

SENATE OF THE REPUBLIC

----- 17th PARLIAMENT -----

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RESOLUTION OF THE 14th STANDING COMMITTEE (European Union Policies)

(Rapporteur GINETTI)

approved at the session of 9 July 2014

ON THE

COMMUNICATION FROM THE COMMISSION TO
THE EUROPEAN PARLIAMENT, THE COUNCIL,
THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND
THE COMMITTEE OF THE REGIONS: TAKING STOCK OF
THE EUROPE 2020 STRATEGY FOR SMART, SUSTAINABLE AND
INCLUSIVE GROWTH (COM(2014) 130 final)

pursuant to Article 144(1), (5) and (6) of the Rules of Procedure

Notified to the President's Office on 22 July 2014

The Committee, having examined the document COM(2014) 130 final,

whereas:

in this Communication, the Commission takes stock of the Europe 2020 strategy in the context of the continuing economic and financial crisis and its impact on progress towards the targets set, with a view to revising the strategy for the period 2015-2020 on the basis of the proposals to be presented early in 2015;

when the strategy was launched, the scope and duration of the crisis were not yet known, and possible scenarios for the coming decade ranged from strong growth to weak recovery or none at all; it now seems that the second scenario is the most likely, with GDP growth in 2014-2020 forecast at around 1.6 %;

considering that:

there are grounds for concern about the growing levels of unemployment and poverty, which create the image of a Union with very disparate economic situations and performance, marked disparities between different regions and growing social inequality;

there are also grounds for concern in view of the problems associated with an ageing population, major disparities in the distribution of income, weak investment in infrastructure and state-of-the-art communications and unsustainable use of ecosystems, many of which have already been damaged;

on the other hand, according to the Communication, the EU is the world's largest exporter and biggest trader in goods, and also the world's largest trader in services, where it still has strong potential to grow;

noting that:

with reference to Target 1 of the strategy (*Raise the employment rate of the population aged 20-64 to at least 75 %*), as a result of the crisis, the employment rate fell, stabilising at 68.4 % in 2012, i.e. 6.6 percentage points below the 2020 target, which it will therefore be difficult to achieve.

The 2020 national target for Italy is 67 %-69 %. According to the government's Economic and Financial Document (DEF) for 2014, there was a slight fall in Italy's total employment rate (59.8 % compared to 61 % in 2012) and the distance from the European target has grown (-15 percentage points). Marked gender disparities persist and disparities between different parts of the country are growing;

it is unlikely that Target 2 of the strategy (*Invest 3 % of GDP in research and development*) can be achieved, with current forecasts suggesting that expenditure on R&D will reach 2.2 % by 2020.

The DEF 2014 moves the 2012 target level for Italy to 1.27 % as against a 1.53 % target for 2020. This constitutes a slight increase (0.1 %) on 2011 R&D expenditure, associated with an increase in expenditure in public institutions (+ 2.6 %) as against a sharp drop in expenditure by private businesses (- 6.3 %);

with reference to Target 3 of the strategy (*Reduce greenhouse gas emissions by at least 20 % compared to 1990 levels, increase the share of renewable energy in final energy consumption to 20 %, achieve a 20 % increase in energy efficiency*), in 2012 the EU had already reduced greenhouse gas emissions by 18 % and, according to the forecasts, by 2020 it will not only achieve the 20 % target, but very probably exceed it. The EU also seems capable of achieving the 2020 target for renewable

energies, and even improving on it: in 2012 the share of renewable energies was already 14.4 %. As to energy efficiency, there has been a drop in the consumption of primary energy, but further efforts will be needed to achieve the 2020 target, particularly in the transport sector.

The DEF 2014 indicates a trend scenario of non-ETS greenhouse gas emissions of 285.7 MT of CO₂, short of the specified reduction target of 24.4 percentage points. The DEF therefore provides for a series of priority measures to be taken to achieve the annual objectives;

with reference to Target 4 of the strategy (*Reduce the share of early school leavers to below 10 %, increase the share of the population aged 30-34 having completed tertiary education to at least 40 %*), there has been a significant drop in the proportion of early school leavers from 15.7 % in 2005 to 12.7 % in 2012, meaning that the target is achievable by 2020. The tertiary education objective is also achievable by 2020 since the proportion of young people who have completed tertiary education has increased from 27.9 % in 2005 to 35.7 % in 2012.

