



Conference of European Churches
Church and Society Commission
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CSC Briefing Paper

EUROPE 2020: A European strategy for smart, sustainable and inclusive growth

1. Lisbon Strategy

The European Council in Lisbon in March 2000 agreed on an action plan to make the EU “the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion,” by 2010. Most of its goals were not achieved. In 2009 the Swedish Prime Minister Fredrik Reinfeldt admitted: “Even if progress has been made it must be said that the Lisbon Agenda, with only a year remaining before it is to be evaluated, has been a failure.”

CSC together with Eurodiaconia has regularly tried to influence the development of the Lisbon strategy. Key element of our critique:

In 2005 social cohesion had been removed from the priority objectives of the Lisbon Strategy. The Lisbon strategy thus reverted to one-dimensional policies, narrowing the Lisbon process down to a simplistic agenda of cost competitiveness and deregulation and, moreover, ignoring the reality of the sixty-eight million people who face poverty and social exclusion within the EU.

“While we recognise the importance of enhancing the EU efforts in the fields of economy and employment, we stress even more the importance of an overall coherence of EU policies. In order to achieve substantial progress with the Lisbon agenda, a renewed effort has to be made on the basis of the same values on which the agenda has been developed. The spirit of the Lisbon strategy for a sustainable development truly integrating economic, social and environmental dimensions must not be lost.” ... We believe that any revision of the Lisbon Strategy should reassert the balance of economic, social and environmental values, which are reflected in the Treaty.” (CSC-Eurodiaconia letter to Luxembourg Presidency in 2005)

2. EU 2020 Strategy

In November 2009 the European Commission launched a public consultation on the new “EU 2020” strategy, its new economic, environmental and social framework strategy. CSC contributed to the consultation process with a statement.

The background of the EU 2020 strategy is the economic and financial crisis: “The last two years have left millions unemployed. It has brought a burden of debt that will last for many

years. It has brought new pressures on our social cohesion. It has also exposed some fundamental truths about the challenges that the European economy faces. And in the meantime, the global economy is moving forward. How Europe responds will determine our future. ...The crisis is a wake-up call, the moment when we recognise that 'business as usual' would consign us to a gradual decline, to the second rank of the new global order. This is Europe's moment of truth. It is the time to be bold and ambitious."¹

2.1 Key objectives of EU 2020:

The Commission is proposing five measurable EU targets for 2020 that will steer the process and be translated into national targets:

1. 75% of the population aged 20-64 should be employed.
2. 3% of the EU's GDP should be invested in Research & Development.
3. The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).²
4. The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree.
5. 20 million less people should be at risk of poverty.

2.2 CSC Contribution to the Consultation Process

In its contribution to the Consultation Process, CSC asked for a **strengthening of the ethical dimension of the EU 2020 strategy** adding as a key priority: *"Implementing fundamental rights and values in a sustainable social market economy"*

"The European Churches are convinced that the current crisis is much more profound than the Working Document of the European Commission suggests. The crisis calls into question a number of assumptions which have underpinned the EU economic policies over the last decades, such as deregulation, the primacy of economic criteria in all areas of life as well as an overemphasis on profit and growth. The current crisis is to a large extent a crisis of trust towards the financial and political institutions and towards the system which provoked it.

The European Churches support the analysis of the President of the European Commission, José Manuel Barroso, that the ongoing financial and economic crisis has an important ethical dimension. The churches see EU's societies suffering from a lifestyle which is focusing on individual profit, consumption and greed rather than taking responsibility for the common good, the well-being and the future for all people and for the world we are living in. Assuming that this approach is correct, the churches are concerned that the measures suggested by the Working Document of the European Commission do not solve the problem, but may simply deal with its symptoms.³

With regard to the European Year 2010 for Combating Poverty and Social Exclusion, CSC urged the European Union and its Member States to define in the "EU 2020" Strategy

¹ J. M. Barroso in the introduction of the Europe 2020 strategy.

