

Wednesday 16 June 2010

**EU 2020**

P7\_TA(2010)0223

**European Parliament resolution of 16 June 2010 on EU 2020**

(2011/C 236 E/08)

*The European Parliament,*

- having regard to the informal European Council of 11 February 2010,
  - having regard to the public consultation on EU 2020 launched by the Commission, and its outcome (SEC(2010)0116),
  - having regard to the Commission's evaluation of the Lisbon Strategy (SEC(2010)0114),
  - having regard to the European Council document entitled 'Seven steps to deliver on the European strategy for growth and jobs',
  - having regard to its resolution of 10 March 2010 on EU 2020 <sup>(1)</sup>,
  - having regard to Rule 110(4) of its Rules of Procedure,
- A. whereas, considering the persisting gravity of the financial, economic and social crisis, the expectations regarding the new EU 2020 strategy to be approved by the European Council in June 2010 are very high,
- B. whereas many Member States are still facing rising unemployment, which may eventually affect up to 28 million people in the EU in the absence of an adequate policy response over the medium term, thereby generating immense social and human difficulties; whereas the crisis has been wiping out millions of jobs and has aggravated employment insecurity,
- C. whereas a more sustainable pattern of production, distribution and consumption is a fundamental requirement in the face of climate change, the loss of biodiversity and the depletion of natural resources,
- D. whereas the Commission communication and the Council statements on aspects of the content of the EU 2020 strategy, such as the headline targets, flagship proposals, bottlenecks and indicators, have been of a very general nature and the Commission therefore urgently needs to come forward with more detailed plans to clarify how these initiatives will be implemented successfully, and to present such plans to Parliament,
- E. whereas, in order to achieve results, European tasks and responsibilities must be shared in a well orchestrated way between European, national, regional and local levels of governance, all levels of governance must be of the highest quality and accountability, and all the important drivers of change – businesses and universities working in partnership with local and regional authorities and civil society – should play a key role in the new delivery mechanism,
- F. whereas it is important to consider the demographic crisis and its consequences, and future generations ought not to be sacrificed to maintain the established benefits of a previous generation,

<sup>(1)</sup> Texts adopted, P7\_TA(2010)0053.

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### **General remarks**

1. Expresses its disappointment at the main elements of the new EU 2020 strategy agreed by the European Council on 26 March 2010; urges the European Council to draw lessons from the current crisis and to define a truly far-sighted, ambitious and coherent strategy;
2. Calls for the EU 2020 strategy to pursue a broad political concept for the future of the EU as a competitive, social and sustainable Union putting people and the protection of the environment at the centre of policy making;
3. Takes the view that Member States should step up their economic performance by introducing structural reforms in order to optimise public expenditure, decrease bureaucracy, empower citizens, encourage entrepreneurship and innovation, make legislation more SME-friendly and provide people with the opportunity to maximise their potential;
4. Recognises that, to prevent the responses to the euro crisis resulting in a lengthy period of economic stagnation, the Union should, at the same time, implement a strategy to accelerate sustainable economic growth, alongside reforms aimed at restoring and improving competitiveness;
5. Deplores the fact that the European Council conclusions do not take into account the need to reflect the current fragile recovery process fully in a new 2020 strategy, by formulating a coherent policy agenda and comprehensively integrating macroeconomic policy into the strategy to ensure that it is not undermined by necessary budgetary consolidation;
6. Deplores the fact that Parliament, as a representative institution of the citizens of Europe, has not been consulted on the indicators that are the basis of the EU 2020 National Reform Programme; urges the Council to endorse the key elements of the EU 2020 strategy at its June meeting but insists that it should not adopt final decisions on the key instruments, targets and indicators of the EU 2020 strategy without having properly consulted Parliament as soon as possible; in the same spirit, takes the view that national parliaments, regions, municipalities, the social partners and NGOs should be actively involved in defining and implementing the strategy;

