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"EU 2020"

16th March 2010  
Brussels

Future is usually about the right proportion between the continuation and change. This time we might need more change. Europe needs more of what Lisbon strategy asked for, Europe needs more structural reforms than ever.

EU2020 is not about final results only, it is about launching a process which has its own value, which has to be well organised, in order to allow exploit synergies between different European and national policies and different levels of governance. Subsidiarity, extended by the Lisbon Treaty to local and regional level, offers a bigger Europe that can do more and achieve more.

The EU 2020 process cannot be organised on the assumption that the European Union means European institutions and national governments only. That would exclude from the pursuit of common European objectives regional and local level of European governance and such partners as business community, universities, civil society.

We need strategy 2020 not only to respond to global challenges or to lead them, but also to cope with our own internal European problems and opportunities and to organise ourselves around common goals.

Strategy cannot pretend that the EU is a union of people, cities, regions, communities, states with the same problems, the same capacities and the same starting conditions. The strategy cannot be neutral to the European diversity. The time has come to take diversity seriously and really build on it. This would also allow exploiting different potentials, comparative advantages and mobilising existing potential.

The strategy should draw on an in-depth analysis of problems and challenges Europe is facing and an informed diagnosis of which policy tools work and which do not. Of course, likelihood that this time we will make it, grows if we understand what went wrong in the past. That is why a good diagnosis of the past matters. General weakness of the EU2020 results from the fact that it is not really based on the analysis of what went wrong with the previous strategy.

EU2020 is not a green field strategy. Nothing it proposes starts from scratch. There is a European reality. There is an industry, with its structure and competitiveness. There are existing problems. The strategy is about launching new elements but also about changing old patterns and structures. There are promises made to people. There are their expectations and demands. New sectors will be emerging and new jobs will be created there. There is a need to strike the right balance between what should be protected and what should be replaced by the new.

The strategy cannot be designed on our assumption that it is enough to give people new skills and jobs will be created. Growth to come needs a lot of investment. Especially if you take into account very low mobility of people in Europe. Assuming that structural change will occur through people's mobility is as it is today not realistic. We must invest in mobility.

We are in the process of reforming financial sector and getting it back to what should be its duty. But reforms are on-going. We do not really know when new laws will enter into effect. What will be their impact on real growth. There will be new European laws. But new national regulation might have to follow. Then, adjustment process in financial institutions will be needed. Banks will have to be restructured, recapitalized, reprivatized. How long it will take? It can take years before banking sector resumes its function at the desired level.

Imbalances both of global nature but also within EU will have to be coped with. Micro policies fixing labour market, stimulating productivity, increasing wage and price flexibility will be needed.

Subsidiarity in practice must mean sharing not splitting, coordinating, using synergies between all levels of governance. That is why it is so important to incorporate all levels of governance into the programming of new policies and actions and into their implementation. EU is too small not to count on all its territory. Territorial specificities are an asset. That is why a new Treaty introduces territorial cohesion.

Governance is crucial. How to make a change happen, from where energy should come, can we reduce EU to two levels of governance, can we exclude regional and local governance levels from the pursuit of common European objectives. Politically it would be unrealistic, economically unwise. Public intervention is already involved. Best place for public intervention must be chosen. Already today 67% of public investment takes place at subnational level. Type of challenge faced requires regional and local focus.

It does not draw any conclusion from the successful Lisbonisation of European cohesion policy in its reform of 2006. 230 bln euro of cohesion policy funding has been earmarked for Lisbon objectives. This investment is currently taking place. This shows how much ownership of a strategy matters. If EU2020 would have the ambition to move EU towards people's Europe, it would have to address the issue of portability of social rights which is a precondition for labour mobility. It does not address the need to strengthen economic integration through investment in European energy, communication and transportation networks.

For the strategy to be effective, creating a strong link between the targets and available tools is essential. Cohesion policy is a platform providing such links. It can become a major mechanism for delivery of promises made to citizens wherever they live. The role of the EP does not reflect its current role as envisaged in the Treaty (art. 275 and 312). EP represents citizens and on behalf of EU citizens should assess the progress of EU2020 towards results. It should debate Member states reporting, it should hear Member States'

officials. EP should prepare for it - develop capacities and its role in assessing results, including the implementation of particular policies.

Priorities relate to growth: sustainable, knowledge based and inclusive. The question is whether it is appropriate to restrict inclusiveness to the notion of inclusive growth, which translates into giving a chance to work and earn income.

The issue of a "life worth living", of a good quality life, with quality health service, education, child care, security also forms part of social inclusion and would take us closer to the promised "people's Europe". Headline targets are ignore qualitative measures and composite indicators.

In Lisbon Strategy we had the same targets for all Member states, now we will have targets translated into national ones. It is better. But the notion of headline targets means that we will decide in Brussels how we measure success. Member states/regions could pick up their own indicators of success, reflecting their own ways to pursue common European goals. These indicators of success might be different from those decided in Brussels. And could matter more for people.

Policy tools are crucial for delivery. There seems to be three major tools available to EU today. First, internal market regulation. It should strengthen internal market and reenergise it. If we could ensure that social rights can move with people, this could give people a chance to move, to work, to buy, to learn, to invest anywhere in EU. And as these are also social obligations coming from economic integration, internal market addressing social obligations it generates would work more efficiently. Second, capital investment in energy, transport, telecommunication networks, mobilising public and private financing for major infrastructure investments. Third, public expenditure through EU budget and coordination of national budget expenditures through Open Method of Coordination in priority areas.

It is clear that even if one improves the soft delivery framework, the soft mechanism of OMC can take us only some way towards achieving EU2020 targets.

A central role must be played by EU budget. There is no guidance on it in the EU2020 strategy.

A fundamental tool could be the improved cohesion policy. Its strengths comes from its 3 basic characteristics.

- it sets guidelines that are conditions for the resources to be transferred and they are binding both for Member States and regions (unlike Open Method of Coordination)
- it leaves space for Member States and regions to tailor interventions to the specificity of places.
- it has a machinery to monitor and support in achieving goals.

So if we reform the policy in the way we have discussed over the last 2-3 years, we will have an excellent delivery machinery for EU2020. This reform should embrace:

- concentration on priorities 2020
- strengthening conditionality (earmarking)
- better results evaluation system
- strengthening the role of Commission
- giving the EP together with a dedicated Council, the competence to check the process.

The alternative as seen by some - to establish a set of sectorial new funds to support EU2020 is not feasible.

The center (the Commission) would not have either the competence (unless a huge strengthening takes place which is unfeasible) or the legitimacy to allocate funds to projects and territories.

