

SOLIDAR RESPONSE TO THE EUROPEAN COMMISSION'S PUBLIC CONSULTATION ON THE EUROPE 2020 STRATEGY MID-TERM REVIEW

SOLIDAR main recommendations

In our view, no new targets, initiatives or tools are needed to achieve smart, sustainable and inclusive growth. However, **the inclusive dimension of the Strategy has to be significantly reinforced** by enhancing fair and inclusive European labour markets and by reinforcing social protection systems. **The revision of the Strategy represents a political opportunity to acknowledge the damages provoked in recent years by the one-sided austerity 'logic' and allows for making a policy shift towards a social investment perspective.**

The main recommendations put forward in SOLIDAR's contribution are the following:

- **Heightening social targets as policy levers.** Current social targets set in the Europe 2020 strategy should not only be kept as they are but also reinforced as the levers of social policies. In recent years, many of the structural reforms implemented by Member States in the social and employment area were inspired by the need to adapt to the economic governance 'dictates' rather than by the need to reduce the unacceptable high unemployment rate and reducing the number of people living in poverty and social exclusion. The revision of the Strategy should represent a momentum to reverse this paradigm.
- **Implementing social investment.** We strongly recommend the institutions responsible for the mid-term review not to narrow the comprehensive aim of the strategy by reducing its inclusive dimension. On the contrary, we advocate for using the opportunity of the mid-term review to set up an ambitious investment agenda that includes concrete measures for reducing inequalities and tackling the social consequences of the economic crisis in a more effective, balanced and coordinated manner.
- **Enhancing fair and inclusive European labour markets.** To reach the employment target of the Strategy creating new jobs is not enough if abuse and discriminating treatment are not fought. In order not to lead to more inequalities, European labour mobility should be **fair mobility** where the principles of 'decent work' and 'equal pay for equal work' are respected. Thus, actions are needed to clear legal uncertainties which provoke social dumping and leave room to abuses. Also, the unacceptable level of gender pay gap and increasing in-work poverty need to be urgently tackled.
- **Reinforcing universal and comprehensive social protection systems.** Preventive measures are a fundamental component of a social investment perspective. Providing people adequate support to participate in society and respond to risks, is a way to empower them, to make them more resilient and to prevent them falling into social exclusion and inactivity. More effort should be made to promote this logic at Member States' level and the Europe 2020 Strategy represent an excellent framework for it.
- **Re-balancing the European Semester process.** We call upon institutions to take the opportunity of the revision of the Strategy to design a better balanced European Semester process in which the social dimension – meaning the employment and social impact – is taken into account on equal footing with the macroeconomic dimension. To this aim, we endorse the ['Joint Opinion of the Employment Committee and the Social protection committee'](#) calling for a more **equitable partnership** between the EPSCO and the ECOFIN councils as well as improved collaboration with social partners and civil society. Also, the "binding power" of the **social scoreboard** should be reinforced in order to make the European Semester a vehicle to spur social progress.

- **Strengthening the European Platform Against Poverty.** We think that the flagship initiative “European Platform against Poverty” should be supported and made more inclusive for stakeholders. In particular, more concrete efforts should be made to improve its contribution on the decision-making process (e.g. by providing concrete space for follow-up of the recommendations defined yearly by stakeholders in the EPAP Annual convention) as well as to guarantee an improved and genuine involvement of civil society.

Background for the public consultation

The Europe 2020 strategy was launched in [March 2010](#) as the EU's strategy for promoting smart, sustainable and inclusive growth. It aims to achieve a knowledge-based, competitive European economy while preserving the EU's social market economy model and improving resource efficiency. It was thus conceived as a partnership between the EU and its Member States driven by the promotion of growth and jobs.

The Europe 2020 strategy is built around five [headline targets](#) in the areas of employment, research and development, climate and energy¹, education and the fight against poverty and social exclusion. The strategy also set out a series of action programmes, called "[flagship initiatives](#)", in seven fields considered to be key drivers for growth, namely innovation, the digital economy, employment and youth, industrial policy, poverty and resource efficiency. The objectives of the strategy are also supported by action at EU level in areas such as the single market, the EU budget and the EU external agenda.

