TAMÁS SZEMLÉR[1]

The Europe 2020 Strategy and the EU Financial Perspective 2014–2020[2]

The Europe 2020 Strategy and the EU Financial Perspective 2014–2020
The Lisbon Strategy (2000–2010) could be understood as the EU's response to global competitiveness challenges; the Europe 2020 Strategy (for the decade until 2020) is a renewed and redesigned version of the Lisbon Strategy. The EU intends to make Europe 2020 an overall policy framework. The paper deals first with some key criteria the fulfilment of which – on the basis of the experiences of the European integration process – looks necessary for the success of any overarching EU programme. After this, an evaluation of the experiences of the Lisbon Strategy follows, then, partly based on these experiences, we try to preview the chances of the Europe 2020 Strategy. After that, discuss the role of the EU budget in the financing of Europe 2020 and on the effects of Europe 2020's success or failure on the EU budget.

Introduction

The competitiveness of the European Union (EU) has been in the centre of political debates on the integration process as well as of professional analyses tackling the results and the problems in this field. The importance of this issue has become painfully clear as the first oil shock in 1973–1974 has stopped the dynamic growth of the Western European countries, and made the objective of catching-up to Europe's most important competitors – the US and Japan – unrealistic. Since then, several programmes aiming at the enhancement of economic growth – including the creation of the Single Market and of the Economic and Monetary Union – has been elaborated and "tested" in Europe. However, they were not able to solve Europe's competitiveness problems.

Since the turn of the millennium the circle of serious global competitors has become wider, first of all due to the rapid growth of China and India. The EU's Lisbon Strategy (2000–2010) can be understood as a specific response to the above tendencies; the Europe 2020 Strategy initiated in 2010 for the decade until 2020 is a renewed and redesigned version of the Lisbon Strategy. Learning from the experiences of the Lisbon strategy, the EU now intends to make Europe 2020 an overall policy framework and to build the expenditure items of the EU budget for the next financial perspective (2014–2020) around the inherent logic of the Europe 2020 Strategy.

---

[1] Tamás Szemlér, Ph.D is Head of the Chair of Economics at the Budapest Business School.
E-mail: szemler.tamas@kkfk.bgf.hu

[2] Parts of this paper have already been published in Szemlér [2011]; the present paper contains updated and edited information of these parts, as well.

The paper deals first with some key criteria the fulfilment of which – on the basis of the experiences of the European integration process – looks necessary for the success of any overarching EU programme. After this, an evaluation of the experiences of the Lisbon Strategy follows, then, partly based on these experiences, we try to preview the chances of the Europe 2020 Strategy. After that, we discuss the role of the EU budget in the financing of Europe 2020 and on the effects of Europe 2020's success or failure on the EU budget.

1. How can a European strategy be successful?

News about the developments of the European integration process tackle very often the difficulties of progress. There is much less information on spectacular successes – one of the reasons is certainly that such successes are generally reached as a result of hard work during a longer period of time. But we can certainly ask the question: what are the necessary conditions of the success of a long-term EU programme?

First of all, a long-term objective – we may call it vision – is necessary. It is also important that all (or most) Member States should agree on this vision and fully support it (as an objective of their own). The fulfilment of these criteria is the pre-condition of any political decision, even in the case of important compromises (which are characteristic for the EU's development).

However, any vision alone is very far from being sufficient. It is also important that the long-term objective(s) should be realistic. In order to assure a realistic approach, setting intermediary deadlines and objectives can be very useful. These deadlines and objectives make possible the evaluation of progress made, and – if necessary –, can indicate the necessity of changing the process. Flexibility is also an important part of the system, as inflexible intermediate objectives could even be harmful for progress.

In order to reach the objectives of an overarching strategy, beyond final and intermediary objectives, also adequate tools are necessary. We understand here tools in a broad sense, including e.g. financial resources, as well as institutional and decision-making mechanisms related to the given programme.

The fulfilment of all the conditions mentioned above is, of course, no guarantee for success. Success may depend on a lot of factors, including first of all the content of the given programme as well as the external environment. However, in the two most important EU "projects" of the last decades – the establishment of the Single Market and the creation of the Economic and Monetary Union – the fulfilment of these conditions has to a great extent contributed to their success.