The DEF indicates that in Italy the current school drop-out rate is 17 %, and the objective for 2020 is 16 %. Although the rate is declining slightly, Italy is still far from the EU targets, given that the average indicator for the EU27 is 12.8 %. The current level for university education reported in the DEF is 22.4 %, with an objective of 26 %-27 % for 2020;

with reference to Target 5 of the strategy (*Lift at least 20 million people out of the risk of poverty or social exclusion*), the major impact of the economic crisis has meant that the number of persons at risk of poverty or social exclusion, which had been falling steadily up to 2009, has increased since then from 114 million in 2009 to 124 million in 2012. This target is therefore difficult to achieve and calls for specific positive measures.

According to the DEF, in 2012 there were 18 195 000 people living in poverty, materially deprived or living in households with low work intensity, and the target for 2020 is to reduce that number by 2 200 000. In percentage terms, the indicator for Italy is 29.9 %, higher than both the eurozone average (23.2 %) and the EU27 average (24.7 %);

having considered the European Council's conclusions of 21 March 2014, in which the Council noted the slow-down resulting from the crisis but also called for greater efforts to achieve the Europe 2020 targets and looked forward with interest to the planned review of the strategy in 2015;

referring to the Resolution approved by the 14th Standing Committee on allocated dossier No 227 concerning the Commission Work Programme 2014 and Government Programme Report on Italy's participation in the European Union (2014) and their implications for Italy's European policy (*Doc. XXIV, No 29*),

issues a favourable opinion, within its area of competence, while highlighting the following points:

the Committee agrees with the European Commission that it is appropriate to draw up a communication evaluating progress on the Europe 2020 strategy five years after it was presented, with a view to carrying out a mid-term review for March 2015, to take stock of the results actually achieved, as compared to the targets set, given the continuation of the most serious economic and financial crisis to have struck Europe in the last century - even worse than that of 1929 - and the serious social and regional disparities that it has caused;

however, the Committee considers that such an analysis should not be confined to merely setting out numerical data on the degree of progress towards each of the five targets of the growth strategy, but should also carefully evaluate the real effectiveness of the economic austerity and fiscal rigour policies

applied by individual Member States and by the EU itself to counter the effects of the crisis, and assess the degree to which these policies may have contributed to producing recessionary effects and further structural disparities between regions. It therefore considers that a critical analysis is needed of the negative effects of the lack of policies supporting growth and investment, in order to assess the degree to which this approach has helped to further weaken social indicators such as the progressive impoverishment of households, growing unemployment, higher numbers of early school leavers and the falling productivity and competitiveness of businesses;

it considers that when the strategy is being revised, greater efforts should also be made to simplify current legislation, procedures and requirements in order to facilitate economic recovery by eliminating administrative and regulatory obstacles;

the Committee is aware that this analysis could generate pointers as to how the Europe 2020 strategy should be revised in 2015 in a way that would not give up the ambitious targets proposed but would redefine policies and assistance tools to really make the EU more competitive while upholding the social economy model which has characterised the entire duration of European integration, promoting intelligent, knowledge-based, sustainable and inclusive growth;

the Committee believes that this analysis can also lead to a re-think of European economic policies and institutional governance, to bring Europe back on the inclusive development and growth track. This would mean finding effective ways to address the sovereign debt crisis with new programmes of national and European investment, focusing resources on priorities capable of relaunching growth in businesses, the real economy and employment - above all youth employment - and launching new welfare policies. Making these choices would help to enhance credibility and legitimise the actions of the European Union, as well as underpinning the construction of a people's Europe;

in this context, the Committee agrees that is appropriate to launch a public consultation to open up discussion with a view to reviewing the Europe 2020 strategy in the first months of 2015. It considers that, in the spirit of multi-level governance, greater weight should be given in this consultation to the opinions of the regional and local authorities, since they have a closer awareness of citizens' needs; this would thus fully adhere to the subsidiarity principle and thereby better guarantee that the results sought are achieved;

the Committee also calls on the EU to use the 2014-2020 programming cycle of the Structural Funds relating to national and EU synergistic projects more effectively in terms of the Europe 2020 strategy, and to optimise the use of resources and concentrate them on the priorities specified on the basis of an analysis of the weak points identified during the administration of the previous programming period, so as to overcome the problems and inefficiencies in the use of funds earmarked for promoting competitiveness and to even out regional disparities;

lastly, calls for continued political debate on the revision of the Europe 2020 strategy during the Italian Presidency of the Council of the European Union, with a view to boosting growth and employment in EU countries by means of long-term structural and investment policies.