

The 2020 Strategy: towards prosperity and sustainability

Antonio Estella

Jean Monnet Professor

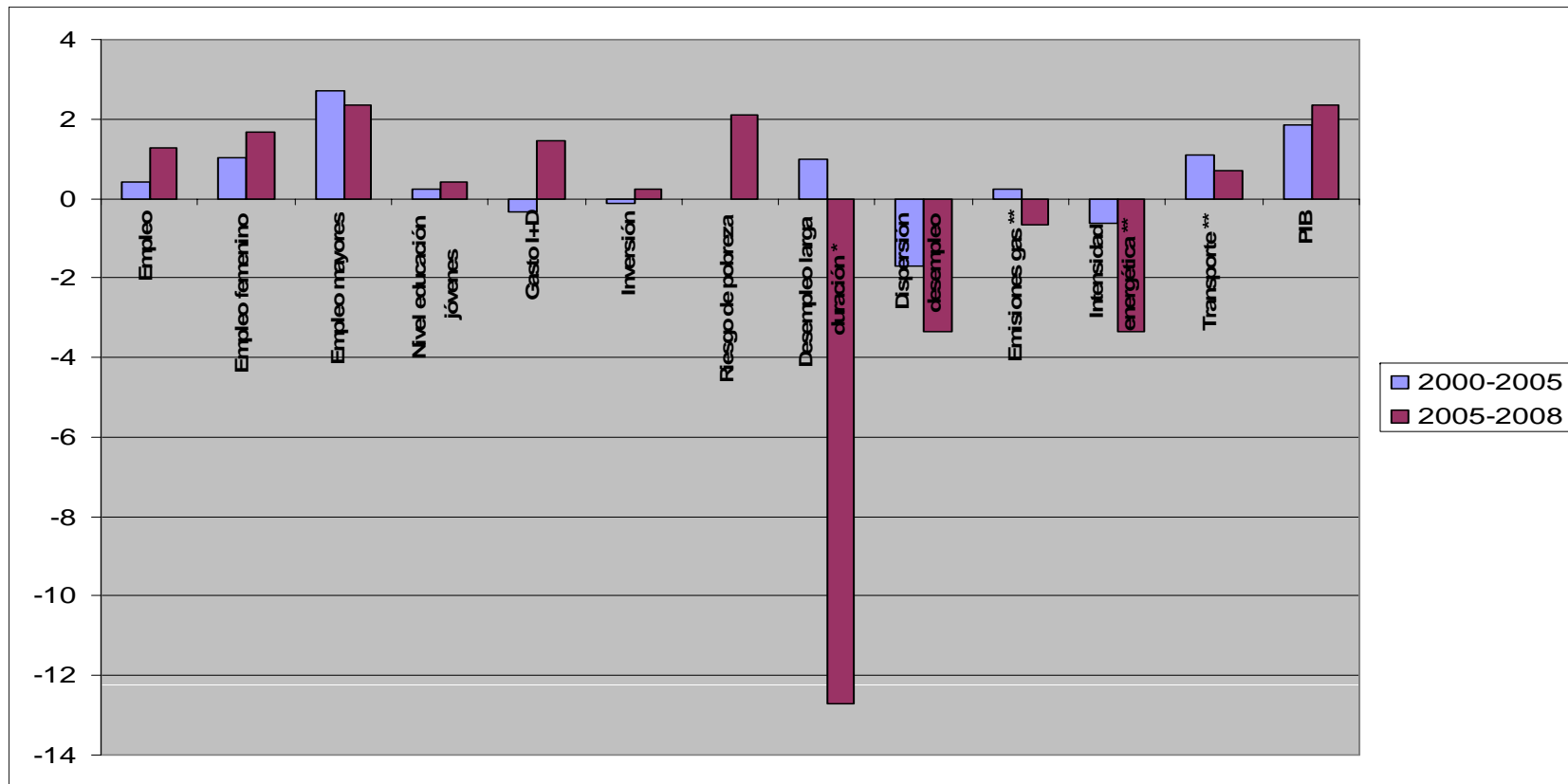
University Carlos III of Madrid

Outline

- See our paper “The 2020 Strategy” (Estella, de Sola, 2010)
- An evaluation of the Lisbon Strategy
 - Strong points
 - Weak points
- Our proposal
 - The “what” issue
 - The “how” issue
- Conclusions

Evaluating the Lisbon Strategy

Gráfico 2: Evolución de los indicadores estructurales para la UE27. Crecimiento anual medio en porcentaje, 2000-2005 y 2005-2008.



