



**COUNCIL OF EUROPEAN MUNICIPALITIES AND REGIONS
CONSEIL DES COMMUNES ET REGIONS D'EUROPE**

CEMR

Response to the European Commission's
Consultation on the future "EU 2020" Strategy
COM(2009) 647 final

Brussels, January 2010

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Key political messages

1. The current economic and financial crisis is an opportunity to change our society towards more sustainability

The Strategy should advocate for ambitious changes of our styles of living and producing, not just "greening" the existing modes and ways.

2. Reconsider the concept of growth and quantity

One of the reasons for the current crisis was the concentration on profit, growth, productivity and quantity. This concept needs to be reconsidered: replace growth with development and quantity with quality.

3. The new Strategy should be ambitious

The Commission should not only add some modest modifications to the Lisbon Strategy but propose a new Strategy that meets today's and tomorrow's challenges.

4. The EU 2020 should be the overarching European Strategy for the future

The coordination of other relevant European strategies, such as the revised European Sustainable Development Strategy or the new EU Strategy for the Information Society with the EU 2020 Strategy needs to be ensured.

5. Ensure ownership through involvement of all levels of governance

In order to achieve its objectives, the Strategy has to involve all levels of governance; regional and local government are important partners to ensure the successful design and delivery of the Strategy.

6. An integrated approach of all relevant sectors

The Strategy needs to take into account the interactions of all relevant sectoral policies and apply an integrated territorial approach in order to achieve sustainable results.

7. Appropriate funding for the policy priorities

The policy priorities of the EU 2020 Strategy should be mirrored in the EU budget proposal for the next financial period.

8. The EU 2020 Strategy has a territorial dimension

The EU 2020 Strategy objectives can only be achieved with measures at regional and local level, which take into account the situation at the relevant territory.

General remarks

1. CEMR welcomes the consultation on the future EU 2020 Strategy. However, we are concerned about the tight time frame, which does not leave much time for an in-depth reflection, and raises the question of how much the European Commission can take the responses into account when preparing its proposal for the new EU 2020 Strategy to the Spring Council.
2. CEMR considers the EU 2020 Strategy a crucial document on how we want our societies to develop in the coming decade. It is of great importance to the local and regional level as this is where the new Strategy will be implemented and where the policy will meet the people. That is why local and regional authorities should be prominently involved in drafting and implementing the Strategy. We therefore note with concern the little reference to the local and regional level in the paper.
3. Similarly, the role of territorially-based EU policies (such as cohesion and rural development policies) is not recognised in the paper, giving the impression that the EU 2020 Strategy should be implemented through a sectoral approach. We strongly disagree with this. Many of the Strategy's goals can only be achieved by place-based policies.
4. The Commission's consultation document elaborates broadly on the current economic and financial crisis. We agree that this is a big challenge both for public authorities at all levels and for people and businesses. However, the new Strategy is meant to be valid for the next decade and should therefore have a long-term vision and ambition.
5. The EU should seize the chance and focus on the opportunities the crisis offers. Therefore, the Strategy should encourage us to advocate for ambitious changes of our styles of living and producing, not just "greening" the existing and probably outdated modes and ways. The financial and economic crisis is an opportunity to change our society towards more sustainability in all its dimensions. In no case, the crisis should serve as an excuse for delaying or lowering the level of ambition of related investments and legislation. As the Commission document rightly states: "we will only succeed if we design and implement a bold policy response".
6. CEMR calls on the Commission to come up with such a "bold policy response" and "new approach". We encourage the Commission not only to add some modest modifications to the Lisbon Strategy but rather reflect upon the underlying philosophy and to propose a new Strategy that meets today's and tomorrow's challenges.
7. One of the reasons for the current crisis was the concentration of our thinking and acting on profit, growth, productivity and quantity. These principles can also be discovered as the red thread through the Commission's document. CEMR would suggest to reconsider this concept and to replace growth with development and quantity with quality: To **promote better quality**, not just an increase of production and to focus on better and – where possible and appropriate – less, **would be a more sustainable and innovative way of thinking and living**.
8. We regret that the Commission does not provide a fundamental analysis of the current Lisbon Strategy as the basis of the proposals for the EU 2020 Strategy. Such an analysis would have facilitated to further build on its strengths, such as the very existence of a European approach and the learning from each other. It would also have allowed addressing its shortcomings, where the lack of involvement (and thus ownership) of the regional and in particular the local level, both in developing and implementing the Strategy, is one of the most important ones. To create ownership for the EU 2020 Strategy at all levels by involving them all is equally essential to ensure actual delivery.