The Europe 2020 strategy is implemented and monitored in the context of the [European Semester](#), the yearly cycle of coordination of economic and budgetary policies at EU level. The European Semester involves discussion among EU institutions on broad priorities, annual commitments by the Member States and country-specific recommendations prepared by the Commission and endorsed at the highest level by leaders in the European Council. These recommendations should then be taken on board in the Member States' policies and budgets. As such, together with the EU budget, the country-specific recommendations are key instruments for the implementation of the Europe 2020 strategy.

After four years, the Commission has proposed, and the European Council of 20-21 March 2014 has agreed, to initiate a review of the Europe 2020 strategy. On 5 March 2014, the Commission adopted a Communication "Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth" ([Communication](#) and [Annexes](#)) drawing preliminary lessons on the first years of implementation of the strategy. Building on these first outcomes and in a context of a gradual recovery of the European economies, it is time to reflect on the design of the strategy for the coming years.

Through these questions, the European Commission is seeking your views on the lessons learned from the early years of the Europe 2020 strategy and on the elements to be taken into account in its further development, in order to build the post-crisis growth strategy of the EU.

¹ In January 2014 the Commission launched a [framework](#) for energy and climate policies up to 2030. A reduction in greenhouse gas emissions by 40% below the 1990 level, an EU-wide binding target for renewable energy of at least 27% and renewed ambitions for energy efficiency policies are among the main objectives of the new framework.

Questions:

1) Taking stock: the Europe 2020 strategy over 2010-2014

Content and implementation

- ***For you, what does the Europe 2020 strategy mean? What are the main elements that you associate with the strategy?***

When the Europe 2020 was agreed – in 2010 – it represented for SOLIDAR an opportunity to restore social cohesion, social inclusion and equality at the core of the EU agenda. In fact, these aspects completely disappeared successively to the mid-term review of the Lisbon Strategy in 2005 which had the result to narrow the strategy's focus only on productivity, jobs and growth. In the meantime, starting from 2008 European economies were experiencing low growth and productivity due to the financial crisis. Thus, it became evident that the EU would have needed a new strategy with a stronger social dimension than the Lisbon Strategy in order to cope with the social consequences of the crisis.

At that time, SOLIDAR participated in the Post- Lisbon strategy debate calling upon the institutions to orientate the new strategy towards making economically competitive and innovative societies in an increasingly globalised world by realising fundamental rights, the creation of equal opportunities and life chances, decent working and living conditions, adequate social protection and access to affordable, high quality services of general interest for all European citizens.

SOLIDAR, together with other Civil Society Organisations (CSOs) and their overarching platforms actively participated at every step in the preparation process for the new strategy. In 2010, when the Strategy and its five headline targets were set, SOLIDAR welcomed this new integrated approach. However SOLIDAR pointed out that the strategy lacks a rights based approach which would provide a framework to measure and monitor the impact on inequalities.

- ***Overall, do you think that the Europe 2020 strategy has made a difference? Please explain.***

Four years after the launch of Europe 2020, the EU is far from achieving its targets particularly on poverty and employment. The ongoing financial crisis led to a focus on fiscal and financial consolidation through austerity plans which have resulted in increased poverty, unemployment and inequality. Although the climate targets look better, the improvement is more due to reduced industrial production than to the achievement of the strategy's goals.

The European Commission Employment and Social Development (ESDE) Report 2013, published on 18 February 2014, shows the real state of the Union regarding social and employment developments. It highlights ongoing structural challenges in the EU such as rising unemployment, increasing numbers of young people not in employment, education or training (NEETs), a prominent gender gap and undeclared work in the labour market, increasing poverty and social exclusion, especially for the working age population and children as well as growing divergences between countries in the EMU. These trends are also confirmed by the first findings of the analysis conducted by SOLIDAR in 14 member states in the framework of the [Social Progress Watch Initiative](#).