In the case of the Single Market, after the announcement of the "project" in 1986, there were seven years for the realisation of the final objective – the free movement of goods, services, capital and workforce (since the entry into force of the Maastricht Treaty: persons) within the European Community. During these seven years, the

Member States have negotiated and accepted more than 200 legal acts concerning very different fields of life including e.g. tax policy, business regulation and professional qualifications.[3] Despite the fact that there are still exceptions from the four freedoms (the most general and probably most well-known problem being the imperfections related to the free movement of services), the establishment of the Single Market can be considered as one of the greatest successes of European integration.

In the case of the Economic and Monetary Union, the Member States – having learned the lessons of the failure in the first half of the 1970s – have agreed in the early 1990s on a detailed set of criteria and on an exact timetable. Regarding the timetable, we should emphasise the importance of the explicitly built-in flexibility *and* the strict final deadline[4]: without these, the beginning of the third stage of the Economic and Monetary Union could have raised serious problems.[5] The preparations and the continuous fine-tuning included the elaboration of the institutional setup as well as of the regulations for the period after the introduction of the euro (e.g. the functioning of the European Central Bank, of the European System of Central Banks, as well as of the Stability and Growth Pact).[6] Despite all its imperfections and actual problems, the Economic and Monetary Union is still one of the most spectacular examples to illustrate that – with adequate tools and mechanisms – even objectives that may seem unrealistic in the beginning of a visionary "project" can be reached.[7]

In order to judge the prospects of the Europe 2020 Strategy, it is useful to examine the presence or the lack of the above-discussed criteria. It is also useful to compare available information on the functioning of the Europe 2020 Strategy – including the proposal of the European Commission to build the 2014–2020 financial perspective of the EU budget on the logic of the Europe 2020 – with the system and the experiences of the Lisbon Strategy.

---

[3] http://europa.eu/abc/history/1980-1989/index_en.htm, last accessed: 29 February 2012

[4] The Maastricht Treaty did not fix the exact time of the beginning of the third stage of the Economic and Monetary Union, but laid down that it should be – in any case – in 1999 at the latest. „If by the end of 1997 the date for the beginning of the third stage has not been set, the third stage shall start on 1 January 1999. (…) " Source: Treaty on European Union, Article 109j, 4., http://eur-lex.europa.eu/en/treaties/dat/11992M/htm/11992M.html (last accessed: 3 March 2012). As it turned out, this planned, at the same time flexible *and* strict deadline has proved to be very useful.

[5] Flexibility with regard to the interpretation of the criteria was also important – although there are important doubts about the positive nature of the approach used.

[6] Of course, it is true that present problems of the Economic and Monetary Union are rooted – according to many analysts since the beginning of the "project" – in problems related to the content of the conditions, first of all in the lack of sufficient harmonisation of economic (in particular, fiscal) policies of the countries involved.

[7] One should not forget that the establishment of the Cohesion Fund is also closely related to the Economic and Monetary Union. The objective was to assure additional external financial resources for development for the (then) poorest four EU Member States (Greece, Ireland, Portugal and Spain – all of them having a GDP/capita indicator under 90% of the EU average) for the period of their preparation (meaning also a strict budgetary policy, a reduction of spending) for the Economic and Monetary Union. For a short summary of the conditions, see e.g.: http://ec.europa.eu/regional_policy/funds/procf/cf_en.htm, last accessed: 10 March 2012.

2. The experiences of the Lisbon Strategy

The Lisbon Strategy – announced in 2000 and containing quantified objectives for 2010 – was not lacking ambitious visions. According to the objectives set by the strategy which was based on three pillars (economic, social and environmental), by 2010, the EU should have become the most competitive area in the world, substantially improving by that time the level of employment and social cohesion.[8] These objectives were, of course, nice, but have been regarded sceptically by many observers since the beginning. Scepticism was based to a great extent on the fact that no substantial new EU-level tools have been created to facilitate the realisation of the strategy:[9] its execution has been the task of the Member States, while EU-level coordination – purged from compulsory elements – has been based on the so-called open coordination mechanism.[10]

A few years after the start it has become clear that scepticism was not unfounded. The programme was meticulously reviewed in 2005, and, based on the results of the review, some changes took place. These took into account first of all the critics and recommendations expressed in the report of the expert group led by Wim Kok.[11] Since 2005, coordination has become less complicated, and the integrated guidelines for economic growth and employment have also explicitly taken into account the economic environment (they have been elaborated simultaneously with the micro- and macroeconomic prospects). These guidelines have constituted the basis of both the EU Lisbon Programme and the so-called National Reform Programmes.[12] The practically continuous monitoring of the programmes (including a yearly review) has made practically immediate corrections possible (but not obligatory).