9. Another lesson from the Lisbon Strategy is that the EU 2020 Strategy should be more concrete. For example, it could propose an action plan and concrete indicators to monitor the implementation and outcome and the involvement of all levels of governance (European, national, regional and local).
10. CEMR welcomes the greater emphasis on people compared to the Lisbon Strategy. However, we want to make sure that people are not seen as mere "factors of production" in the labour market, whether they are EU nationals or migrants. The economy has to serve the people, not the other way round. The EU 2020 Strategy should not just be economic but also social and territorial, just as it is recognised in the new EU Treaty Objectives.

Governance

11. Local and regional authorities are essential for achieving EU and local objectives. Therefore, CEMR is concerned that the entire document does not have any reference to local authorities, the level closest to the citizens and where the different policies are delivered on the ground.¹ This absence is also in contradiction with the European Council Conclusions² and the Lisbon Treaty, which respects local self-government and extends the principle of subsidiarity to the local level.
12. The consultation document states "the Commission considers that EU 2020 should focus on key policy areas where collaboration between EU and Member States can deliver the best results, and on improved delivery through better use of the instruments at hand." This statement falls behind our expectations.
13. The EU 2020 Strategy needs to make clear that the mentioned "partnership approach" starts at the regional and local level. With reference to the multi-level and cross-sectoral nature of the Strategy, CEMR advocates partnership structures that involve the local, national and EU level, defining their respective tasks and responsibilities and working together to ensure the successful delivery of the Strategy. This would increase transparency in the accountability and reduce deficits in delivery compared to the delivery mechanisms of the current Lisbon Strategy. The EU 2020 Strategy should also ensure the involvement of local and regional authorities in the specific national process of setting targets, in partnership with the national government.
14. Also the European Parliament, as the EU institution directly elected by Europe's citizens, should get a more prominent role in defining and ensuring political accountability of the new Strategy.
15. As the local and regional level gets better involved in the implementation of the Strategy, they also need to be provided with the necessary resources to deliver results on the ground.
16. While the consultation document acknowledges that "new priorities need to be reflected in budgetary policies", the European Commission should go further and propose how the policy priorities of the EU 2020 Strategy should be mirrored in the EU budget proposal for the next financial period. Equally, the upcoming debate about the future of the EU budget should take into account the objectives and priorities of the EU 2020 Strategy.

¹ See CEMR's policy paper on the future of cohesion policy with an own section on governance (http://www.ccre.org/prises_de_positions_detail_en.htm?ID=97).

² See European Council Presidency Conclusions, 11 December 2009, on the "new EU 2020 strategy", paragraph 19: "(...) enhance national ownership through more active involvement of social partners as well as of regional and local authorities" (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/111877.pdf).

The three thematic priorities of the Strategy

17. European local and regional authorities share the objective, expressed in the Commission document, of a "sustainable social market economy, a smarter and greener economy" and agree in principle to the three priorities: creating value by basing growth on knowledge, empowering people in inclusive societies, creating a connected and greener economy.
18. CEMR advocates for the EU 2020 Strategy to become the overarching strategy for sustainable development in the EU, embracing all pillars of sustainability: the social, economic and environmental dimension.
19. Therefore we would like the EU 2020 Strategy to take stock and incorporate the evidence gathered by the European Commission's "Regions 2020" study³. This and further research show that among the six emerging challenges, which the EU will face in the future, particularly two have a direct link to the EU 2020 Strategy: globalisation adjustment and demographic change. They also have a clear territorial dimension, with areas being more and / or disproportionately affected than others. Addressing those challenges requires therefore place-based policies, measures that incorporate the territorial dimension from the outset both in terms of definition and delivery.
20. To a great extent the implementation of the three priorities as pointed out in the Strategy, depends on the existence of an adequate infrastructure in Member States, regions and municipalities. The EU should continue to support those countries where the infrastructure is not yet sufficiently developed.
21. Furthermore, we believe that the EU 2020 Strategy objectives can only be achieved with measures taken via a place-based approach allowing Europe's territories a certain flexibility and self-determination in order to better achieve both European and local objectives.
22. We notice with great surprise, however, that the EU 2020 Strategy does not mention territorial development and Cohesion Policy at all. This is the more astonishing as the Lisbon Treaty adds the territorial dimension to the economic and social cohesion as an EU objective. The absence of any spatial approach would disconnect people and places from the EU and its objectives, consequently reducing the prospect for success.
23. As Commissioner Samecki has suggested⁴, a place-based development policy will be essential for a successful EU 2020 Strategy. However, this means that the Strategy and Cohesion Policy need to complement each other, as well as territorial policies (cohesion, transport, agriculture, etc.) need to work hand in hand with sectoral policies. Therefore one of the key features of the EU 2020 Strategy needs to be to define how to coordinate the sectoral policies with the territorial approach.
24. Furthermore, CEMR calls for clarification on the Strategy's link to other relevant European strategies, such as the revised European Sustainable Development Strategy or the new EU Strategy for the Information Society. We believe that these Strategies have to contribute to the overarching EU 2020 Strategy while being specific strategies for specific policy areas or issues.