The latest figures show that 124 million people live in poverty (an increase of 10 million); 24 million people are working poor; nearly a quarter of economically active young people in Europe are

unemployed and 13.9 million young people are NEETs. On top of this income inequalities have risen with the top 20% having earned 5.1 times as much as the bottom 20% in 2012, demonstrating a growing social divergence in Europe. Divergences exist not only within the member states but also between them, and not only with those who are under the rules of austerity.

These alarming social and employment trends in the EU have to be taken into account as a premise to any review of the Europe 2020 Strategy, as acknowledged by the European Commission in the communication “Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth” that was launched on 5 March 2014 with the aim of providing a first assessment of the strategy.

In light of the evidence of ESDE 2013 and the European Commission Communication, a policy change is desperately needed in order to put in place a new growth pattern based on social, sustainable and inclusive investment, better use of social expenditure as an economic stabiliser and poverty prevention policies. European and local institutions need to work together with social partners and civil society to improve the democratic legitimacy of the European economic coordination policies and strengthen the social dimension of the European Semester.

The main question now is whether the revised strategy will be narrowed like the Lisbon Strategy in 2005 and if the inclusive growth dimension will be watered down. We believe the focus should instead shift to the implementation of the strategy in the Member States, on rehabilitating the real economy, and on investing in people and policies that would provide a realistic chance of reaching the original objectives.

- ***Has there been sufficient involvement of stakeholders in the Europe 2020 strategy? Are you involved in the Europe 2020 strategy? Would you like to be more involved? If yes, how?***

In our view the level of stakeholders’ involvement varies accordingly to the different flagship initiatives and policy processes in the framework on the strategy.

For example, we consider the involvement of CSOs in the **European Semester** to be disappointing– which was created to reinforce EU economic governance and to supplement the commitment of Member States in achieving the Europe 2020 targets. Decision making processes need to be opened up to CSOs ready to play their role in their areas of expertise, in European Governance and in the implementation of the economic and social priorities of the EU. This will enable policy makers to tap into the existing, on the ground knowledge of CSOs and will give a voice to those who are directly impacted by fiscal, economic and social policy reforms. Such stakeholder involvement will not only improve policies at local, regional and national level but it will also improve the implementation of such policies through services and systems that will be inclusive and sustainable, that can be targeted or universal, that can be flexible, and can be a stronger safety net when sudden shocks hit (such as the social and financial crisis). This could be achieved partially by the Commission engaging in a more formal consultation during the preparation of the AGS, as it does with the social partners. Furthermore, to support stakeholder engagement at national level, European guidelines should be developed on how to engage with all relevant stakeholders in the elaboration of NRPs. But also more in general, clear and transparent procedures have to be developed and applied at all levels to allow for structural and meaningful stakeholder involvement in developing, implementing and evaluating policies under the Europe

2020 strategy. Favourable environments with sustainable funding for CSOs need to be created to underpin their meaningful involvement.

One of the initiatives where we have seen the involvement of stakeholders constantly improving is the **European Platform Against Poverty (EPAP)**. However, further work still needs to be done to ensure the effective engagement of people experiencing poverty. The EPAP has a broad stakeholder base and the number of Stakeholder Dialogue meetings has increased. To bring greater clarity as to the purpose of these meetings and their anticipated outcomes, the Commission could among others work towards a common agenda setting with CSOs, bringing forward suggestions for discussion. Since the first Convention in 2011 the involvement of stakeholders has improved.

