CEEweb input to the Europe 2020 Strategy review

1) Taking stock: the Europe 2020 strategy over 2010-2014

Content and implementation

- For you, what does the Europe 2020 strategy mean? What are the main elements that you associate with the strategy?

The Europe 2020 Strategy gives the main policy direction of the European Union. Originally, it aimed to lead the EU towards the path of sustainability, but finally it has quickly been reduced to an outdated, old fashioned jobs and growth strategy leaving little space for much needed initiatives to address Europe’s emerging environmental, social and economic challenges. Due to this, European leaders have increasingly tended to prioritise short-term economic considerations over environmental and social ones. This has resulted in a slowdown in policy initiatives striving for sustainable development. Therefore, Europe continues to consume considerably more than its fair share of the Earth’s resources, without demonstrating a serious resolve to reduce its harmful social and environmental impact not only within, but also outs its borders. It is high time that European leaders recognize the link between economic performance, social well-being and the patterns of consumption, and thus that a comprehensive paradigm shift of the economy is essential.

For this, the review should follow the European Council conclusions of October 2012 on the outcome of the Rio+20 Conference. Therefore, the review of the Europe 2020 strategy should result either in a clear call to ensure significant role is given to the EU Sustainable Development Strategy (EU SDS) in shaping EU’s policy directions or the Europe 2020 Strategy itself is formulated in a way, that it fulfils the purposes of the EU SDS.

- Overall, do you think that the Europe 2020 strategy has made a difference? Please explain.

The short-term priority of the Strategy was a successful exit from the crisis, but in order to put the EU onto the path of sustainability, the EU now needs to tackle its structural weaknesses and already look beyond the short-term. This would also be in line what European citizens think about the aspects of sustainability according the most recent Eurobarometer survey. 59 % believe that social and environmental factors should be as important as economic criteria in measuring progress in their country; and 79% are convinced that the efficient use of natural resources and the protection of the environment can boost economic growth. For this, the review should result in a strong policy framework ensuring sustainable development.

The Commission stocktaking exercise helpfully describes the progress that has been made towards the targets set in the Strategy. The question to what extent this has been the result of the EU 2020 Strategy, other EU policies, the economic crisis or other measures that have been taken in response to this crisis will, however require deeper analysis, in particular for those headlines targets that are not supported by concrete and strong EU policy. For instance, the EU managed in recent years to decouple economic growth from energy consumption. Although this was partly driven by increasing prices, (to which certain industrial branches responded by increasing their energy efficiency) policies played a role too. The analysis of the climate and energy targets shows that all progress made towards those targets has come from the effectiveness of the 2008 Climate and Energy package; while the shortcomings from the lack of binding target for energy efficiency. The lack of legal instrument has resulted in that only three Member States (Denmark, Ireland and Croatia), out of the 27 published, provide a credible and meaningful case for how the governments will achieve their savings targets.
Thirteen plans, including Germany, Finland, Sweden and all central and eastern EU countries, except for Latvia and Croatia, are either incomplete and not assessable or very low quality.

- Has the knowledge of what other EU countries are doing in Europe 2020 areas impacted on the approach followed in your country? Please give examples.

In order to closing the gap in implementing the 20% energy efficiency target sharing of best practices, policy proposals could play a significant role. This knowledge transfer would definitely be useful for Central and Eastern European countries, which seem to be struggling in implementing EU’s energy efficiency commitments.

- Has there been sufficient involvement of stakeholders in the Europe 2020 strategy? Are you involved in the Europe 2020 strategy? Would you like to be more involved? If yes, how?

In case, the inputs into these kinds of consultations will be considered seriously, we can state that the involvement of stakeholders is sufficient. Our organization would be pleased to provide its views also in the future.

**Tools**

- Do the current targets for 2020 respond to the strategy’s objectives of fostering growth and jobs? [Targets: to have at least 75% of people aged 20-64 in employment; to invest 3% of GDP in research and development; to cut greenhouse gas emissions by at least 20%, increase the share of renewables to 20% and improve energy efficiency by 20%; to reduce school drop-out rates to below 10% and increase the share of young people with a third-level degree or diploma to at least 40%; to ensure at least 20 million fewer people are at risk of poverty or social exclusion].

Firstly, we would like to question the objectives of fostering growth and jobs per se. Since focusing only these aims, the EU will probably not be able to tackle its environmental, social as well as economic challenges. The overall objectives should rather ensure that human activities respect planetary boundaries while provide social dignity and thus well-being for all as described in the Doughnut model of planetary and social boundaries. In other words, humanity’s and thus the EU’s challenge in this century is to ensure that every person has the resources they need to meet their human rights, while humanity collectively lives within the ecological means of our planet.

