A TERRITORIAL PERSPECTIVE ON THE EUROPE 2020 STRATEGY:

CONTRIBUTION TO THE EUROPEAN PUBLIC CONSULTATION PROCESS

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Contribution to Public Consultation on the Europe 2020 Strategy

This Spatial Foresight Brief derives from internal discussions among Spatial Foresight team members and insights from a range of assignments related to the Europe 2020 Strategy. This includes e.g. studies for the European Commission Directorate General Regional and Urban Policy, ESPON, the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) and the German Academy for Spatial Research and Planning (ARL).

Throughout these various studies and discussions the lack of a thorough and constructive territorial dimension of the Europe 2020 Strategy has been highlighted as a major concern.

Understanding the Europe 2020 Strategy

Achieving the objectives and targets set out in the Europe 2020 Strategy requires changes and developments on the ground, i.e. in European cities and regions. The local and regional potentials and development opportunities to achieving these targets vary substantially (European Commission 2014; ESPON 2014). Accordingly, to achieve the European targets every city and region needs to make best use of the own preconditions and contribute in its own way. The same is also true in relation to the national targets. DG Regio pointed out already that different cities and regions should contribute in different ways instead of being obliged to meet its national targets (European Commission 2011).

The Europe 2020 Strategy

The Europe 2020 Strategy was launched in 2010 and is the ten-year Strategy of the European Union as a response to overcoming the crisis, but also for setting the conditions for smart, sustainable and inclusive growth in the European Union. The Strategy set five headline targets:

- 75% of the 20-64 year olds to be employed;

- 3% of the EU's GDP to be invested in Research and Development;

- The 20/20/20 target for the climate change and energy sustainability, i.e. 20% greenhouse gas emissions lower than 1990; 20% of energy coming from renewables and 20% increase in energy efficiency;

- Education, i.e. reducing the rates of early school leaving below 10% and having at least 40% of 30-34 year olds completing third level education;

- Fighting poverty and social exclusion, by aiming at at least 20 million fewer people in or at risk of poverty and social exclusion.

These headline targets are translated into national targets and are pursued through a mix of national and European actions, focusing on innovation, employment, poverty, resource efficiency etc. The three main objectives of the Strategy, i.e. to create a smart, sustainable and inclusive growth in Europe are also supported by seven flagship initiatives. More specifically, 'digital agenda for Europe', 'Innovation Union' and 'Youth on the move' are the three flagship initiatives supporting smart growth, 'Resource efficient Europe' and 'An industrial policy for the globalisation era' support the objective of sustainable growth, while the objective of 'Inclusive growth' is supported by 'An agenda for new skills and jobs' and the 'European platform against poverty' flagship initiatives.

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Given the diversity of local and regional starting positions, the question arises whether such a strive towards the same targets will boost existing territorial imbalances in Europe, or rather contribute to a more balanced development. Existing studies suggest that the ambitious targets of the Europe 2020 Strategy can actually only be achieved when those cities and regions which already perform well in relation to a certain target boost their efforts even more than other areas (Lüer et al. 2014; ESPON 2013a; Zillmer et al. 2012; Böhme et al. 2011). This would imply that achieving the objectives of the Europe 2020 Strategy will result in increasing territorial disparities in Europe. Scenario calculations for different indicators and for different territories at NUTS 2 level illustrate this tendency especially in cases of considerable territorial differences with regard to any Europe 2020 target indicator. For the scenario calculations it was assumed that the respective national target could be achieved by either concentrating the efforts (implying increasing territorial disparities) or by aiming at territorial cohesion with reducing territorial disparities. Even if moderate efforts towards cohesion are assumed, these scenarios often imply considerably higher changes of lagging regions with regard to the respective indicator than those expected from leading regions when assuming concentration and increasing territorial disparities. Thus, realistic catch-up processes of lagging regions may not be expected to be sufficient for reducing territorial disparities if the Europe 2020 targets are to be achieved (Lüer et al. 2014).

Consequently some regions will overachieve on some targets, while other regions will clearly underachieve with regard to some targets. Only, such a territorial 'division of labour' with regard to the achievements of the targets will allow to make best use of the various development potentials, rather than pressing all areas into a uniform target system.

