

2 In accordance with Kotz (2009: 1), the year the global crisis started in the United States cannot be precise, but the majority of the European countries certainly saw themselves involved between 2007 and 2009.

ships are established. In relation to the priorities (also quoted as pillars), they can be defined as the basic aims that are attempted to be attained by means of the EU2020S, in an inter-related manner, as follows:

- Smart Growth: developing an economy based on knowledge and innovation.
- Sustainable Growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive Growth: fostering a high-employment economy delivering social and territorial cohesion.

These three themes are understood to be the very basic framework of the EU2020S. As is easily deducible, its denomination is very reminiscent of the classic model of sustainability distributed in three large blocks (economic, environmental and social), popularised since the Rio de Janeiro Earth Summit in 1992 and which is frequently represented by a Venn diagram. Thereby, the EU2020S apparently embraces the major issues that are globally considered to warrant attention through the paradigm of sustainability (Blewitt, 2008). Furthermore, it can be said that the EU2020S goes thematically beyond the previous Lisbon Strategy, as the latter was basically focused on economic and smart growth (competitiveness and knowledge-based economy) and included several social issues (basically employment).



Graphic 1.1. The EU2020S from the perspective of the SIESTA Project.

However, it is important to stress from the outset that the mention of sustainability in the EU2020S has little to do with the general understanding held of this concept. Indeed, the *sustainable growth* proposed by the EU2020S must be understood in a macro-economic sense, basically as growth must be “held up” in time and, therefore, degrowth, in which ample sectors of the Union have been immersed over the last five years, should be avoided. As stressed by Warleigh-Lack (2010: 307), “the language used in *Europe 2020* — ‘sustainable growth’ rather than ‘sustainable development’ — is not accidental. The former term does nothing to replace the idea that growth must be central to economic policy or to speak to the need for intergenerational solidarity. Responding to climate change is an afterthought, not the focus”. At this point, Anton and González Reverté (2005: 49) are relevant when affirming that “authentic contradiction is only given in the meaning of *sustainable growth*, based on the philosophy of continuous growth, while the concept of *sustainable development* is considered more congruent”. Naredo (2007) has summarised it in an axiom “unsustainable growth, sustainable development”, which in practice denotes an inherent contradiction in the notion of *sustainable growth*.

In order to catalyse progress towards each one of priorities, seven flagship initiatives are put forward. These are key programmes or tools to foster the achievement of the EU2020S. These initiatives represent change inasmuch as they were absent in the development of the Lisbon Strategy. Legally, these have been resolved one by one through successive official communications in 2010, except for one of them which was approved the following year (European Commission, 2011a). The seven flagships are listed as follows:

- “Innovation Union” to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services.
- “Youth on the move” to enhance the performance of education systems and to facilitate the entry of young people onto the labour market.
- “A digital agenda for Europe” to speed up the roll-out of high-speed internet and reap the benefits of a digital single market.
- “Resource efficient Europe” to help decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernise the transport sector and promote energy efficiency.

- “An industrial policy for the globalisation era” to improve the business environment, and to support the development of a strong industrial base able to compete globally.
- “An agenda for new skills and jobs” to modernise labour markets and empower people by developing their skills throughout the lifecycle with a view to increase labour participation and better match labour supply and demand, including through labour mobility.
- “European platform against poverty” to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.

Basically, the flagship initiatives are strategic programmes encouraged by the European Commission itself with its own leeway. These flagship initiatives are inter-related and are structured around the three reinforcing priorities (Graphic 1.1).

In terms of research developed in the SIESTA Project, regional and cohesion policies have also been included in Graphic 1.1, despite not being expressly cited in the original EU2020S document. This is due to the fact the Commission itself has adopted two communications, on the same level as the seven already indicated, in which the achievement of the EU2020S objectives is sought through regional and cohesion policies; specifically related to smart growth (European Commission, 2010c) and sustainable growth (2011b). The reason why a communication referring to inclusive growth has not been approved is unknown to us. The absence of a communication on this pillar is especially relevant to territorial effects because it comes precisely under the umbrella of inclusive growth that the EU2020S cites, although in a somewhat superficial way, as a territorial question: “It is also essential that the benefits of economic growth spread to all parts of the Union, including its outermost regions, thus strengthening territorial cohesion” (European Commission, 2010a: 17).