### **Bottlenecks and headline targets**

7. Notes the five headline targets agreed by the European Council on employment rate, research and development, greenhouse gas emissions, education levels and social inclusion; stresses that these headline targets should be formulated in the framework of a consistent and coherent sustainable development strategy combining the economic, social and environmental policy agendas;

### *Relaunching the single market*

8. Emphasises that the single market is one of the main drivers of European growth and that it still needs to be fully completed; points out, too, that the persistence of certain obstacles to the free circulation of people, goods, services and capital calls for a further effort on the part of all European institutions so as to create a fair, better, more competitive and more effective single market;
9. Emphasises that it is important to keep free trade and access to the global market at the core of policy making and to eschew any movement towards protectionism, as innovative entrepreneurs and companies can thrive in a free and global market;
10. Stresses that bolder initiatives are needed to complete the single market and to win greater public acceptance for it; therefore welcomes the report drafted by Mario Monti, which, like Parliament's resolution of 20 May 2010 <sup>(1)</sup>, contains interesting proposals for building consensus and delivering a stronger single market;

<sup>(1)</sup> Texts adopted, P7\_TA(2010)0186.

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11. Believes that, in order to establish an effective single market, the Commission must produce a clear set of political priorities through the adoption of a 'Single Market Act', which should cover both legislative and non-legislative initiatives designed to create a highly competitive social market economy;

*SMEs in a social market economy*

12. Emphasises that the EU should stimulate and encourage SMEs and entrepreneurship, which are crucial to job conservation and creation, that it should reduce administrative and regulatory burdens and simplify rules so that SMEs can grow more rapidly by freely commercialising their products/services to the 500 million consumers who make up the EU single market, and that it must further reduce red tape; likewise, stresses the importance of achieving full implementation of the Small Business Act through political efforts at all levels;

13. Underscores the fact that SMEs are the backbone of the social market economy, creators of jobs and essential players in reinvigorating sustainable economic growth, and that priority should therefore be given to further efforts in the area of reform, such as SME-friendly legislation, creating a vibrant environment for start-ups, encouraging entrepreneurship and improving access to finance; is furthermore of the opinion that the EU 2020 strategy should include targets and initiatives to encourage increased average levels of equity and venture capital in companies;

14. Points out that micro-businesses can often help in combating unemployment, and setting up a business is often a way to succeed despite social inertia, that the first pre-condition for the development of SMEs is their ability to raise adequate funds for their activities, and that maintaining guarantee mechanisms for SMEs, dynamic second markets and a banking sector that promotes economic activity in Europe are prerequisites for the development of SMEs;

*Employment target*

15. Reiterates that high-quality employment should be a key priority in a 2020 strategy and that a stronger focus on properly functioning labour markets and on social conditions is vital to improve employment performance; calls, therefore, for a new agenda to promote decent work, ensure workers' rights throughout Europe and improve working conditions;

16. Believes that the new strategy must put more emphasis on decent work, including the fight against undeclared work, and on ensuring that people who are currently excluded from the labour market can gain access to it;

17. Believes that the new strategy should encourage labour markets which improve incentives and conditions for people at work while, at the same time, increasing the incentives for employers to recruit and retain staff;

*Research target*

18. Urges the Commission and the Member States to retain the overall target of 3 % of GDP for R&D; calls on the Member States to make better use of the potential for synergy between cohesion-policy funding and R&D funding and to ensure that these instruments translate into innovation that delivers real benefits to society;

19. Emphasises that major R&D projects, key energy infrastructure investments and the new EU competence on space policy, as well as EU innovation policy, require solid, credible and sustainable EU financial support if the Union's key 2020 objectives are to be met;

20. Points out that Europe must further strengthen its potential in terms of skilled workers, science, research and technology, and thus its capacity to innovate, as key aspects of competitiveness, and that the knowledge triangle must remain at the heart of the EU 2020 strategy;

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21. Takes the view that, to make European research more efficient, it is crucial that existing structures are better streamlined and that a more research-friendly and innovation-friendly investment climate is created in both the public and the private sector; calls on the Commission to put forward practical measures to improve access to financing, and especially the availability of risk capital;