Taking stock: the Europe 2020 strategy over 2010-2014

Content and implementation

Overall, do you think that the Europe 2020 strategy has made a difference?

The current increasing territorial disparities observed (ESPON 2014) in Europe are the result of the economic and financial crisis that started in 2008. However, the Europe 2020 Strategy offered little to combat the increasing territorial disparities – in particular the increasing disparities within Member States.

Has there been sufficient involvement of stakeholders in the Europe 2020 strategy?

Overall, one may argue that the Strategy rather served as new reference framework to which cities and regions – if they are aware of the Strategy at all – adjust the wording of their policies. However, little actual impact could be observed so far. The rather limited impact of the Strategy – mainly linked to lip service of different degree – may also be a result of the lack of awareness and 'felt ownership' of the Strategy's objectives at local and regional level. Indeed, an on-going study on 'multi-level governance in support of Europe 2020'[1] shows that although many local and regional authorities work with initiatives which are relevant to achieving Europe 2020 targets, there is little awareness about their link towards the Europe 2020 Strategy. This may change, once the European Structural and Investment Funds (ESIF) Programmes of the 2014-2020 period

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[1] See http://www.spatialforesight.eu/mlg.html

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get operational. At the same time policies impacts on many targets only in the medium to long-term, needing several years of policy implementation.

Tools

The implementation of the Europe 2020 Strategy has employed a series of different tools. Following the idea of parametric governance, a key tool is the setting of quantifiable and measurable targets.

Targets & indicators

Certainly some targets – put forward in the Europe 2020 Strategy – appear to be more relevant than others. The following three examples of targets and indicators used, show this difference between indicators.

For instance one may question the target on higher education for several reasons, including

- the lack of the one coherent indicator to cover the diversity of the education systems in the EU,
- its precise definition which does not provide any information about a region's role in higher education but links education to jobs, since the 30 to 34 year old usually have already moved to their first or other job place,
- that Europe not necessarily needs more people with (random) university education, but actually needs more experts in some specialised fields, and needs more entrepreneurs (who not necessarily require university education), and
- the fact that increasing education levels is no suitable measure to confer greater levels of resilience – as resilience is rather a long-term phenomenon that cannot be easily encountered with short-term actions.

At the same time, most of the target indicators have the tendency to illustrate – to a higher or lower degree – the prevailing economic/industrial structure. In other words most indicators paint the same picture of Europe. Putting it bluntly it is the picture of the European labour market, where are the large employers that can invest in R&D and employ young university graduates etc.

As a consequence the target indicators fail to illustrate the territorial diversity of Europe and different types of potentials. To provide an example many European policy documents underline the importance of green and blue growth for Europe's future. However, the target indicators of the Europe 2020 Strategy do not capture these types of potentials and encourage cities and regions to exploit them.

In addition, indicators which differ between Member States or lack a clear reference (as e.g. the indicator on poverty) do not make a strong case.

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Process tools and communication

The idea of parametric governance builds not only on quantifiable and measureable targets, but also the power of publishing results on who did achieve how much or did not achieve a lot (Zillmer et al. 2012; Cools et al. 2003). The history of the emergence of European Environmental Policies or the OECD Programme of International Student Assessment (PISA) show which power comparative findings can unfold if they receive sufficient media attention and engage citizens (and therefore also policy makers at different levels).

Despite the fact that the target indicators for Europe 2020 would allow for a clear approach to 'naming and shaming', the communicative power of this tool has not been used.

Programming

The programming of the ESIF Programmes for 2014-2020 is another important tool for promoting the ideas and objectives of the Europe 2020 Strategy. Here, it seems that this has worked – at least when it comes to wording and a wider awareness raising. Nevertheless, it has to be questioned in how far compulsory financial shares for some thematic objectives really meet regional potentials or may create instead adaptation problems and lower quality projects. The fruits of the ESIF Programmes will however only show in a few years from now.

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

Content and implementation

Despite this rather negative view on the progress made by the Europe 2020 Strategy so far, we do strongly believe that Europe needs an overarching strategy or even a key document going beyond that. This should be more inspiring than a strategy and rather form a vision for Europe, to which citizens, cities, regions, Member States and the EU can strive jointly – i.e. join forces to reach a common/shared vision.