Also, the connection between regional and cohesion policies on the one hand, and the EU2020S on the other, has to do with the fact that the latest reports on territorial cohesion drawn up by Commission — the fifth in the triennial series (European Commission, 2010d) and seventh in a series evaluating the situation that is drafted every two years (European Commission, 2011c) — have also adopted the EU2020S as a reference for the application of a regional scale (Colomb and Santinha, 2012). At the same time, the Committee of the Regions has maintained a line of work on the EU2020S on a regional and local

scale that essentially seeks the exchange of “good practice” experiences or *benchmarking* in the implementation of strategy at these levels.³

Likewise, the relevance of the EU2020S regarding the conformation of regional and cohesion policies in the 2014-2020 period is confirmed if documents currently under negotiation for that six year period are taken into account.⁴ In effect, the prime objective now on the table is the challenge for European regions to comply with the three priorities of the EU2020S; at the same time, the list of actions proposed for such aim replicate the directions set by their own emblematic initiatives that have just been reviewed.

In turn, the Territorial Agenda of the European Union, initially adopted in 2007, was readapted in 2011 in order to also comply with the EU2020S. In reality, the Territorial Agenda does not serve as an official document in the Union (something that the EU2020S or the different communications developed do comply with) and it is approved by informal ministerial meetings (Colomb and Santinha, 2012; Böhme *et al.*, 2011). The keenness frequently incurred from academic areas to refer to the Territorial Agenda clashes with the scarce official significance of the same in the European area. Conversely, and despite the efforts carried out to draft a new Territorial Agenda after 2007 — the now so-called Territorial Agenda 2020 — and the work carried out by Böhme *et al.* (2011), the truth is that the coherency between the Territorial Agenda and the EU2020S constitutes a complex affair, if not to say impossible in many respects. For example, there does not seem to be any direct correspondence between territorial polycentrism (the first principle of the Territorial Agenda) and sustainable growth (as has been seen, one of the pillars of the EU2020S) (Böhme *et al.*, 2011: 26).

All this shows the enormous relevance given to this strategic document in the decade of the conformation of European policy and, in particular, that of a territorial nature. Thus, the SIESTA Project has continually tried to accomplish a link between the EU2020S, on one hand, and regional and cohesion policies, on the other (Graphic 1.1).

2.3. Measuring Progress towards the EU2020S Achievement

Beyond priorities and flagship initiatives, the EU2020S consists of headline targets that are set for being achieved by 2020. In short, the EU2020S indicates

3 See <<http://portal.cor.europa.eu/europe2020/Profiles/Pages/welcome.aspx>> (Accessed 22.1.2013).

4 See <http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm> (Accessed 22.1.2013).

the basic direction that the EU economy should follow and this direction is intended to be measurable by means of some indicators, that is, the headline targets. Again, these targets are supposed to be inter-related. It is important to stress that under the Lisbon Strategy defined quantifiable objectives were to be achieved by 2010; including some that have again been reiterated in the EU2020S, proving the non-compliance of the Strategy's framework in the preceding decade. In the same way, and with a more optimistic tone, Çolak and Ege (2013: 661) have pointed out that the EU2020S indicators are more "realistic" than those of Lisbon. The official list of the EU2020S headlines is as follows:

- 75% of the 20-64 year-old population to be employed.
- 3% of the EU's Gross Domestic Product to be invested in R&D.
- The three targets known as "20/20/20": a 20% reduction (and even 30% if possible) in greenhouse gas emissions in relation to 1990 levels, 20% of energy from renewable sources and a 20% increase in energy efficiency.
- Reducing early school leavers to below 10%.
- At least 40% of 30-34 year-old population completing third level education.
- At least 20 million fewer people in or at-risk-of-poverty and social exclusion.

For the purpose of the SIESTA Project, all these objectives have been considered to be indicators to be mapped. In this way, the most relevant variables from a research point of view have been used at all times, in coherence with the official nature granted by the EU2020S.