*Climate/energy targets*

22. Deplores the fact that the European Council's headline targets on greenhouse gas emissions, renewables and energy efficiency lack ambition and, in this respect, are not geared towards leadership in a world which is facing climate change and serious natural resource depletion and where global ecosystems are on the verge of collapse; calls, therefore, for the immediate and simultaneous adoption of the following binding targets for the EU:

- (a) a domestic greenhouse gas reduction target of 30 % for 2020 and substantial further reduction in the long run provided that other countries are also ready to commit themselves to taking adequate action;
- (b) a resource-efficiency improvement target;
- (c) a 20 % reduction target for energy consumption and an increase in the share of renewable energies to at least 20 % by 2020, while removing technical and non-technical barriers to the further development of sustainable renewable energies, as a first step towards creating, by 2050, a non-CO<sub>2</sub>-emitting, highly efficient economy mostly based on renewable energies;
- (d) measurable targets geared towards halting the loss of biodiversity and ecosystem services and restoring them where possible by 2020;

*Education target*

23. Notes the headline target on improving education; deplores the absence of numerical targets and urges the European Council to set a 100 % target for secondary education, as well as clear qualitative targets and indicators for primary and secondary education;

24. Asks Member States to adopt the ambitious targets set out in the Commission's communication on EU 2020 so that, by 2020, school drop-out rates should be below 10 % of the age cohort and at least 40 % of the population should have completed tertiary or equivalent education;

25. Stresses the need for robust lifelong-learning policies whereby training opportunities should be encouraged and should be available to individuals throughout their professional life; points out that it will be necessary to maintain the number of active people on the labour market and to strengthen social inclusion;

*Poverty target*

26. Insists that the EU 2020 strategy should include a target for reducing poverty in the EU by half, and points out that a majority of Europeans currently living in poverty, or at risk of poverty, are women, in particular older women, migrant women, single mothers and carers;

27. Welcomes the European Council proposals on social inclusion, particularly and as a priority through the reduction of poverty, and stresses the need for clear targets and initiatives; considers this goal as one of the main objectives of the EU 2020 strategy; calls for an ambitious long-term strategy against poverty, with far-reaching targets for poverty reduction, social inclusion – including for women, children and the elderly – and for combating in-work poverty; stresses the need for a target for reducing the number of jobless households;

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*Gender equality*

28. Deplores the fact that the headline targets defined by the European Council do not include gender equality; calls for a programme for gender equality to eradicate the existing pay gap between men and women and to ensure full participation by women in the labour market and in politics, while promoting women's career opportunities; stresses the need for better conditions with a view to reconciling work and family life;

**Flagship initiatives***Flagship initiative: 'Innovation Union'*

29. Considers that successful implementation of the new flagship 'Innovation Union' initiative is vital in order to boost the knowledge-based economy; calls on the Commission to increase the total financial envelope earmarked for research and innovation in the Community budget;

30. Underlines the importance of simplifying research and development funding and cutting red tape, so that knowledge-driven businesses can maximise their effectiveness and new employment opportunities can be encouraged;

31. Urges the Commission to improve conditions for innovation, e.g. by introducing the single EU patent; argues that well-intended programmes aimed at boosting competitiveness and shaping a sustainable economy are not working properly, and believes that SMEs, universities and businesses should be encouraged to participate in European programmes;

32. Considers that explicit targets should be set for SME-compatible funding tools, to guarantee digital interoperability and accessibility, and that they should clearly include EU targets for eco-innovation;

33. Considers that there is significant untapped potential for promoting innovation via public procurement; therefore urges the Commission and Member States to emphasise the importance of innovative public procurement in helping to meet R&D goals, the role it plays in encouraging research-based SMEs and the potential it has in terms of delivering high-quality public services and meeting climate change goals;

*Flagship initiative: 'Youth on the Move'*

34. Emphasises that Parliament has also identified youth as a key priority for the 2011 budget and has clearly expressed its intention to afford further financial support to all major programmes in that field;

