

To: The European Commission

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Comments to the Commissions working document on the future “EU2020” strategy COM(2009) 647/3

The Swedish Chambers of Commerce¹ would like to give the following comments to the Commissions working document.

The three key drivers outlined in the Commissions consultation paper - creating value by basing growth on knowledge, empowering people in inclusive societies and creating a competitive and connected and greener economy - may all be agreeable but give little guidance for outlining the more focused strategy and operational goals needed to transform Europe into a more globally competitive and prosperous region by 2020. Our view is that the Commissions consultation paper lacks both an overall structure and sense of direction. Furthermore, some fundamental goals are missing from the paper that are critical for our competitiveness, namely *free trade* and *free competition*. The EU2020 strategy cannot encompass everything. The final proposal to be presented at the upcoming Spring Summit should be focused on key areas with direct effect on Europe’s *competitiveness, growth and job creation*.

The previous Lisbon strategy and the integrated guidelines for growth and jobs, targeting macroeconomic and microeconomic as well as employment issues, contained many valuable key targets for benchmarking member states. It would surely be inefficient to reinvent this wheel again. Furthermore business already stands behind many of the targets which are in the old strategy - e.g. ensuring macroeconomic stability and fiscal sustainability, a well-functioning EMU, the target of 3% for government investment in R&D, extending and deepening the internal market, strengthening the synergies between environmental protection and growth, better regulation, promoting entrepreneurial culture and a supportive environment for SMEs, ensuring inclusive labour markets and flexicurity, adapting education and training systems to market needs etc.

When reforming the strategy, we therefore suggest putting the focus on issues critical for the upcoming ten years and our competitiveness, growth and jobs. We also suggest complementing the strategy with areas that were not foreseen as critical at the time.

¹ The Swedish Chambers constitute one of the largest business organisations in Sweden. Founded in 1902, they now have 11,000 member companies drawn from all sectors of the economy. The Chambers offer members practical services relevant to the modern economy. The Chambers are the prime business contact network.

Key priorities for the EU2020 strategy

The Swedish Chambers of Commerce believe that a revised Lisbon EU2020 strategy should focus on the following key issues:

- Transform the EU into a **knowledge-based society**, e.g. by increased investment in education, research and innovation.
- Take further steps to stimulate **the free movement of people and knowledge**, e.g. by targeting students and youth and by facilitating labour migration into the EU.
- Develop Europe's **information society** with a new ambitious agenda including the realization of e-government for the internal market and revisiting important issues such as e-procurement, e-signatures, security and privacy.²
- Open up markets further for **competition and free movement** tied to **public services**, including health care, public sector information, education services, telecom and energy markets and public procurement.
- **Reform the EU budget** to support competitiveness and areas which bring common value added to the EU – e.g. investing in R&D, infrastructure and transportation, tackling the challenges of environment, energy and climate change.
- Target investments in the **infrastructure** needed in **urban areas that provide growth and jobs**, for instance to enable people to access and commute more easily to such areas.
- Make the **EU a key player on the global arena** in areas like **free trade**, research and innovation and labour migration.

We would also like to add that it is more urgent than ever to align European regulations, standards and other requirements to global markets, facilitating trade to and from the EU and the ability for European companies to expand globally, as well as increased foreign investment on the EU market.

It goes without saying that major issues like climate change, energy security, access to natural resources and the demographic deficit all should be part of the EU2020 strategy.

Comments on the process for implementation

Regarding implementation of the strategy, it is important that the EU agrees on a joint process for benchmarking results both on a EU and individual member state level and to have a follow-up process which measures and rewards results. Some specific comments regarding this:

- Set measurable targets under each priority area.
- Make clear what actions the EU:s institutions have a responsibility to deliver on, and what actions that are up to individual member states to achieve.
- Monitor implementation, follow up results and hold EU institutions and individual member states accountable.
- Create stronger incentives for member states to fulfil the targets.
- Benchmarking should be a central part of the evaluation processes.
- Include stakeholders at national, regional and local level in the foreseen “partnership for progress”, enabling stakeholders to hold governments and institutions accountable.
- Communicate progress on EU2020 also to the public at large.

²See further Eurochambres position paper on Post-I2010 from Dec 10, 2009:

<http://www.eurochambres.be/content/default.asp?PageID=145>

When looking back at the achievements of the “growth and jobs” strategy, the results are mixed. While progress was achieved in some policy areas – e.g. broadband expansion, increased government spending in research and development, lifelong learning and raising the educational level among young people - the overall targets on increasing competitiveness, jobs and growth have not been met.

We believe that the Lisbon process has been valuable foremost through its benchmarking process. It has given member states a greater opportunity to exchange experiences, increased the understanding of the challenges facing each country, and given new ideas and input for national policy – for example in areas like achieving a better functioning of the labour market, the importance of childcare for integrating women into the workforce, putting entrepreneurship on the curriculum of schools, models for lifelong learning etc.

The success of implementing many of the targets - not least the ones which are important for improving the business climate like more competitive taxes, increased investment in R&D, infrastructure and transportation - very much depend on the possibilities for national government budget spending. From this perspective, the current situation and aftermath of the economic crisis makes the situation ahead very difficult, with many member states having run large budget deficits.

Lastly, we would again like to underline that in redefining the Lisbon strategy and setting new priorities for EU2020, it is important not to lose focus on the ball, namely global competitiveness. There will be no growth and new jobs if European business is unable to compete on the global market. Improving the environment for business therefore needs to be a main feature in the strategy, especially taking into account small and medium sized enterprises, which are of great importance for creating the new jobs for the future.

/Charlotte Nyberg