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2020 EU Strategy: state of affairs

As the 2010 deadline set by the "Lisbon Strategy" (making the EU the world's most dynamic knowledge-based economy by 2010) is drawing closer, the European Commission and several EU members have begun to reflect on ways to replace this ambitious program. A public consultation was launched by the Commission the 24th of last November and the deadline for responses was this 15 January. The final proposal for the new "EU 2020 Strategy" is going to be published by the newly named EU executive by the end of February.

According to the draft proposed in the context to the consultation by the Commission, **the new strategy should find a balance between the "continued need for fiscal support" and "the need to restore sustainable public finances and macroeconomic stability"**. In that respect, the **stability and growth pact** which limits public deficits to 3 % of Gross Domestic Product, will be of great importance.

The proposed new Strategy grants the European Council (Heads of State and government) a considerable role. Indeed, according to the Commission this institution will *"fix a small number of headline objectives and define the corresponding policy action to be pursued at both EU and Member State level in partnership"*. For each objective, Member States would *"set their individual targets for five years corresponding to their national situations and their starting points"*.

The Commission proposes 4 key priorities for 2020:

- **Innovation and knowledge:** *“in a fast changing world, what makes the difference is innovation in both products and processes”.*
- **Fighting exclusion:** with the explosion of unemployment, the Commission suggests *“empowering people”* in order to create new jobs. The document suggests that transition between jobs and training periods will require a major effort to prevent people falling out of the system, and to ensure social cohesion.
- **Green growth:** *“More efficient use of resources, energy, and the application of new, greener technologies will stimulate growth, create new jobs and services and help the EU meet its environmental and climate goals”.*
- **Digital Europe:** The Commission recommends developing a *“smart, upgraded transport and energy infrastructures to improve competitiveness”.*

The President of the European Commission, José Manuel Barroso, declared at the beginning of this year that, given the failure to implement the former Lisbon Strategy, he wants the Eu2020 Strategy to contain **more rigorous governance mechanisms such as naming and shaming Member States that fail to implement EU2020 reforms.**

Herman Van Rompuy, President of the European Council, underlined as well the importance of having a *“tighter governance and a better control of the process”*. For this purpose he has called a **Summit of Heads of State and government the 11th of this coming February** to discuss the new strategy.

The Spanish Presidency aims at having the Strategy adopted at the 17-18 June meeting of EU heads of State and government at the latest.

For further information please follow the following e-address:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1807>

The secretariat of CEPLIS will keep you informed on any further evolutions.

Candidate EU Commissioners line-up on the parliament’s grill

Starting from the 11th of January, the 26 personalities who have been nominated by national governments to join José Manuel Barroso, the President of the European Commission in the College of Commissioners for the period 2010-14 are being questioned by the Members of the European Parliament. The Commissioners designated will be interrogated on their intentions and their suitability for the portfolios assigned to them. A vote of the European Parliament on the entire College is scheduled for January the 26th. If the vote is positive, the new Commission can then begin its work shortly afterwards, probably on the first of February.

The EP hearings of the candidates will be conducted by members of the most relevant EP committees to the task assigned to each commissioner. Only the Commissioners in charge of Justice, Fundamental Rights and Citizenship (Mrs. Reding) and Internal Market and Services (Mr. Barnier) will be questioned by more than one Parliamentary Committee.

So far, the Commissioners-designated who are responsible for matters of relevance to our socio-economic category, i.e. Mrs. Reding, Mr. De Gucht (candidate



Mrs. Jeleva

for the portfolio of Trade) and Mr. Almunia (nominee for Competition) have passed this test quite well.

Some other candidates did not seem to be as successful. **Mrs. Jeleva**, in charge of humanitarian aid, was for example facing allegations over financial interests and lack of experience to fulfill the function. She has not been able to put those doubts to rest.

As MEPs do not have the right to reject an individual Commissioner, they can only express their disagreement to a person by rejecting the entire College unless the President of the Commission agrees to make changes, either by bringing in new nominees or redistributing portfolios, as it was the case five years ago when the EP threatened to reject the whole College following to alleged sexist and homophobic comments by candidate R. Butiglione. The name of the latter did not figure in the new College proposed by Mr. Barroso. These hearings are thus of great importance for the future of the newly named European Commission.

Our Secretariat will of course keep you informed on any further evolution.

“Services’ Directive” application process faces delays

As you all know, the Directive on the Services in the Internal Market (**Directive 2006/123/EC**) has entered into force 28th of last December but the European Commission has chosen not to make any official announcement to mark the occasion. This is surprising since the Commission has heralded many times the important changes that the Directive in question would bring to the European business environment and its importance in the process of recovering from the economic crisis.

The silence of the Commission on that day can be explained by the fact that a majority of Member States have not yet implemented the “Services Directive” despite the expiration deadline. At this point in time, only 11 EU members have completed the legal procedures in order to transfer the Directive into their national legislation. The other countries must fulfil the legal requirements by the first quarter of 2010. In the coming weeks, Member States will launch a “mutual-evaluation exercise” aiming at identifying their differences in the implementation process and correcting them.

At the same time, it is now discussed in the corridor that the version of the Directive adopted is less adequate to respond to the current situation than the original one proposed by the Commission. France, Germany, Belgium and Austria are said to have expressed deep concerns about the impact of the Directive on Services on their social models and to be putting pressure on the European Commission in order to eliminate the “threatening” elements of the text. The actual version of the Directive is in fact estimated to cover only 20% to 30% of the services sector.

Considering all of the above, experts feel that the European Commission should issue a declaration demanding the implementation and the application of the Directive on Services in the Internal Market as soon as possible in the rest of the Member

States if it is not to put on trial its own credibility in working towards recovering from the economic crisis.

The Association of Chartered Certified Accountants publishes a letter on Small Firms accounts

On the 7th of January, the Association of Chartered Certified Accountants (ACCA) has published a public letter aiming at expressing its concerns with the objectives of the new Spanish Presidency of the EU Council and the European Commission's proposal related to the exemption of filing public accounts for small enterprises.

In its letter, the ACCA deplores the **lack of interest expressed by the Spanish Presidency concerning two important issues: improving the single market and preparing the EU 2020 strategy.**

Cecile Bonino, Public Affairs and Media Relations Officer for the ACCA, underlined: *"Spain should "think small first" by placing small business at the heart of its consideration"*. The ACCA thinks thus that the European Commission should reconsider its proposal to allow Member States to exempt small firms from the need to file accounts on the public record. The suppression of this task will do little to lighten the burden on small business.

Concerning the EU 2020 strategy, ACCA believes that the EU should focus on realistic goals, especially on the support for entrepreneurs and innovation.

Conferences and events to come

- **"Public Trust in the Professions - Ethics, Trust and Integrity Conference"** organized by the UK Inter-professional Group (UKIPG) and the Professional Ethics Network of the IDEA Centre at University of Leeds.
Thursday **25th February 2010**- one-day Conference (9.15 to 16.45)
Staple Inn Hall, Holborn, London
CEPLIS Director General, Dr. Theodoros Koutroubas is scheduled to address the conference.
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