The views on the effectiveness of the renewed Lisbon Strategy are diverging: while some analysts were inclined to see considerable progress, others underlined the effects of conjuncture behind the improving tendencies in the case of some indicators

[8] As it is stated in the Presidency Conclusions of the 2000 Lisbon European Council: „The Union has today set itself a **new strategic goal** for the next decade: to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion" (European Council [2000]).

[9] „No new process is needed. The existing Broad Economic Policy Guidelines and the Luxembourg, Cardiff and Cologne processes offer the necessary instruments, provided they are simplified and better coordinated, in particular through other Council formations contributing to the preparation by the ECOFIN Council of the Broad Economic Policy Guidelines". Source: Presidency Conclusions, Lisbon European Council, 23 and 24 March 2000, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/00100-r1.en0.htm, last accessed: 11 March 2012.

[10] For a short description of the mechanism, see: http://europa.eu/scadplus/glossary/open_method_coordination_en.htm, last accessed: 14 March 2012.

[11] Facing the challenge: the Lisbon strategy for growth and employment. Report from the High Level Group chaired by Wim Kok, November 2004, http://ec.europa.eu/research/evaluations/pdf/archive/fp6-evidence-base/evaluation_studies_and_reports/evaluation_studies_and_reports_2004/the_lisbon_strategy_for_growth_and_employment__report_from_the_high_level_group.pdf, last accessed: 14 March 2012.

[12] For the details of the mid-term changes, see: European Council [2005].

in 2006–2007.[13] The renewed Lisbon Strategy could not enjoy a long "calm" period which could have allowed accumulate enough experience to decide such a debate: since 2008, the financial and economic crisis has overwritten all previous expectations and scenarios. The reflection on a fundamental reform of the Lisbon Strategy (expiring in 2010 anyway) has already been on the Agenda, and the dramatically changing circumstances have made this reflection even more urgent.

3. The Europe 2020 Strategy

The Europe 2020 Strategy was presented by a European Commission document[14] published on 3 March 2010. The publication of the document was preceded by a public consultation.[15] As a result, the objectives and the key areas outlined in the document – and part of which has already been present in the Lisbon Strategy – did not cause any surprise.

The novelty of the Europe 2020 Strategy consists in its coherent structure. This includes the overarching priorities, the objectives (more than before 2010, and all objectives actualised according to the situation in 2010) and the so-called flagship initiatives (see Table 1 for these key elements of the Europe 2020 Strategy). Europe 2020 has been finalised and approved on 17 June 2010 by the European Council.[16]

Table 1. Key elements of the Europe 2020 Strategy

„Europe 2020 puts forward three mutually reinforcing priorities:

– Smart growth: developing an economy based on knowledge and innovation.
– Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
– Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

The EU needs to define where it wants to be by 2020. To this end, the Commission proposes the following EU headline targets:

[13] The debate can also be captured in the following lines: „Until the crisis hit, Europe was moving in the right direction. Labour markets were performing well with participation levels rising to 66% and unemployment levels dropping to 7%, while (…) EU GDP growth was just short of the Lisbon Strategy's envisaged 3% average growth. Although some of this progress was undoubtedly due to cyclical factors, developments in labour markets in particular owed much to the structural reform efforts of EU Member States". Source: European Commission [2009a].
[14] European Commission [2010a].
[15] The public consultation was open between 24 November 2009 and 15 January 2010, and was based on European Commission [2009b].
[16] European Council [2010].

– 75 % of the population aged 20-64 should be employed.
– 3% of the EU's GDP should be invested in R&D.
– The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).
– The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree.
– 20 million less people should be at risk of poverty.

These targets are interrelated and critical to our overall success. To ensure that each Member State tailors the Europe 2020 strategy to its particular situation, the Commission proposes that EU goals are translated into national targets and trajectories.