Tools

- ***Do the current targets for 2020 respond to the strategy's objectives of fostering growth and jobs?***

We consider the targets to be adequate for the strategy objectives of fostering growth and jobs by promoting a growth model aiming at creating the conditions for smart, sustainable and inclusive growth. If the targets are supported and implemented on equal footing, we think that progress will be made towards the achievement of the strategy objective. In order to ensure a correct implementation of the targets and to avoid the problem of “cherry-picking” activation policies only aimed at reaching the targets and not at creating inclusive and equal societies, we recommend the following:

- To guarantee that the issues of quality employment, decent work and inclusive opportunities are taken into account when promoting policies aiming at reduce unemployment and create new jobs;
- To guarantee that education is not only considered as a vehicle to employment, but to support investment in education as a way to guarantee inclusive and equal life and work possibilities for all. To guarantee equal access to education and lifelong learning to increase social inclusion and social justice, and to increase prevention measures towards early school leaving. To encourage long-term solution at the national level towards fighting early school leaving and social exclusion to improve sustainable development and growth.

- ***Among current targets, do you consider that some are more important than others? Please explain.***

We consider it counterproductive to establish a competition amongst the 5 strategy targets. The lesson we learnt from the process of mid-term review of the Lisbon Strategy in 2005 is that by narrowing the focus of the strategy only on competitiveness and growth the EU was not able to eradicate poverty and realise social equality. And this was also the reason why we welcomed the comprehensive and balanced approach of the new strategy in 2010. Thus, we think this comprehensive approach should be kept and reinforced in order to put in place a new growth pattern based on social, sustainable and inclusive investment and a better use of social expenditure, as tools to achieve economic stability and prevent poverty. European and local institutions need to work together with social partners and civil society to strengthen the social

dimension of European policies and to make concrete steps towards inclusive, sustainable and smart growth.

- ***Do you find it useful that EU-level targets are broken down into national targets? If so, what is, in your view, the best way to set national targets? So far, have the national targets been set appropriately/too ambitiously/not ambitiously enough?***

In the field of education, social services and employment where the decision-making power is in the hands of Member States, it is crucial to have national targets as well as the country specific recommendations through the European Semester. However, the national targets are not set nor pursued ambitiously enough to reach the European targets by 2020.

To better set the national targets, member states should break them down by population, age and gender in order to facilitate the assessment of progress in achieving the overall national targets towards these specific sub-groups. Despite the national targets, the member states should also learn from each other and communicate in order to reach the best results.

- ***What has been the added value of the seven action programmes for growth? Do you have concrete examples of the impact of such programmes?***

“Agenda for new skills and jobs” has brought focus at the European level to bridging the existing gaps between education and labour market, which can be seen within other European initiatives (such as the Alliance for Apprenticeships) and as a growing number of Member States taking action on this through reforming national education systems, placing higher focus on work-based learning and apprenticeships as a way to ease the transition from education to work and provide the skills needed in the labour market.

The approach does raise some concerns when it comes to quality of learning, lifelong learning and permeability and transversal skills of those undertaking vocational training. The actions taken to “equip people with the right skills for jobs of today and tomorrow” should have a long-term focus on the jobs of tomorrow, to ensure sustainability of workforce and employment and lifelong learning opportunities for all.

2) Adapting the Europe 2020 strategy: the growth strategy for a post-crisis Europe

Content and implementation

- ***Does the EU need a comprehensive and overarching medium-term strategy for growth and jobs for the coming years?***

Yes we do consider that the EU needs a comprehensive and overarching medium-term strategy for growth and jobs; and we consider that this strategy should have the primary objective of promoting a new growth model in Europe based on redistribution of wealth, quality employment, social cohesion, a social protection floor for all, equal access to education and social services for all in order to achieve the smart, inclusive and sustainable growth the Strategy refers to.

- ***What are the most important and relevant areas to be addressed in order to achieve smart, sustainable and inclusive growth?***

In order to spur social progress through the flagship initiative “European Platform against poverty and social exclusion”, SOLIDAR calls for a more coherent and better integrated framework for social policies covering in a comprehensive approach the preventing and adjusting arms to fight poverty and social exclusion. Furthermore, we also call upon the institution involved in the initiative to strongly advocate for the need to stop social retrenchment and to support investment in the skills and potential of people so that they can fully participate in society and access decent work.