However, it must be stressed that the official EU2020S document itself complicates the strategy's implementation of specific targets by recognizing that they can be modified by member states: "To ensure that each Member State tailors the Europe 2020 strategy to its particular situation, the Commission proposes that EU goals are translated into national targets and trajectories" (European Commission, 2010a: 5). Despite the commendable appearance of this phrase, in reality it weakens the EU2020S. In effect, the member states have had to systematically "downgrade" the EU goals. In this way, as has been shown by the SIESTA Project, the country by country sum does not guarantee that the global objectives set by the European Union can be achieved. In fact, the European Commission has already recognised, in a rather euphemistic

way, the lack of commitment from countries in the implementation of the EU2020S, in particular their headline targets. “The duration of the crisis has not helped Member States to press ahead with meeting their Europe 2020 targets on employment, R&D, climate/energy, education and the fight against poverty, and overall Europe is lagging behind its objectives. Yet, progress in all of these areas is needed to move towards a smart, sustainable and inclusive European economy” (European Commission, 2012: 1).

It must be said that the accomplishment of these targets is being quite a controversial matter. Not only at member state level, where indeed each country is establishing its own national headline target by adapting the general orientations of the EU, but also in the sense that each individual region is able (or it makes sense to do so) to achieve the national or the EU headline targets. This is not said in the EU2020S document itself, but in late 2011 the Commission, by means of the Seventh Progress Report on Cohesion, has acknowledged that it is not implicit that all the regions can or should reach the 2020 targets, accepting that for some regions, the distance to the target is simply too great. The Commission has also added in this respect that for some issues it is not realistic or desirable that all regions reach the same target. “For example, R&D is highly concentrated in part due to benefits of clustering research. The concentration of poverty and exclusion, however, has a lot of negative effects” (European Commission, 2011c: 6).

The EU2020S is assessed each year through progress reports on the fulfilment of the EU2020S, for the whole of the Union and for member states, which are officially called the Annual Growth Survey (to date, there are versions for 2011, 2012 and 2013 available). This survey is done in a consistent way following the EU2020S, and is supposed to be the framework on which the Annual Growth Survey is based. It typically consists of three annexes, as follows:

- Annex 1: Progress Report on Europe 2020. Importantly, this document is reviewing the EU and national headline targets yearly.
- Annex 2: Macro-economic Report.
- Annex 3: Draft Joint Employment Report.

These reports link the tradition started with the Lisbon Strategy in annually assessing the progress made by each country on the Commission’s part — incidentally, with little fortune (Çolak and Ege, 2013; Moltó, 2012; Treidler, 2011). Strikingly, the successive versions of the Annual Growth Survey seem to release contents directly related to the EU2020S. Indeed, surprisingly in the

2013 version the progress report on the EU2020S implementation has ceased, conversely, this had existed in the two previous years. This perhaps subtly indicates a distancing of the Commission in respect to its very own growth strategy.

2.4. Concluding Remarks

After the research carried out by the SIESTA Project and in the framework of this brief text for an overall interpretation of the EU2020S, we believe that there is manifest evidence to show the frailty of the official Union growth strategy for the 2010-2020 period. We think that this frailty has nothing to do with either the three priorities identified by the EU2020S — which are commendable and probably suitable channels to strengthen the Union's economy in times of crisis and, likewise, of increasing and challenging global competition —, but with the design of the same tool. Indeed, the fiasco of the Lisbon Strategy has shown the need to develop a distinct type of document for the present decade, and to not reiterate its structural errors. However, this scenario has finally been the case. In this sense, Lundvall and Lorenz (2011) or Treidler (2011) had already anticipated that the EU2020S was doomed to failure because it largely suffered from the frailties of the Lisbon Strategy, starting from its non-binding nature. Farinós (2008), on analysing the Lisbon Strategy, also pointed to the absence of governance in its implementation as an important defect, something which undoubtedly repeats itself in the EU2020S.

On the other hand, we believe, as Erixon (2010) has argued, that focusing on competences that are not the responsibilities of the Commission (education, poverty, etc.) detract legitimacy from the EU2020S. This also leads to the member states having to take charge of its development, something which — through national objectives which systematically “downgrade” the European headline targets — enormously biases the process. In this sense we share the views of Colomb and Santinha (2012) in that the “planning agenda” of the Union (EU2020S, Territorial Agenda, etc.) is weak in comparison to the macro-economy policy, this being clearly decisive. What is more, both contradict each other constantly. In fact, at no time can it be said that the struggle against poverty or the investments in education are a real priority for the EU institutions — not even for the member states in general — but rather for the macro-economy, with persistent purposes such as austerity. In short, a stronger link to the EU2020S could be a suitable way to achieve smart, sustainable and inclusive growth that has been envisaged for a decade that is currently immersed in an acute crisis.

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