³ http://ec.europa.eu/regional_policy/sources/docoffic/working/regions2020/index_en.htm

⁴ Paweł SAMECKI: Orientation Paper on the future of Cohesion Policy, presented at the 2nd Meeting of the High Level Group Reflecting on the Future of Cohesion policy, Brussels 3 December 2009 (http://www.europolitics.info/pdf/gratuit_en/262148-en.pdf).

Creating value by basing growth on knowledge

25. Even though the EU has no direct legal competency in this policy area, CEMR welcomes the Strategy's emphasis on education. We believe that every person, regardless of its origin or gender, has the same right to education. However, studies show that in many Member States the socio-economic status still decides on a child's success in the education system. CEMR would like to stress that all children should get the support they need to receive good education.
26. We agree that creativity is a driver for innovation and a major element in developing personal, labour, entrepreneurship and social skills. Therefore, relevant measures should be a part of general education, starting at an early age and further initiatives of the Member States, regional and local authorities should be strongly supported by the EU.
27. We very much welcome the Strategy's objective to boost innovation. However, we believe that the concept of innovation should not be exclusively referring to scientific research and the high-tech industry. This purely science-based approach should be completed by the DUI (doing, using and interacting) concept of innovation. Most innovations arise from the practical context and serve to solve different kinds of problems and give solutions to a variety of needs. Considering this, innovation can and should also take place by the exchange of best practises and experiences among regions and local administrations.
28. CEMR welcomes the prominent place the Digital Agenda has in the consultation document. However, we want to underline that ICT is more than business or a means to organise our economy more efficiently. It changes our whole society (towards an information society) including the way we are living and thinking.
29. E-Government and e-Inclusion need to take a prominent place in the EU 2020 Strategy. The use of ICT will not only "make government services more efficient and easier" but also greener and more effective (e.g. freeing resources from paper work to real services in social service provision). The use of ICT will make services more accessible, notably in rural or peripheral regions. It also contributes to changing public services and the very way public administration is organised. These aspects should be included in the new Strategy by extending the description of the benefits from the use of ICT.
30. CEMR welcomes the recognition of the importance of Internet access, high-speed broadband and digital inclusion in the document and asks the Commission to come up with concrete proposals in the Strategy.

Empowering people in inclusive societies

31. Social inclusion is the expression of solidarity in society and aims to promote economic and social progress for all. It is an intrinsic goal of the European model of society. The overarching aim is to enable all groups of society to enjoy good quality of life and to participate in the community as active citizens.
32. CEMR supports the priority of empowering people in inclusive societies and we see the need for fostering social cohesion. We share the view that access to the labour market is a vital aspect for social inclusion. However, social inclusion cannot be limited to the labour market nor does employment alone guarantee for social inclusion and social cohesion.
33. Addressing the needs of disadvantaged groups and supporting those who are outside the labour market represent a major challenge to all actors involved in the task of creating cohesive and inclusive societies.
34. Regional and local authorities play an essential role in creating inclusive and cohesive societies, as in many cases they are responsible for a wide range of services aimed to promote active inclusion (welfare services, employment measures, education and

training programmes, childcare, etc.). Municipalities and regions are not only responsible for the planning and provision of services but in many countries they are also main actors in the promotion of economic development, job opportunities and well-being in their communities, working in partnership with other local stakeholders.