In order to make steps toward inclusion through the flagship initiative “Agenda for New Skills and New Jobs”, SOLIDAR recommends developing a strategy to actively support the creation of learning societies and learning workplaces, promoting the validation of skills, competences and knowledge acquired through non-formal and informal learning within society and at the workplace.

- ***What new challenges should be taken into account in the future?***

To spur social consolidation within the European economic governance – and in particular within the European Semester process - SOLIDAR recommends to strengthen the focus on the social policy priorities of the Europe 2020 Strategy and to promote a new growth pattern based on social, sustainable and inclusive investment, better use of social expenditures as economic stabilizers and poverty preventing policies.

- ***How could the strategy best be linked to other EU policies?***

In order to strengthen the democratic legitimacy of the European governance, especially in times of rising extreme and anti-European movements in some Member States, we call for a more integrated common approach of involvement of civil society in the design and implementation of the flagship initiatives of the Europe 2020 Strategy as well as the European Semester process.

- ***What would improve stakeholder involvement in a post-crisis growth strategy for Europe? What could be done to increase awareness, support and better implementation of this strategy in your country?***

Currently the involvement of CSOs in, for example, the processes of the European Semester is disappointing. Member states do not want to consult – or if they do consult it is a poorly designed process lacking in quality engagement. Decision making processes need to be opened up to CSOs ready to play their role in their areas of expertise, in European Governance and in the implementation of the economic and social priorities of the EU. This will enable policy makers to tap into the existing, on the ground knowledge of CSOs and will give a voice to those who are directly impacted by fiscal, economic and social policy reforms. Such stakeholder involvement will not only improve policies at local, regional and national level but it will also improve the implementation of such policies through services and systems that will be inclusive and sustainable, that can be targeted or universal, that can be flexible, and can be a stronger safety net when sudden shocks hit (such as the social and financial crisis).

Tools



- ***What type of instruments do you think would be more appropriate to use to achieve smart, sustainable and inclusive growth?***

We think that instead of defining new instruments, better results could be achieved by realising a better coordination amongst the existing ones. In particular we would recommend to put more emphasis on the social policy priorities of the Europe 2020 Strategy, for instance by using the **social scoreboard** not only as an analytical tool but also as a basis for developing tangible indications for Member States on how to fight or prevent unemployment, reduce social inequalities and promote active inclusion to feed into the design and implementation of the Country Specific Recommendations 2014 within the European Semester process.

- ***What would best be done at EU level to ensure that the strategy delivers results? What would best be done at Member State level?***

In order to reach the employment goal of the Strategy, SOLIDAR together with members and partners stress on the importance of implementing comprehensive and cross-sectorial strategies promoting decent work and equal opportunities are ensured for vulnerable groups and to support models of flexicurity more balanced on the side of social security.

In order to achieve the Strategy objective of lifting 20 million people out of poverty and social exclusion, we call upon the institutions to support comprehensive strategies of inclusion which go beyond the labour market activation perspective and offer to every individual concrete opportunities to participate in society.

In order to deliver on the education objective of the Europe 2020 Strategy, SOLIDAR calls for investing in education, training and lifelong learning opportunities, which support personal development and participation in society and the realisation of potentials and life chances and for acknowledging the importance of non-formal education and voluntary activities in acquiring qualifications and competencies.

- ***How can the strategy encourage Member States to put a stronger policy focus on growth?***

A stronger focus on growth can only be useful if all of its dimensions are addressed. Developing and implementing the inclusive growth pillar of the strategy and ambitiously pursuing its social targets, is necessary to bring back the trust and support of people throughout the EU for the European project.

- ***Are targets useful? Please explain.***

In principal it is useful to set targets, but only if they are ambitious both at EU and member states' level and if policy makers are truly commit to them and actively work towards their delivery.

- ***Would you recommend adding or removing certain targets, or the targets in general? Please explain.***

No, we think that removing the poverty reduction, employment or education targets would make the inclusive pillar of Europe 2020 and therefore the Strategy as a whole, weaker.