The targets are representative of the three priorities of smart, sustainable and inclusive growth but they are not exhaustive: a wide range of actions at national, EU and international levels will be necessary to underpin them. The Commission is putting forward seven flagship initiatives to catalyse progress under each priority theme:

– "Innovation Union" to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs.
– "Youth on the move" to enhance the performance of education systems and to facilitate the entry of young people to the labour market.
– "A digital agenda for Europe" to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.
– "Resource efficient Europe" to help decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency.
– "An industrial policy for the globalisation era" to improve the business environment, notably for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.
– "An agenda for new skills and jobs" to modernise labour markets and empower people by developing their of skills throughout the lifecycle with a view to increase labour participation and better match labour supply and demand, including through labour mobility.
– "European platform against poverty" to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.”

Source: European Commission [2010a], pp. 5–6.

An important element of the objectives is that – according to the European Commission's recommendation – Member States should "translate" the EU level objectives into national objectives and tracks[17]; this approach is also known from the post-2005 experience of the Lisbon Strategy. This way, the decomposition of the long-term objectives (visions) into more specific partial ojectives is (at least geographically) present. The question is – just as it was in the case of the Lisbon Strategy – whether the objectives are realistic, and whether the system allows for adequate flexibility.

Some changes – compared to the experiences of the Lisbon Strategy – give ground for optimism. Europe 2020 takes the international environment much more and in a much more realistic way into account, thus, it is more "embedded" into the global processes than its predecessor was. This feature has a positive effect on the seven flagship initiatives which constitute the main specific and issue-oriented tools of the Europe 2020 Strategy. The flagship initiatives themselves are clearly outlined; they cover fields that are all related both to traditional EU policies and to the three priorities of the Europe 2020 Strategy. This – more logical and more coherent approach – may provide better chances for coordinated action than in the case of the Lisbon Strategy.

Europe 2020 is about coordinated action of the Member States. Effective (and especially: efficient) coordinated action requires a well functioning institutional system. Under the Europe 2020 Strategy, tasks continue to be shared by EU and national level institutions,. However, national stability/convergence programmes as well as national reform programmes aiming at the realisation of the Europe 2020 Strategy will have to be integrated both into the national budgetary processes and into the European Semester (aiming at the strengthening of economic policy coordination between Member States).[18] The efficient coordination of activities – both between different policy fields and between different levels of administration – is one of the key conditions of the success of the Europe 2020 Strategy.

4. The role of the EU budget

Beyond the aspects described until now, the realisation of the Europe 2020 Strategy necessarily raises the question of financing: who (the Member States' budgets and/or the EU budget) and to what extent will finance it?

According to the official website of the European Commission, the answer to the question why the Europe 2020 Strategy does not have its own budget is: "Because throwing money at problems is not the solution. The **key to long-term, sustainable growth is *reform* –** both structural reform and changes in public spending."[19] At the same time it is also true that the areas targeted by the strategy have received

[17] European Commissin [2010a], p. 3.
[18] http://ec.europa.eu/europe2020/who-does-what/member-states/index_en.htm, last accessed: 22 March 2012.
[19] http://ec.europa.eu/europe2020/services/faqs/index_en.htm#4, last accessed: 24 March 2012.

considerable resources from the EU budget since 2007: "For example, between 2007 and 2013, over €50bn is available for R&D projects, over €3bn for competitiveness and innovation and nearly €7bn for lifelong learning. This is all in addition to €277bn worth of regional funding for the same period through the Structural Funds." [20]

The text also emphasises the importance of other steps aiming at the improvement of the efficiency of both EU and Member State level funding: "In addition to this, EU governments will be encouraged to review their own public spending to improve quality and efficiency and, despite significant fiscal constraints, find ways to invest in sustainable growth. At the same time, **new financing models** (such as public-private partnerships, leveraging EU or European Investment Bank funding, etc.) should be explored, to pool public and private-sector resources and maximise impacts."[21]

The above amounts mean a very important step forward compared to the period before 2007. The most important new element on the expenditure side of the EU budget for the 2007–2013 financial perspective has probably benn the emphasised appearance of the "competitiveness" objective. However - especially in the light of the objectives set by the Europe 2020 Strategy –, these amounts seem to be still too limited.

