



ESTONIAN NON-PAPER ON THE TARGETS FOR THE FUTURE EU2020 STRATEGY

Principles

Following discussions after the meeting of the Heads of State in February 11, there is a need to streamline the debate on finding the most appropriate targets for the EU 2020 strategy. The debate should not be left only to the formal Council formations but it needs to continue also in the Member States involving the main non-governmental partners, such as trade unions, chambers of commerce and employers confederations.

Estonian position is that in order to ensure successful implementation of the strategy, the key objectives of the EU 2020 should all meet certain minimum criteria:

- the EU targets need to be closely linked with the measures to be included to the strategy and should capture all three priorities of the strategy while still be limited in number;
- the number of EU targets must be limited but the coverage should capture the key drivers and indicators of medium and long term growth;
- the targets should allow appropriate differentiation between Member States in order to have meaningful policy objectives for all governments;
- at the same time the targets should be set in the areas where the European Union has legislative and financial means to create change.

It must be kept in mind that the EU wide targets agreed upon will also bring further attention and emphasis on the policy issues that are mostly related to these. This is relevant for increasing public awareness and citizen expectation but it may also determine actual priorities within the national policies.

Possible targets for the European Union

1. **Employment rate** has been one of the key targets in the competitiveness agenda of the European Union and it should remain to be among the headline indicators also during the next decade. We do not need to set specific EU wide objectives for different groups of population but in order to encourage Member States to work with the most vulnerable groups, the general targets for employment rates should be remarkably ambitious. We welcome the approach of defining the working age from 20 to 64 years. Having analysed the past trends of employment in Europe the EU wide target should be set between 74-76% of population aged 20-64.

2. **It is equally important to analyse and set targets for higher productivity per person employed.** In comparison to the US, most European countries have much room for development. Smarter economy should also lead to more value and higher productivity.
3. **Investment in research and development is critical in order to ensure long term competitiveness in the world economy.** We should not loose the ambition of reaching the target of 3% of GDP. It is critical to promote private expenditure on R&D, therefore also the measures planned by the public sector (including at the level of the European Union) need to be well targeted to stimulate knowledge creation by European enterprises.
4. **In order to develop digital economy and simplify cross-border procedures we need to set as an objective to implement, by 2020, a single and secure European e-services area, where the citizens of the EU have easy access to all public services, including cross-border services provided by other Member States.** Each Member State should continue its efforts to increase 'digital literacy'. It is also important to move forward with the plans to ensure high-speed broadband internet access in all areas. After 2020 the European Union should not have a considerable number of citizens who are not ready to use e-services or do not have adequate access to them. To achieve this, Europe needs to highlight the need to increase the number of citizens who have both capacity and access to use e-services (the ambitious target should be at least 90% of population).
5. **We need to focus more on increasing the share of population who has good quality tertiary education.** Hence we are in favour of including the target of 40% as a share of population aged 30-34 with higher education. Europe needs more people with strong educational background in order to be innovative and ready to adapt to new challenges and opportunities in the changing world. People with better and higher education tend to be also more open for life-long learning and labour mobility.
6. **In order to ensure social cohesion and higher participation rates also in the future, we need to ensure that all young people entering to the labour market have sufficient educational preparation.** Therefore we emphasise the need to decrease the number of early school leavers well below 10% of population aged 20-24. The current crisis has shown that people with lack of education are mostly at risk of falling to unemployment. For similar reasons of fighting poverty through increased ability to participate in working life we would welcome to see a target in raising the qualification levels of population. This target would also help to make progress in mutual recognition of qualifications within the European Union.
7. **The 20% targets agreed for CO2 emissions, for the share of renewables and for reducing energy consumption should be included to the list of targets under the EU 2020, as these form the core of greener economy.**

- 8. In order to capture the external agenda and to bring the objective of a competitive Europe to the front from the start of the new strategy, a target should be established to see how well European economies are doing in the world. We need to analyse and set targets with respect to the global market share of European companies. By 2020 the share of European Union in the world exports should increase from the 2008 levels of 15.9% (merchandise export) and 26.9% (commercial services export).**