² Reducing greenhouse gas emissions by 20% compared to 1990 levels; increasing the share of renewables in final energy consumption to 20%; and moving towards a 20% increase in energy efficiency. The EU is committed to taking a decision to move to a 30% reduction by 2020 compared to 1990 levels as its conditional offer with a view to a global and comprehensive agreement for the period beyond 2012, provided that other developed countries commit themselves to comparable emission reductions and that developing countries contribute adequately according to their responsibilities and respective capabilities.

³ Cf. the Open Letter to the Presidents of the EU Institutions from 6 May 2009. "The Economic Crisis is a Call for Change." http://csc.ceceurope.org/fileadmin/filer/csc/Social_Economic_Issues/Openletter5May2009.pdf

precise quantitative and qualitative goals for the fight against poverty and social exclusion, implementing the “Millennium goals”.

2.3 The European Council

The European Council on 26 March 2010 in Brussels discussed the European Union's new strategy for jobs and growth. It agreed on its main elements, including the key targets which will guide its implementation and arrangements for its improved monitoring. The strategy was then formally adopted at the European Council in June 2010.

The European Council confirmed the five EU targets (see above) which will constitute shared objectives guiding the action of Member States and the Union. It also agreed on the quantification of the education and social inclusion/poverty indicators. It gave its political endorsement to the Integrated Guidelines for economic and employment policies, which will be formally adopted following the European Parliament's opinion.

The Council weakened the quantitative goals for combating poverty by introducing a variable choice of indicators: “The population is defined as the number of persons who are at risk-of-poverty and exclusion according to three indicators (at-risk-of poverty; material deprivation; jobless household), leaving Member States free to set their national targets on the basis of the most appropriate indicators, taking into account their national circumstances and priorities.”⁴

The European Council confirmed its “firm political commitment” to the achievement of the Millennium Development Goals. It reaffirmed its commitment to achieve development aid targets by 2015 as set out in its June 2005 conclusions.

3. Seven European “Flagship Initiatives”

The main tool to implement the targets of the EU 2020 strategy shall be 7 flagship initiatives, “powerful tools to hand in the shape of new economic governance, supported by the internal market, our budget, our trade and external economic policy and the disciplines and support of economic and monetary union.”⁵

1. Flagship Initiative: “Innovation Union”
2. Flagship initiative: “Youth on the move”
3. Flagship Initiative: “A Digital Agenda for Europe”
4. Flagship Initiative: “Resource efficient Europe”
5. Flagship Initiative: “An industrial policy for the globalisation era”
6. Flagship Initiative: “An Agenda for new skills and jobs”
7. Flagship Initiative: “European Platform against Poverty”

The first flagship initiative on a ‘Digital Agenda for Europe’ has already been endorsed by the Council, the others have to be presented to the Council until the end of the year. That leaves very little time for a political debate on the implementation of the EU 2020 strategy. Churches in Europe will be well advised to contribute to this discussion as soon as possible.

The Church and Society Commission of the Conference of European Churches together with COMECE will discuss the flagship initiative of the “European Platform against Poverty” with the European Commissioner for Employment, Social Affairs and Inclusion, László Andor, in a

⁴ Council Conclusions.

⁵ European Commission. Europe 2020. A European strategy for smart, sustainable and inclusive growth. Brussels, March 2010.

dialogue seminar on 9 July 2010, co-organised with the Bureau of European Policy Advisers (BEPA) of the European Commission.

For further information see:

CSC Contribution to EU 2020 Consultation

<http://csc.ceceurope.org/issues/social-and-economic-issues/>

CALL Network: Church Action on Labour and Life

<http://csc.ceceurope.org/index.php?id=924>

Documents of the European Commission:

http://ec.europa.eu/eu2020/index_en.htm

Documents of the Council of the European Union:

<http://www.european-council.europa.eu/home-page/highlights/junesummit.aspx?lang=en>