Regarding the targets, we would like to reflect more in details on the environment related ones. EU is steadily decoupling growth in economic activities and greenhouse gas emissions; but overall consumption is again on the rise assumingly due to economic recovery resulting in more resource use. This hinders progress towards goals targeting reduced consumption. Besides, the traditional focus of the environmental policy agenda on the output side may not bring the radical transformations required to move towards a resource efficiency Europe. This proves that relative decoupling and output side regulation are not the solution, absolute decoupling of resource (input) use is needed. Therefore, binding efficiency policies should be accompanied by targets on capping the use of the concerned resource, without which they will not deliver their original purposes due to the rebound effect.

Besides the necessary paradigm shift in environmental and resource use policies in the longer term, current programmes need to be underpinned by strong legal instruments in the short run. The energy efficiency target will not be met without legal push towards Member States to close the gap in its implementation. Furthermore, even the resource efficiency flagship initiative aiming to help decouple economic growth from the use of resources will not deliver significant progress due to lack of legal instruments.

Regarding the renewable energy target: from 7.5% in 2000, the share of renewables already reached 14.4% in 2012. The target of a 20% share by 2020 seems achievable, but it does not tackle the challenge of including indirect land use change, and thus stimulates EU negative impact on rainforests in Indonesia for instance.

- Among current targets, do you consider that some are more important than others? Please explain.
Based on our concerns raised in question 1-2, we are advocating for holistic targets, which are strengthened and implemented properly and thus they would bring not only environmental, but also social and economic development. These targets should consider the safe environment for humankind to operate in, but at the same time ensure dignity for all not only within the border of the EU, but globally too. Only this kind of holistic approach can respond to tocsin scientists have been raising.

Regarding energy efficiency target: The number of those studies\textsuperscript{v} is increasing, which show that increasing energy efficiency is cost-effective with binding targets, contradicting the European Commission’s impact assessment for the 2030 climate and energy policy framework. Therefore, we urge the EU not to miss further years being lost in tapping 40% energy savings potential.

- Do you find it useful that EU-level targets are broken down into national targets? If so, what is, in your view, the best way to set national targets? So far, have the national targets been set appropriately/too ambitiously/not ambitiously enough?

Given the fact that Member States are the primary actors to implement EU policy, it is essential that EU targets are broken down into national targets that clarify the contribution of each Member State to a common EU goal.

- What has been the added value of the seven action programmes for growth? Do you have concrete examples of the impact of such programmes? ["Flagship initiatives": “Digital agenda for Europe”, “Innovation Union”, “Youth on the move”, “Resource efficient Europe”, “An industrial policy for the globalisation era”, “Agenda for new skills and jobs”, “European platform against poverty”].

Generally it has been helpful to create profile for certain challenges but the programmes have been weak on tackling overlaps, applying holistic approach, as well as on the implementation, and delivery. For instance, the policy focus on resource efficiency in the last years has been the necessary bridge to embed environmental concerns into the core of the development strategy of the EU. A far-reaching policy strategy on resource efficiency, however, requires further emphasize on the EU’s political agenda as well as systemic changes operating at different levels including business models, social consumption patterns, regulation and the provision of information.

Policy strategies (e.g. resource efficiency flagship, GHG targets) that rely mainly on the output side of the material and energy cycles are unlikely to bring the transformative change needed for a truly resource efficient economy that operates within the carrying capacity of ecosystems (or safe operating space\textsuperscript{v}). Unless there are significant reductions in the input side through a substantial increase of energy efficiency and the limitation of resource use (factor 4/10), environmental problems are unlikely to be resolved but more likely to be aggravated due to cumulative effects and ecosystem thresholds\textsuperscript{vi}. Therefore, the EU needs to revise its efforts in resource use.

Policies ensuring absolute resource use reduction need to be put in place at the first step resulting in decreased demand for resources. This demand should be satisfied primarily through exploring the full potential of efficiency, secondly by substituting harmful practices with less harmful ones (e.g. shifting from fossil fuel use to renewables, increase circularity of material use). In order to implement this, large challenges lie in a more coherent treatment, more specifically directed guidance at European level and a balanced coordination of stakeholder and industrial interests at national level.

2) Adapting the Europe 2020 strategy: the growth strategy for a post-crisis Europe

Content and implementation

- Does the EU need a comprehensive and overarching medium-term strategy for growth and jobs for the coming years?
In light of the above, we are convinced that the EU does not need another strategy with narrow focus on growth and jobs. A strategy like this would simply seek to follow an outdated growth model, fail to recognise the deeper lying problems of Europe, in particular its ever growing ecological deficit causing social injustice and decreasing well-being.

