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**Opening remarks of President Barroso  
at the Press Conference on  
Europe 2020**

Check Against Delivery  
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Es gilt das gesprochene Wort

Opening remarks

**Brussels, 3 March 2010**

Good afternoon ladies and gentlemen,

I would like to present the Europe 2020 proposal that the European Commission has just approved and that will be available to all of you and all the European public.

Europe 2020 is about what we need to do today and tomorrow to get Europe back on track. It sets out what we have to do now for the next 10 years not what we should do in 10 years time. But precisely to achieve results in ten years time we should start now. There is a real sense of urgency in this economic strategy that we are presenting today. This is a strategy about more jobs and better lives.

The current economic crisis is worse than anyone ever imagined. Economic realities are moving faster than political realities, as we have seen with the global impact of the financial crisis. We need to accept that the increased economic interdependence demands a more determined and coherent response at the political level. That clearly makes the case for a stronger economic governance in the European Union.

Over the last twelve months, a huge amount of the growth and employment generated by the European economy over the last decade has simply been wiped away. That is why we spent much of 2009 avoiding a complete meltdown of the financial and economic systems.

Now we need to continue to climb out of this situation. It will be tough for some time yet. But we will get there. We will not rest until this has been achieved.

This is why we are dealing with bad banks, we are correcting the financial markets and we are protecting the eurozone.

The debate over the response to Greece's budget deficit and the need to rebalance demand across the EU is an extreme reminder that the divergences between member states have a direct impact on everyone else. We are more inter-dependent than ever before. The case is stronger than ever for the need for this increased coordination at the European level. Not only because of the demands coming from globalization and the need to keep European competitive position but also because of the recent crisis, we have experienced that it has direct impact on different member states.

The crisis has also exposed fundamental weaknesses and unsustainable trends that we cannot ignore any longer.

Our analysis is that before the crisis, we were already falling behind. That "business as usual" is not an option. And that we need a coherent, comprehensive EU approach to stand any chance of realising our ambitions. Effectively, we need a crisis response today and a reform agenda for the next ten years.

The bottom line is that Europe has a growth deficit which is putting our future at risk. We need to restore Europe's growth potential to make us once again fully competitive on the global stage. For this we need to invest in structural change and structural growth.

But not just any kind of growth. We need to invest in smart, sustainable and inclusive growth.

We need to concentrate our efforts on the most important levers if we are to succeed – if we spread our efforts and our money too thinly we will not get the results we want. We have one chance to get this right.

I believe that around the priority of growth we must focus on three mutually reinforcing priorities:

- Smart growth by developing an economy based on knowledge and innovation. Put simply, it is about "re-booting" the internal market for the 21st century.

- Sustainable growth by promoting a resource-efficient and competitive economy. We may have limited oil and gas but we do not have limited ideas
- Inclusive growth by fostering a high-employment economy delivering social and territorial cohesion. Above all we need to invest in our people so they can invest in Europe.

To reach these priorities we need measurable and representative targets. And that is what we set out today:

- 75 % of the population aged 20-64 should be employed.
- 3% of the EU's GDP should be invested in Research & Development.
- The "20/20/20" climate/energy targets should be met and reduction of 30% should be reached if conditions are right.
- The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree –usually called high education degree
- 20 million less people should be at risk of poverty.

We have these concrete targets: on employment, on R+D, on climate and energy, on education and on fight against poverty. To deliver on these targets we have defined seven flagship initiatives to catalyse progress under each priority theme:

- "Innovation Union" to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs.
- "Youth on the move" to enhance the performance of education systems and to facilitate the entry of young people to the labour market.
- "A digital agenda for Europe" to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.
- "Resource efficient Europe" to help decouple economic growth from the use of resources, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency.
- "An industrial policy for the globalisation era" to improve the business environment, notably for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.
- "An agenda for new skills and jobs" to modernise labour markets and empower people by developing their skills throughout the lifecycle with a view to increase labour participation and better match labour supply and demand, including through labour mobility;
- "The European platform against poverty". It is not acceptable in the modern age that nearly 80 million people in Europe live under the poverty line. People experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.

The purpose of this overall strategy will be to strengthen the internal market by removing bottlenecks, especially in the services sector and making sure that competition policy is correctly applied.

There are some things in our strategy that you will have heard before. We make no apology for that. They would not be here if they had been done properly in the last ten years. To give some examples: it is not acceptable that because we do not have a Community patent, European companies face translation costs of around 3.000€ on each patent. It is thirteen times more expensive in the EU than in the US and eleven times more expensive than in Japan.

The difference this time is that the EU appears ready for stronger economic governance. Europe 2020 will rely on two pillars: the thematic approach outlined above, combining priorities and headline targets; and country reporting, helping Member States to develop their strategies to return to sustainable growth and public finances.

Integrated guidelines will be adopted at EU level to cover the scope of EU priorities and targets. The Commission will address country-specific recommendations to Member States. We will also issue policy warnings in case of inadequate response. And our reporting of Europe 2020 will be done simultaneously with our evaluation of the Stability and Growth Pact, while keeping the instruments separate and maintaining the integrity of the Pact. Last time we had one hand tied behind our backs. This time we must grip the problem with both hands.

The European Council must have full ownership if we want governments to deliver.

The Commission proposes that the European Council endorses - in March - the overall approach of the strategy and the choice of EU headline targets, and approves - in June - the detailed parameters of the strategy, including the integrated guidelines and national targets.

There are plenty of people who have argued that the economic crisis puts in question our whole system. I believe it does the reverse. We need the openness of the single market in more areas, more competition and better trade opportunities. Closing our eyes to the world will not make it go away.

We should keep to the fundamentals of what has been the very important *acquis* of European integration. But there is something that we have to do more and it was not there before: it is coordination, common governance with coherence, with persistence and with continuity. Only then we can have a clear strategy, working together, European institutions and member states, and of course the European society and the European citizens as a whole.

I am confident we will succeed. Now we need to make it happen.

Thank you.