35. Stresses that, to address the issue of high youth unemployment, more emphasis should be placed on ensuring training and job opportunities for every young person, on lowering the thresholds for young people to enter a first job and on setting up EU programmes to promote entrepreneurship among young people at all stages of education;

36. Considers that higher education is a major driver for economic and social development, innovation and growth, and that greater emphasis should therefore be put on the follow-up to the Bologna Process and the implementation by Member States of the agreed principles across the European Higher Education Area;

*Flagship initiative: 'A Digital Agenda for Europe'*

37. Welcomes the recent ambitious proposals by the Commission on the Digital Agenda and urges the Member States to fully implement these initiatives;

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38. Stresses the immense job potential of the ICT sector and its key role in making Europe a resource-efficient and energy-efficient economy; points out that competition in the sector fosters innovation, and highlights the need for competitive markets, open to new players, to facilitate the deployment of new, innovative technologies; stresses the importance of continuing efforts to afford ubiquitous high-speed access to fixed and mobile broadband, on fair terms and at competitive prices for all citizens and consumers, irrespective of their whereabouts; calls on the Commission and the Member States to promote all available policy instruments to achieve broadband access for all European citizens, including national targets for broadband and high-speed coverage and special programmes to increase children's computer literacy through the use of computers in schools;

39. Notes that Europe's Digital Agenda will impact crucially on the fields of culture, media and education and that an integrated, rather than a compartmentalised, approach is therefore required; considers it vital to devote attention to the impact of new media, e.g. through a commitment to fostering e-skills, and to the question of online content, alongside internal-market, economic and technical considerations, in all policy initiatives relating to the Digital Agenda;

40. Notes, however, that the free movement of digital services is currently impeded by fragmented rules at national level;

41. Considers that the creative industry also plays an important role within the digital environment in fostering cultural diversity in the EU;

*Flagship initiative: 'Resource-efficient Europe'*

42. Considers that the environmental aspects of the EU 2020 strategy are generally too weak and need to be strengthened; urges that clear and measurable environmental goals be built into the main targets of the strategy, with emphasis on halting the loss of biodiversity;

43. Considers that the EU 2020 strategy should be geared towards meeting the Union's long-term goals of cutting greenhouse gas emissions by 80 % by 2050, in particular by increasing energy efficiency and cutting waste to improve Europe's competitive position and reduce costs;

44. Takes the view that enhancing resource efficiency should be a priority throughout the strategy, and that particular attention must be paid to the effects of ever-increasing oil prices and to the limited supply of precious metals vital to electronics generally and to battery production for electric cars in particular;

45. Considers that innovation needs to be vigorously pursued in order to achieve the goals of environmental improvement, resource-use efficiency and cost reduction, and that the setting of legal targets and the introduction of regulatory measures are the most effective means of promoting such innovation;

46. Believes that the rules for distribution of the EU structural funds should be adjusted to take account of the need to promote innovation that reduces costs and improves resource use;

*Flagship initiative: 'Clean and efficient energy'*

47. Underlines that sustainable production processes, coupled with resource efficiency and an integrated energy policy, and the further development of renewable energy sources will enable the EU not only to meet its climate and energy targets but also to maintain a strong manufacturing base in Europe and to boost competitiveness, growth and employment;

48. Deplores the lack of any ambition, in the EU 2020 strategy, to develop a truly common European energy policy; stresses that, although a functioning internal market is a key goal for Europe – and the third energy package needs to be implemented rapidly – overemphasis on this aspect of Europe's energy policy is to the detriment of the other two objectives of 'sustainable development' and 'security-of-supply'; recalls that the internal market cannot be dealt with separately from the external dimension, and that Europe needs a common European energy policy in order to have a real effect on security of energy supply, climate change and affordability of energy;

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49. Highlights the fact that not only is energy efficiency the most cost-effective way of reducing greenhouse gas emissions and enhancing energy security, but it could also create a significant number of jobs by 2020; calls, therefore, on the Commission and the Member States to put energy efficiency at the top of the EU agenda, including in budgetary terms; more specifically, calls for the implementation of existing legislation to be stepped up and for a timely and ambitious proposal for the new European Efficiency Action Plan, including revision of the energy services directive and the introduction of a binding energy efficiency target;