Fuente: Elaboración propia sobre datos de Eurostat.

Transporte y PIB: variación medida en puntos porcentuales.

* 2000-2004 y 2004-2008

** 2000-2005 y 2005-2007

Conclusions

- Almost all indicators showed a better performance during the second part of the Lisbon Strategy (2005-2008) than in the first part of it, at least BEFORE the crisis

However, there are some exceptions. One of the most notable exception is productivity

Productivity in Europe

Tabla 4: Crecimiento anual de la productividad del trabajo (PIB por hora trabajada):

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Estados Unidos	2.7	2.4	3.1	3	2.4	1.5	0.8	1.4	1.3
UE15	2.7	1	1.4	1.1	1.4	1.1	1.7	1	0.2
UE19 (países miembros de la UE y de la OCDE)	3.1	1.6	1.7	1.5	1.4	1.1	1.8	1.1	0.1
Euro-zona	2.6	0.9	1.2	0.7	1.2	1.1	1.6	1	0.1
España	0.1	0.7	0.6	0.9	0.7	0.8	0.8	1.7	0.8

Fuente: OCDE, febrero de 2010

So

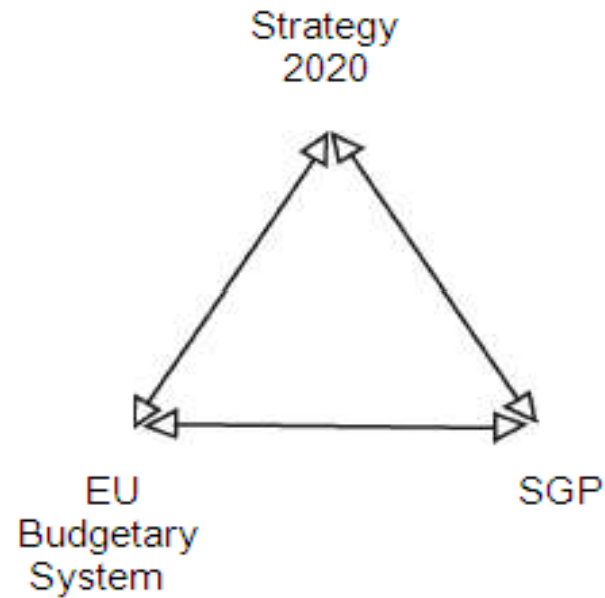
- The Lisbon Strategy deserves to be retained
- But it has to be reformed
- The Commission has issued its proposal “Europe 2020”
- The European Council discussed this proposal in March 25-26 and will take a final decision in June (end Spanish presidency)

Our proposal: the “what” issue

- One overwhelming objective: prosperity
- Three main priorities: social, economic, environmental sustainability
- Nine indicators:
 - All of them should be output indicators
 - All of them should set quantitative targets
 - All of them should leave some margin of manoeuvre for Member States to set their own national indicators

Our proposal: the “how” issue

- Establish the “Lisbon Fund”. It should be funded through taxes on externalities (financial, environmental) (+ 0,22 BNI)
- Re-connect 2020 Strategy, Stability and Growth Pact and Community Budget
- Establish a wise scheme of positive and negative incentives
 - Positive: Lisbon “premium”
 - Negative: not to be eligible to the Lisbon premium
- Reinforce the coordination and surveillance powers of the Commission (not the European Council)



New objectives
Sustainability

**Fewer but better
indicators**
(e.g. patents)

Incentives

Positive:
Lisbon reward, Refocusing of CAP
(1x3 system)

Negative:
Recommendation from Commission for
Lisbon reward to be denied

Incentives

Positive:
Lisbon exemption, if objectives met

Negative:
GP fine, (rescaled)

Conclusion: a word on the Commission “Europe 2020”

- Mixed feelings
- OK to reduce the indicators (but it should not become the new “Commission obsession”: the necessary indicators should be in, not less, not more)
- OK the new indicators (but input, not output)
- But very weak on budgetary issues
- Very weak on governance: the governance of the 2020 Strategy cannot rely upon the European Council for reasons of credibility.