What Europe does need is a genuine and urgent effort to put in place a sustainable development strategy that address Europe’s economic, social and ecological problems in a coherent way.

- What are the most important and relevant areas to be addressed in order to achieve smart, sustainable and inclusive growth?

The strategy should ensure the concrete transformation of the current unsustainable model of economic development in the EU, including consumption and production patterns, to an economy that respects planetary limits and ensure dignity for all at the same time.

The revision of the Europe 2020 Strategy should be used to align the strategy with true sustainability principles, so that it provides coherence among all European policies and strategies, considering fully (global) sustainable development objectives. It needs to seek a strengthened role for environmental sustainability considerations, as well as promote holistic approaches aiming to tackle environmental, social and economic challenges at the same time.

- What new challenges should be taken into account in the future?

Environmental challenges will emerge due to the enhanced consumption demand of 2-3 billion more middle class consumers. Efficiency gains will further be eaten up due to the lack of capping resource use. Resource scarcity will cause more environmental conflicts. Inequalities will be on the rise. Energy dependency might cause further political distress.

- How could the strategy best be linked to other EU policies?

The Europe 2020 Strategy aims to provide the main directions of the EU and thus its other policies. In case, its revision will result in a more coherent and a holistic framework, aiming for sustainable development, it can provide a proper helping hand of sectoral policies, strategies and programmes.

Furthermore, the Europe 2020 Strategy has a role to play in strengthening the community approach, and in ensuring real policies developed through appropriate democratic procedures.

- What would improve stakeholder involvement in a post-crisis growth strategy for Europe? What could be done to increase awareness, support and better implementation of this strategy in your country?

Stakeholder involvement can be enhanced through ensuring transparency, legitimacy and accountability of decision making in Europe Semester.

Tools

- What type of instruments do you think would be more appropriate to use to achieve smart, sustainable and inclusive growth?

In the short term, the Strategy should promote community approach; ensure the formulation and implementation of strong environmental regulations, rule of law. It needs to play a role in reforming EU budget into a future oriented one with appropriate environment fund, while stopping subsidizing environmental harmful investments and activities.

In a longer term, the Europe 2020 Strategy should pave the way to formulate and implement holistic approaches aiming to tackle environmental, social and economic challenges at the same time. In other world, EU’s economy should respect planetary limits and ensure dignity, well-being for all at the same time. First, absolute resource use reduction needs to be put in place, which considers social justice. Then the decreased resource use demand should be satisfied primarily through exploring the full potential of efficiency, secondly by substituting...
harmful practices with less harmful ones (e.g. shifting from fossil fuel use to renewables, increase circularity of material use).

- What would best be done at EU level to ensure that the strategy delivers results? What would best be done at Member State level?

The EU has the potential to show leadership in promoting and realizing policies striving for sustainable development. Considering emerging challenges (resource scarcity, environmental conflicts, political distress due to energy dependency), the EU should not miss this opportunity and start formulate its growth paradigm into an environmentally and socially sustainable one.

- How can the strategy encourage Member States to put a stronger policy focus on growth?

The EU (in line with the answer for the above question) needs to move beyond its growth paradigm and strive for proposals, which conserve natural heritage, and thus ensure well-being, stable economic performance and long term competitiveness.

- Are targets useful? Please explain.

Targets are essential in providing direction, certainty and accountability on progress.

- Would you recommend adding or removing certain targets, or the targets in general? Please explain.

Sustainability can only be achieved through a set of environmental targets. The Europe 2020 Strategy should explicitly include the 2020 Biodiversity Target and aim for its proper implementation. Besides, it should also pave the way of
  - ambitious and effective climate and energy targets for 2030 (at least 60% GHG reductions, 45% renewable and 40% energy end use savings),
  - targets to reduce to improve resource efficiency by 40% by 2030 supported by a dashboard of targets that will ensure absolute reduction in resource consumption.

- What are the most fruitful areas for joint EU-Member State action? What would be the added value?

Through creating the ownership of the implementer bodies (Member States), delivery of targets will be smoother. Coordinating actions at EU level will ensure the overview of implementation, while providing space for sharing experience, lessons learnt and thus improve performance.

3) Do you have any other comment or suggestion on the Europe 2020 strategy that you would like to share?

Via the Resource Cap Coalition, CEEweb is promoting different ideas and proposals, through which EU’s environmental, social and economic challenges can be tackled at the same time. See more at: www.ceeweb.org/rcc.

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Implementing the EU Energy Efficiency Directive: Analysis of Article 7 Member States reports

http://www.kateraworth.com/doughnut/

http://www.e3mlab.eu/e3lab/papers/141013_E3Mlab_Summary%20for%20policy%20makers_FINAL.pdf

Rockstrom et al., 2009

www.polfree.eu