All this has become even more important in the light of the document published by the European Commission on 19 October 2010.[22] According to this document, the structure of the EU budget during the next financial perspective (beginning in 2014) may be built on the logic of the Europe 2020 Strategy. Some months later, the official proposal of the European Commission for the multiannual financial framework 2014–2020[23] – published on 29 June 2011 – has confirmed this approach and revealed its details.

Beyond its title (A budget for Europe 2020), the document precises in the very beginning that the EU budget has the objective to support the Europe 2020 Strategy: "In preparing its proposals for the future budget of the European Union, the Commission has faced the challenge of being able to fund the growing number of policy areas where the EU can be more effective by acting through the EU level in the current climate of national austerity and fiscal consolidation. This has led it to propose a budget with a strong pan- European logic, designed to drive the Europe 2020 growth strategy. This proposal is innovative in terms of the quality of its spending proposals and also in terms of how the EU budget should be funded in future, potentially easing the direct impact on national budgets and making it a truly European budget."[24]

[20] http://ec.europa.eu/europe2020/services/faqs/index_en.htm#4, last accessed: 24 March 2012.
[21] http://ec.europa.eu/europe2020/services/faqs/index_en.htm#4, last accessed: 24 March 2012.
[22] European Commission [2010b].
[23] European Commission [2011].
[24] European Commission [2011], p. 5.

Table 2 shows the figures of the multiannual financial framework in terms of commitments. It is clear that Headings 1 and 2 (representing 85% of total expenditure in the period 2014–2020) are the ones related to the three priorities (Smart, Inclusive and Sustainable Growth) of the Europe 2020 Strategy. It is also clear that – beyond their new names – these headings are very similar to Headings 1 and 2 in the present period. Of course, there are some interesting new elements and mechanisms (first of all, the Connecting Europe facility), but the changes are far form looking revolutionary.

Still, the fact that the EU budget is very closely tied to the Europe 2020 Strategy is an important novelty. The success or the failure of the strategy will also mean the success or the failure ofthe budget. If Europe 2020 becomes a success, the use of the budget will be regarded – in line with the evaluations in the Commission proposal – as innovative and efficient. If, on the contrary, Europe 2020 will be more similar to its predecessor (the Lisbon Strategy), the failure may shed a negative light on the EU budget, too. Therefore, the decision of the European Commission to link the budget with the Europe 2020 Strategy is a courageous step – it also means that this step is not without risks.

Table 2

MULTIANNUAL FINANCIAL FRAMEWORK 2014-2020 (IN COMMITMENTS)

