Resolution on the EU 2020 strategy

2010/2543(RSP) - 10/03/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 462 votes to 140 with 58 abstentions a resolution on EU 2020.

The resolution was tabled by the S&D, EPP, and ALDE.

It believes that the EU 2020 strategy must provide an effective response to the economic and financial crisis, and lend new ambition and European coherence to the EU recovery process by mobilising and coordinating national and European instruments. Parliament recalls the 4% drop in GDP, falling industrial production and a total of more than 23 million unemployed women and men representing a human and economic disaster. Given that too many European targets were not met under the previous Lisbon Strategy, the European Council's decision to set fewer targets, but to make them clearer, more realistic and more quantifiable is welcome. Members state that the Lisbon Strategy underperformed owing to a weak governance structure, a lack of accountability, a highly complex objective with too many targets, over-ambitious goals and a lack of clarity, focus and transparency.

A social market economy: in order to address high unemployment, Members believe that the EU must implement an ambitious social agenda, including efforts to promote longer and healthier lives, to combat poverty and social exclusion, to help workers combine employment with care responsibilities, to reduce early school leaving, to foster lifelong learning and to fight discrimination and promote gender mainstreaming, gender equality and workers" rights and good working conditions. Member States are urged to tackle unemployment by creating more training opportunities and internships for young people, while protecting them against unfair employment practices.

Parliament urges the EU to do the following:

- create inclusive and competitive labour markets through the restructuring of social security systems and the provision of greater flexibility for employers, combined with appropriate short-term unemployment benefits and support for re-employability;
- facilitate the free movement of all citizens, including workers; professionals; business people, researchers, students and retired people;
- explore the possibility of European schemes designed to facilitate knowledge migration and prevent a European "brain drain", promote excellence and develop a network of leading universities at international level.

Members are disappointed that no mention was made of the agricultural sector in the original proposals for the EU 2020 strategy.

Strong European governance: Parliament feels that the EU 2020 strategy should **provide a more target-based approach to the economic crisis**, ensuring greater coherence between overlapping strategies, such as the Sustainable Development Strategy and the Stability and Growth Pact (SGP). It urges the European Council and the Commission as appropriate, to do the following:

- abandon the "open coordination method", based on the "exchange of best practices" and "peer pressure", in the field of economic policy;
- use all available provisions of the Lisbon Treaty, such as Articles 121, 122, 136, 172, 173 and 194, in order to coordinate the Member States" economic reforms and action plans;
- draw up a precise scoreboard of obstacles and propose action on these key impediments, with a view to completing the internal market;
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put forward new measures, such as regulations and directives, and possible sanctions for those Member States that do not implement the EU 2020 strategy and incentives for those that do.

With regard to Member States, Parliament stresses the need for **better cooperation with national parliaments and civil society**, taking the view that involving more actors will increase the pressure on national administrations to deliver results.

It feels that Member States should:

- draft national action plans stipulating maximum and minimum values for certain macro-economic aspects of their economies;
- indicate how they used EU funds to achieve the various EU 2020 objectives, and that EU funding should be conditional on results and compatibility with the objectives of the EU 2020 strategy.

Members take the view that since the Member States manage 80% of the EU budget themselves, the Commission should put more pressure on them to take responsibility for spending these funds correctly, and consider financial penalties in the event that Member States refuse to cooperate.

They recall that both the Commission and the European Council have underlined Parliament's crucial role in the EU 2020 strategy, and should therefore respect its prerogatives by presenting annual policy recommendations to Parliament before the European Council takes a decision. An Interinstitutional agreement needs to be drawn up in order to formalise a democratic way forward, which should include a commitment by the Council not to agree on changes to the strategy in coming years without formally consulting Parliament first.

Protecting the strength of the euro by stepping up financial oversight: budget consolidation and economic policies must be closely coordinated and Member States must comply with the criteria of the European Stability and Growth Pact (SGP). Parliament believes that the failure by several Member States in the eurozone to comply with the SGP shows the **need to strengthen economic coordination** among countries in the EMU. It considers it unfortunate that there are **no mechanisms to safeguard the euro's stability**. It stresses the need for a **European supervisor** to ensure effective oversight of micro- and macro-prudential supervision, and the need to establish an efficient European banking system capable of financing the real economy. Oversight cannot remain a purely national matter, since markets are international and financial institutions operate across borders.

Freeing up the potential of the European internal market: the single market contributes greatly to European prosperity, and Parliament takes the view that, since the internal market is a key area of the EU 2020 strategy, the Council and Commission should come up with proposals for completing the internal market. Members feel it essential to complete the internal energy market and that sustainable, low-carbon energy sources should account for a significant share of the EU's energy mix. In addition, European industry should take advantage of its leading role in the green mobility technologies by exploiting its export potential. However the EU economy needs sufficient high-tech raw materials in order to achieve this goal.

Promoting SMEs and jobs: Parliament believes that the Commission should have placed a greater emphasis on promoting and supporting small and medium-sized enterprises (SMEs), since most jobs are created in this sector and its innovation and technological progress play a crucial role in reinvigorating our economy. More proposals to reduce red tape and promote innovative ideas are required. It urges the Commission to put forward a strategy to combat youth unemployment.

Budget: Parliament feels that the current **budget does not sufficiently reflect the financial needs associated with tackling 21st-century challenges**. It urges the Commission to retain the target of **spending 3% of GDP on R&D** – as set out in the Lisbon Strategy – in the new strategy, for both the EU and national budgets.

It also asks the Commission to:

- put forward a proposal to make European research more efficient by streamlining existing structures, cutting red tape and creating a more research- and innovation-friendly investment climate in the public and private sector;
- encourage new partnerships between business, science and university research.

Lastly, Members stress the importance of the transport sector, industry and social and territorial cohesion.