35. Vulnerable groups and those at the margins of the labour market suffer in most cases multiple disadvantage requiring personalised, sustained and intensive support. Their knowledge of local circumstances and their close contact with the citizens allow municipalities to better address the specific needs of the most disadvantaged, if they are financially and legally enabled to do so. Therefore, the EU 2020 Strategy needs to take into account the important role of local and regional authorities in relation to social inclusion.
36. In particular we are concerned with those voices arguing for a sectoral approach to the social dimension of the EU 2020 Strategy. As outlined above, the priority should be to better territorialise the European Social Agenda in order to make the EU dimension relevant for addressing citizens' needs directly where they live: in municipalities, cities and regions.
37. The impact of the economic crisis on employment will continue to severely affect people even when the economy will already be recovering. Therefore, short-term policies are needed to prevent that those who lost their jobs will become long-term unemployed. At the same time it is crucial to continue to pursue long-term objectives and to increase the overall labour market participation.
38. In this regard CEMR strongly supports efforts to better match and anticipate skills needs and would like to highlight that this is only possible in close cooperation with the social partners.
39. Measures that allow employees to find the right work-life balance are an important tool to increase labour market participation.
40. Even in times of economic prosperity, young people belong to those groups which have most difficulties to enter the labour market. The economic crisis intensifies this problem because of lacking possibilities for young people to qualify (lack of apprenticeships and jobs suitable for starters) followed by unemployment and eventually long-term unemployment. This development risks to waste the potential of an entire generation. Thus youth need to be supported with the aim to enable them through good education and other measures to find their way into the labour market or to be able to stay in the labour market.
41. In a knowledge-based society, learning has to be a life-long process and access for all age groups to qualification measures has to be insured.

Creating a competitive, connected and greener economy

42. Developing a greener economy requires coordinated policies at European, national, regional and local level. A comprehensive economic shift cannot be initiated without the involvement of Europe's regions and towns, which have the necessary competences and the knowledge of the local context. Local and regional authorities see the opportunities of eco-efficient and future-oriented industries and services in their territories and for their population.
43. Local and regional authorities favour the uptake of new technologies in integrating them in their own activities and the provision of public services (e.g. e-government, clean vehicles in public fleets, etc.). They are home to research and development (R&D) facilities and headquarters and have a role to play in creating a research-friendly environment. They also support the cooperation between universities and industries through the development of local and regional innovation clusters.

44. CEMR considers the approach proposed by the Commission to create a “competitive, connected and greener economy” as far too narrow. Addressing the needs of the future implies a much more holistic approach, relying on all the dimensions of sustainable development. Our economic, environmental and social development fundamentally depends on a significant shift in the way we are living, working and moving.
45. Climate change should be better integrated in the EU 2020 Strategy. Appropriate measures to adapt to the potential impacts of climate change have to be taken here and now to conserve our natural resources and protect our transport, energy or industrial infrastructures.
46. We approve the Commission’s assessment that the framework conditions of our economy should be adapted through different tools such as internalisation of external costs (e.g. taxing of energy and CO₂), subsidies, green procurement, and R&D. Regulatory measures can also be efficient to change the economy. Nevertheless, new obligations for local and regional authorities should always be accompanied with adequate financial resources.
47. Transport will play a major role in the move towards a greener economy, and therefore we endorse the statement that a rethinking of transport policy is needed. The EU 2020 Strategy should be closely linked to the White Paper on the future of transport policy, which will cover the same timeframe and share the same objective of sustainability.
48. CEMR supports strong EU and national measures to encourage and facilitate the development of decentralised renewable energy production. Decentralised energy supply operates at far higher efficiency, as little energy is lost during the transmission and distribution processes. Decentralised energy using renewable technologies, particularly in combination with cogeneration, has the potential to deliver the greenest energy with the lowest emissions. It is generally better adapted to the local environmental conditions and to local demand. Moreover, the development of such energy creates local employment.
49. In line with the revised EU Action plan on energy efficiency, the 2020 Strategy should focus on energy efficiency measures in energy generation, energy transport, distribution and end-use, including in the transport sector. Innovation and new technologies, as well as adapted education and training will be essential for a real change towards an energy efficient society. Creating a greener economy requires improving knowledge and developing green jobs. The EU 2020 Strategy should address the availability or adaptation of skills, both in the private and the public sector.