50. Notes that, to tackle the climate challenge, substantial investments in energy infrastructure will be needed before 2020 and beyond, including investment in the upgrading of Europe's energy networks, a truly European, smart energy super-grid, green corridors, interconnections, completing the Galileo project, green technology, e-health, the Trans-European Transport Network (TEN-T) programme and free and equitable access to ICT and broadband; further points out that it is essential to complete the internal energy market and to encourage Member States to implement rapidly the third energy package in order to stimulate economic growth, market opening and the improvement of consumer rights and to enhance the EU's security of energy supply; considers it essential to pursue these initiatives, in order to stimulate the internal energy market and integrate an increasing share of renewable sources of energy, and also to develop further major infrastructure projects in third countries, notably in the Mediterranean and Eurasian regions; notes that renewable energy sources are the best indigenous energy resources of our continent, and calls, therefore, for ambitious implementation measures to meet Member States' renewable-energy obligations;

51. Points out that the Union needs to invest more efficiently in existing transport infrastructures, such as TEN-T, to boost job creation, improve social and territorial cohesion and create a sustainable and interoperable transport system; calls for an interplay between transport modes and the smart use of logistics, since de-carbonising the transport sector and making it sustainable will require innovation, new technologies and financial resources;

*Flagship initiative: 'An industrial policy for the globalisation era'*

52. Strongly supports an industrial policy for creating the best environment to maintain and develop a strong, competitive and diversified industrial base in Europe; welcomes, and highlights, the fact that such a policy covers the industrial sector in its entirety and that its main objective is to create appropriate framework conditions;

53. Calls for a transformation of European industry through a European sustainable industrial policy geared towards the creation of sustainable jobs and the amelioration of resource efficiency and resource use; believes that the sustainable development of European industry requires intensive dialogue with employees and workers; reiterates that this transition will require measures to help workers make the transition towards a new environmentally sustainable economy;

54. Makes the point that EU 2020 should disclose the costs and benefits of the conversion to a sustainable, energy-efficient economy and notes that facilitating industry's adjustment to structural change is an objective of the Union and the Member States;

55. Reiterates its request that adequate financing be secured to support clean, sustainable and efficient low-carbon energy technologies, amounting to total spending from the EU budget of at least EUR 2 billion annually, in addition to FP7 and CIP, from 2010 onwards; calls, in this context, for the Commission and the Member States to establish a timetable for their funding commitments, as a matter of urgency, to ensure that funds start flowing from 2010 for the various initiatives of the SET plan, as well as complementary initiatives;

*Flagship Initiative: 'An agenda for new skills and jobs'*

56. Considers it important to look at Europe's diminishing competitiveness on a global scale, and that, bearing in mind projected long-term labour shortages, it is also important to look beyond the crisis and to explore European schemes offering scope for knowledge migration and the prevention of a European 'brain drain';

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57. Believes that tackling youth unemployment and fostering an effective matching of skills and market needs should be focal points of policy and, to that end, there is a need to facilitate cross-border mobility for students and researchers, via exchanges, and to boost internships in order to enhance the international attractiveness of Europe's higher education institutions; considers that Europe's commitment to education should find practical expression in the EU 2020 strategy, and welcomes the Commission's initiative to include numerical targets for education in the strategy;

58. Calls on the Member States, the Council and the Commission, with Parliament, to adopt by the end of the year an ambitious green jobs strategy, setting out the framework conditions for tapping the employment potential of a more sustainable economy based on skills and innovation, and ensuring that the transition towards such an economy is supported by training, lifelong learning and social security for all;

*Flagship initiative: 'European Platform against Poverty'*

59. Welcomes the Commission's proposal for a platform against poverty but stresses that the fight against poverty must be stepped up; in this regard, considers that the EU 2020 strategy should explicitly include ambitious targets for reducing inequality and, more specifically, the gap between rich and poor; considers, therefore, that poverty must be measured as 'relative poverty' to help identify those at risk of exclusion;