2011 prices	2013	2014	2015	2016	2017	2018	2019	2020	2014-2020
HEADING 1 Smart and Inclusive Growth									
Galileo	2	1.100	1.100	900	900	700	900	1.400	7.000
Nuclear safety + decommissioning	279	134	134	134	134	55	55	55	700
CSF research and innovation	9.768	10.079	10.529	10.979	11.429	11.879	12.329	12.776	80.000
New Competitiveness/SME	177	236	270	305	340	375	410	445	2.380
Single Education, Training, Youth and Sport	1.305	1.423	1.673	1.923	2.173	2.423	2.673	2.923	15.210
Social development agenda	119	121	121	121	121	121	121	124	850
Customs-Fiscalis-Anti Fraud	107	120	120	120	120	120	120	120	840
Agencies	258	237	291	290	291	265	326	331	2.030
Other	308	267	267	267	267	267	267	267	1.868
Margin	49	513	533	553	573	593	613	633	4.009
Energy	22	973	1.233	1.033	1.173	1.303	1.503	1.903	9.121
Transport	1.552	2.299	2.499	2.899	3.099	3.499	3.699	3.700	21.694
ICT	3	642	782	1.182	1.442	1.512	1.712	1.913	9.185
Connecting Europe Facility	1.577	3.914	4.514	5.114	5.714	6.314	6.914	7.516	40.000
Regional convergence	30.692	22.032	22.459	22.836	23.227	23.631	24.012	24.393	162.590
Transition regions	1.963	5.549	5.555	5.560	5.565	5.570	5.574	5.579	38.952
Competitiveness	6.314	7.592	7.592	7.592	7.592	7.592	7.592	7.592	53.143
Territorial cooperation	1.304	1.671	1.671	1.671	1.671	1.671	1.671	1.671	11.700
Cohesion fund	11.885	9.577	9.620	9.636	9.708	9.888	10.059	10.222	68.710
Outermost and sparsely populated regions	249	132	132	132	132	132	132	132	926
Cohesion policy	52.406	46.554	47.029	47.428	47.895	48.484	49.041	49.589	336.020
H1 TOTAL	**66.354**	**64.696**	**66.580**	**68.133**	**69.956**	**71.596**	**73.768**	**76.179**	**490.908**
HEADING 2 Sustainable Growth: natural resources									
Subceiling CAP (direct payments + market expenditures)	43.515	42.244	41.623	41.029	40.420	39.618	38.831	38.060	281.825
Rural Development	13.890	13.618	13.351	13.089	12.832	12.581	12.334	12.092	89.895
EMFF (incl. market measures) + FPA's + RFMO's	984	945	950	955	955	960	960	960	6.685
Environment and climate action (Life+)	362	390	415	440	465	490	515	485	3.200
Agencies	49	49	49	49	49	49	49	49	344
Margin	230	140	140	140	140	140	140	139	979
H2 TOTAL	**59.031**	**57.386**	**56.527**	**55.702**	**54.861**	**53.837**	**52.829**	**51.784**	**382.927**
HEADING 3 Security and citizenship									
Migration Management Fund	487	490	490	490	490	490	490	493	3.433
Internal Security	604	528	548	568	588	608	628	648	4.113
IT systems	132	104	104	104	104	104	104	105	729
Justice	44	44	50	55	60	65	70	72	416
Rights and Citizenship	36	41	46	50	55	60	65	71	387
Civil protection	20	35	35	35	35	35	35	35	245
Europe for Citizens	29	29	29	29	29	29	29	29	203
Food safety		330	323	317	311	305	299	293	2.177
Public Health	54	57	57	57	57	57	57	54	396
Consumer protection	24	25	25	25	25	25	25	25	175
Creative Europe Programme	181	182	197	212	227	242	257	273	1.590
Agencies	387	431	431	431	431	431	431	431	3.020
Other	155	106	106	106	106	106	106	106	743
Margin	57	130	130	130	130	130	130	129	909
H3 TOTAL	**2.209**	**2.632**	**2.671**	**2.609**	**2.648**	**2.687**	**2.726**	**2.763**	**18.535**
HEADING 4 Global Europe									
Instrument for Pre-Accession (IPA)	1.888	1.789	1.789	1.789	1.789	1.789	1.789	1.789	12.520
Eur. neighborhood instr. (ENI)	2.268	2.100	2.213	2.226	2.265	2.340	2.439	2.514	16.097
EIDHR	169	200	200	200	200	200	200	200	1.400
Stability(IfS)	357	359	359	359	359	359	359	359	2.510
Security (CFSP)	352	359	359	359	359	359	359	359	2.510
Partnership instrument (PI)	70	126	130	135	141	148	156	164	1.000
Development Coop instr. (DCI)	2.553	2.560	2.682	2.808	2.938	3.069	3.202	3.338	20.597
Humanitarian aid	841	930	925	920	915	910	905	900	6.405
Civil Protection (CPFI) + ERC	5	30	30	30	30	30	30	30	210
EVHAC	0	20	22	25	29	33	38	43	210
Instrument for Nuclear Safety Cooperation (INSC)	76	80	80	80	80	80	80	80	560
Macro-financial assistance	132	85	85	85	85	84	84	85	593
Gurantee fund for External actions	250	236	231	226	195	157	128	84	1.257
Agencies	20	20	20	20	20	20	20	20	137
Other	141	134	134	189	134	134	134	134	995
Margin	101	374	388	396	422	439	458	523	3.000
H4 TOTAL	**9.222**	**9.400**	**9.645**	**9.845**	**9.960**	**10.150**	**10.380**	**10.620**	**70.000**
HEADING 5 Administration									
Pension expenditures and European Schools	1.522	1.575	1.640	1.687	1.752	1.785	1.839	1.886	12.165
Adminstrative expenditure of the institutions	6.802	6.812	6.869	6.924	6.991	7.074	7.156	7.239	49.064
Margin	510	155	170	185	200	215	230	247	1.400
H5 TOTAL	**8.833**	**8.542**	**8.679**	**8.796**	**8.943**	**9.073**	**9.225**	**9.371**	**62.629**
TOTAL	**146.850**	**142.556**	**144.002**	**146.085**	**146.368**	**147.344**	**148.928**	**150.718**	**1.025.000**
in % of GNI	**1,12%**	**1,08%**	**1,07%**	**1,06%**	**1,06%**	**1,06%**	**1,04%**	**1,03%**	**1,05%**

Source: European Commission [2011], p. 25.

