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## Education and Employment Under the Europe 2020 Strategy

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**A look into the European Union's 2020 Strategy, with a focus on education and employment, and the Hungarian Presidency's important role in the control and governance of the Strategy through the European Semester.**

First the Lisbon Strategy, then the EU 2020 Strategy Prior to the Europe 2020 Strategy, the Lisbon Strategy (2000-2010) sought to make the European Union “the world’s most competitive and dynamic knowledge-based economy in the world, capable of sustaining growth with more and better jobs and greater social cohesion”<sup>1</sup>, by 2010. Europe 2020 is a multifaceted strategy for growth and jobs for the next decade. It identifies three priorities: smart growth (through the development of education, research and innovation and the completion of digital society), sustainable growth (for a resource efficient, greener and more competitive economy) and inclusive growth (aiming to achieve a high-employment economy, fight against poverty and strengthen social and territorial cohesion). In order to bring the Strategy into realization, five headline EU-level targets have been set up, which Member States have been asked to transform into national targets. Moreover, the European Commission has also proposed seven flagship initiatives in order to meet the headline targets.

“In the EU, knowledge – meaning R&D, innovation and education – is a key driver of productivity growth.”<sup>2</sup> The EU 2020 Strategy is famous for its focus on economic growth even though it stresses education as a crucial factor. Although economic growth is the key to raise the employment level, the financial crisis has shown that it can rather be achieved through improving the productivity of existing resources than increasing labor, capital and resources. Investing into human capital and improving knowledge can raise productivity and this is why it is at the center of Europe’s future economic well-being.

In the European Union, 5 million people under the age of 25 are looking for a job and the level of youth unemployment has reached 21%. In an attempt to solve this problem, the European Commission launched its first initiative, ‘Youth on the Move’, on 15 September 2010, to embrace education, training and employment and to promote student mobility in order to increase young people’s access to the labor market. Its headline targets include the following goals: 3% of the EU’s GDP should be invested into R&D and innovation; the share of early school leavers should be under 10% and at least 40% of 30-34 year-olds should complete third level education by 2020.

Article 165 of the Treaty on the Functioning of the European Union provides that ‘The Community shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action’. For the education targets to be achieved, a revision of EU and national competences is essential. Nevertheless, education is an area where the subsidiarity principle applies and thus falls directly into Member State competence. In order not to lag behind in matters of education and innovation after the Euro crisis and high unemployment level in the EU, Member States should re-examine their approach to competences.<sup>3</sup>

Another flagship initiative of the Commission is the ‘Agenda for new skills and jobs’, which complements the first initiative and includes two headline targets. On the one hand, it aims to reach the EU employment rate target for women and men of 75% for the 20-64 year-olds by 2020. On the other, the EU headline target is to reduce by 25% the number of Europeans living below the national poverty lines, lifting over 20 million people out of poverty.<sup>4</sup>

The Treaty on the Functioning of the European Union provides that Member States shall coordinate their economic policies and promoting employment within the Council. In Articles 121 and 148 it provides that the Council is to adopt broad economic policy and employment guidelines. These guidelines form together the ‘Europe 2020 Integrated Guidelines’ that specify the framework for the Europe 2020 Strategy and reforms at Member State level. Member States shall draw up National Reform Programs on this basis, and the European Council shall assess every year the overall progress achieved both at EU and national level in implementing the strategy.<sup>5</sup>

### **The Hungarian Presidency’s role through European Semester**

The Hungarian Presidency will also play an important role in the control and governance of the EU 2020 Strategy, especially through the recently launched European Semester. It aims to reinforce coordination, to strengthen common European provisions on economic governance and to promote growth in line with the Strategy. The cycle starts in January with an Annual Growth Survey by the European Commission, identifying economic challenges for the EU and it will be presented to the European Parliament. In April, Member States will submit their Stability and Convergence Programs and their National Reform Programs to the Commission to evaluate them. Then, the Council will issue country specific policy guidance in June and July.<sup>6</sup>

### **Conclusion**

The success of the Strategy mainly depends on the methods of implementation and monitoring. The targets are not included in mandatory legal documents but in proposals, and the open method of coordination is without any consequences which makes the enforcement inefficiently. Thus, the Europe 2020 Strategy should be implemented in partnership with all national, regional and local authorities, associating national parliaments, social partners and representatives of civil society.

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