The elaboration of such a document, however, will not be an easy match of bringing together key experts and national politicians. This would rather imply to engage in a European-wide dialogue about 'our common future'. The document will need to focus on both challenges emerging from within the EU, but also compared to those emerging from outside the EU.

The most relevant areas to be addressed in such a document would include the shared value base, the European diversity and how this diversity can be valued and utilised. This would also imply to rethink local and regional development potentials – possibly in a broader than a purely economic sense – and engage people in (entrepreneurial) discovery processes to identify and strengthen

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potentials and thus contribute to smart specialisations of cities and regions – smart specialisation however understood as far more than innovation.

In addition to the challenges coming from within the EU, also external challenges need to be considered. These relate mainly to Europe's relation to its neighbourhood and the rest of the world. Major developments are not working in favour of EU locations. Europe is aging (and probably facing demographic decline) while many other parts of the world are characterised by a young and vibrant population – ready to take on new tasks and positions. Also in economic terms the EU's share of the world economy is declining and new major gateways are developing – not only in China and India etc. – but also in Europe's Mediterranean neighbourhood. Also in terms of global research cooperation and attracting foreign students EU locations are increasingly loosing ground. Last but not least the challenges of our dependency on energy imports, of climate change and of geopolitical fragilities need to be taken on board.

What would improve stakeholder involvement in a post-crisis growth strategy for Europe?

In order to address the above, an overarching vision for the EU needs to be built on a large variety of policy sectors and most importantly needs to be built on a multi-level governance approach involving all levels from the citizens to the EU bodies.

Stakeholder involvement and awareness are of key importance and probably can only be reached by a wide debate on the objectives and visions for Europe. Possibly, the European Parliament and the Committee of the Regions can play important roles in bringing in citizens and sub-national authorities.

Tools

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

Given the criticism mentioned before about Europe 2020 objectives encouraging increasing territorial disparities, a thorough debate about the targets is needed to find targets which reflect a common vision for Europe and allow to make use of different development potentials – possibly linking to the idea of polycentric development and territorial cohesion (Böhme & Gløersen 2011).

To strengthen the follow-up of the implementation efforts and achievements made, an annual monitoring report should present the state of play both at national and regional level. The focus should not only be on the development with regard to the indicators, but also show the efforts made and put this in relation to the regional preconditions. Such a report should speak a clear in language and follow the idea of 'naming, faming and shaming'. Possibly ESPON could take on the task to produce such an annual monitoring report.

Furthermore, to establish policy momentum, general awareness and regular public debates about the achievements on the way to 2020, clear communication efforts need to be undertaken. The main objective should be to increase mass-media attention and not only communicate to the circle of already involved stakeholders.

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As regards, the future, we would suggest to fine tune the targets so that they:

- reflect the territorial diversity of development potentials;
- are comparable across Member States, regions and cities;
- can unfold a debate engaging citizens and politicians at all levels.

Both for target setting and monitoring, we suggest exploring the idea of a territorialisation of targets. One possible approach might be to differentiate targets by types of territories, such as e.g. metropolitan areas with strong R&D profiles, rural areas with high potential for the production of renewable energy, regions in demographic decline, etc.

Furthermore, we suggest also considering different types of indicators. In short we see room for three different types of indicators:

- indicators measuring the target levels to be reached,
- indicators measuring the level of change (e.g. increase R&D expenditure by X% in certain types of regions);
- indicators on the policy efforts to be under taken (e.g. ERDF expenditure linked to a specific objective in a region, or amount of Horizon 2020 funding attracted to recipients in a region).

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

Some of the key points for future approaches to overarching European strategies are:

- Build on a shared vision for 'our common future'.
- Strengthen the multilevel governance dimension of the strategy process.
- Ensure that the territorial diversity of local and regional development potentials is employed.
- Explore possibilities to territorialise target indicators (and objectives) by types of territories.
- Develop targets & indicators which are comparable and can engage citizens in a large debate.
- Do not look for a quick fix and one-size-fits-all solution.

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