60. Believes that the choice of indicators for poverty and social inclusion should reflect the need to reduce poverty by getting individuals, in particular women, involved in the labour market; calls, therefore, for the development of new instruments for measuring the link between exclusion from the labour market and poverty at individual level; stresses that social services are crucial to the pursuit of social inclusion;

*Cohesion policy*

61. Considers that a strong and well-financed cohesion policy, embracing all European regions, should be fully in line with the EU 2020 strategy and that such a policy, with its horizontal approach, is a precondition for successful attainment of the EU 2020 goals, as well as for achieving social, economic and territorial cohesion; urges, therefore, that the rules for implementing cohesion policy should be further simplified in the interests of user-friendliness, accountability and a more responsive approach to future challenges and to the risk of economic crises;

62. Considers that the global crisis should be used as an opportunity to re-found our European social market economy as a model of society based on sustainability, solidarity, knowledge, a decisive decrease in poverty and the creation of jobs, and that the EU 2020 strategy should develop the employment potential of the transition towards a sustainable economy;

*Common Agricultural Policy*

63. Points out that CAP reform by 2013 and a sustainable forestry strategy should be considered within the framework of the EU 2020 strategy; is convinced that, with the right policy framework and adequate budgetary resources, agriculture and forestry can play an important role in an overall European strategy to secure economic recovery, while at the same time contributing to EU and global food security, preserving the rural landscape, which accounts for 90 % of the EU's territory, ensuring the protection of jobs in rural areas, securing environmental benefits and making an important contribution to the search for alternative resources;

*External action by the European Union*

64. Stresses that more attention should be paid to the external dimension of the EU 2020 strategy; urges the Commission to take a broader and more comprehensive approach in its external action, in line with the EU concept of policy coherence for development; calls on the Commission to use its trade strategy for EU 2020 to promote the Union's core values, such as the promotion of human rights, democracy, the rule of law and fundamental freedoms and the defence of the environment;



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65. Emphasises that the Commission should shape its trade strategy for EU 2020 so as to transform EU trade policy into a genuine vehicle for job creation and sustainable development worldwide, and that it should envisage, at an early stage, an open dialogue with Parliament and civil society on the EU priorities for the post-Doha era, in particular social and environmental standards and WTO reform;

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66. Instruct its President to forward this resolution to the European Council and the Commission.

## Economic governance

P7\_TA(2010)0224

### European Parliament resolution of 16 June 2010 on economic governance

(2011/C 236 E/09)

*The European Parliament,*

- having regard to the informal European Council of 11 February 2010,
- having regard to its resolution of 10 March 2010 on EU 2020 <sup>(1)</sup>,
- having regard to the meeting of the Heads of State and Government of the eurozone countries and of the Ecofin Council on the European Financial Stabilisation Mechanism,
- having regard to the Commission communication of 12 May 2010 on reinforcing economic policy coordination (COM(2010)0250),
- having regard to the six reports adopted in its Committee on Economic and Monetary Affairs on 10 May 2010,
- having regard to the work of its Special Committee on the Financial, Economic and Social Crisis,
- having regard to Rule 110(4) of its Rules of Procedure,
- A. whereas the current financial and economic crisis shows that stronger economic and monetary governance is necessary,
- B. whereas the EU 2020 strategy should promote economic growth and create jobs, and whereas the 4 % drop in GDP, falling industrial production and a total of more than 23 million unemployed women and men represent an important social and economic challenge,

#### ***A European Financial Stabilisation Mechanism to guarantee the stability of the euro as an important first step***

1. Considers that the agreement reached on 9 May 2010 to establish a European Financial Stabilisation Mechanism to help both eurozone and non-eurozone countries in financial difficulty represents a crucial moment in European history; deplores the fact that European policymakers did not take decisive action earlier, despite the deepening financial crisis;

<sup>(1)</sup> Texts adopted, P7\_TA(2010)0053.