Concluding remarks

By now, it is clear that the Europe 2020 Strategy will play a central role in the intetntions to realise the main economic mid-term economic priorities of the EU. It is also clear that the European Commission intends to build the next multiannual financial framework on the logic of the Europe 2020 Strategy – although details may change until the agreement on the key figures of the 2014–2020 financial perspective, this logic will very probably remain. This is why it is extremely important to fill the framework of Europe 2020 with real content (and not only with nicely sounding objectives). Otherwise, not just the Europe 2020 Strategy, but also the effectiveness and the efficiency of the EU budget (and also of national budgets) – based on the strategy – may be seriously damaged.

If the real content exists and if the institutional system necessary for the gradual realisation of the objectives is there, then the idea of building the EU budget onto the structure and logic of the Europe 2020 Strategy can prove to be a good one. In the opposite case, the idea can lead to the continuation of the present situation, which would be a disaster both from the point of view of the Europe 2020 Strategy and from that of a future-oriented and efficiently used EU budget.

References

European Commission [2009a]: Commission Staff working document. Lisbon Strategy evaluation document, European Commission, Brussels, 2.2.2010, SEC(2010) 114 final.

European Commission [2009b]: Commission Working Document: Consultation on the future „EU 2020" trategy, Commission of the European Communities, Brussels, 24.11.2009, COM(2009) 647 final.

European Commission [2010a]: Communication from the Commission: Europe 2020: A strategy for smart, sustainable and inclusive growth, European Commission, Brussels, 3.3.2010, COM(2010) 2020 final
.
European Commission [2010b]: Communication for the Commission to the European Parliament, the Council, the European Economic and social Committee, the Committee of the Regions and the National Parliaments: The EU Budget Review, European Commission, Brussels, 19.10.2010, COM(2010) 700 final.

European Commission [2011]: A Budget For Europe 2020 – Part I – Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions COM(2011), 500/I final.

European Council [2000]: Presidency Conclusions, Lisbon European Council, 23 and 24 March 2000, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/00100-r1.en0.htm, last accessed: 11 March 2012.
European Council [2005]: Presidency Conclusions, Brussels European Council, 22 and 23 March 2005, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/84335.pdf, last accessed: 14 March 2012.

European Council [2010]: Conclusions, European Council, 17 June 2010, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/115346.pdf,ch, last accessed: 20 March 2012.

... [2004]: Facing the challenge: the Lisbon strategy for growth and employment. Report from the High Level Group chaired by Wim Kok, November 2004, http://ec.europa.eu/research/evaluations/pdf/archive/fp6-evidence-base/evaluation_studies_and_reports/evaluation_studies_and_reports_2004/the_lisbon_strategy_for_growth_and_employment__report_from_the_high_level_group.pdf, last accessed: 14 March 2012.

http://ec.europa.eu/europe2020/who-does-what/member-states/index_en.htm, last accessed: 22 March 2012.

http://ec.europa.eu/europe2020/services/faqs/index_en.htm#4, last accessed: 24 March 2012.

http://ec.europa.eu/europe2020/services/faqs/index_en.htm#4, last accessed: 24 March 2012.

http://ec.europa.eu/europe2020/services/faqs/index_en.htm#4, last accessed: 24 March 2012.

http://ec.europa.eu/regional_policy/funds/procf/cf_en.htm, last accessed: 10 March 2012.

http://europa.eu/abc/history/1980-1989/index_en.htm, last accessed: 29 February 2012

http://europa.eu/scadplus/glossary/open_method_coordination_en.htm, last accessed: 14 March 2012.

Szemlér, Tamás [2011]: The Birth of the European Tiger? The Chances of the Europe 2020 Strategy, ICEG EC Opinion No.11, 2011.

Treaty on European Union, http://eur-lex.europa.eu/en/treaties/dat/11992M/htm/11992M.html, last accessed: 3 March 2012.