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THE “EUROPA 2020” IMPLEMENTATION RESULTS ON ROMANIA¹

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Abstract

Since the ‘Europa 2020’ Strategy had been launched in early 2010, its first analysis by the European Community came on 5 March 2014 to see on both regional and member States levels the accomplishment of its five major objectives. Primarily, this EC’s analysis found that it is about a mixed progress towards such accomplishing, e.g. the current crisis did seriously brake performing on employment, poverty chasing and all the other objectives of the Strategy, except for limiting greenhouse gas emissions – exception that confirms the general rule in the sense that the same crisis actually affected both production and transportation on their total development and consequences.

Keywords: *‘Europe 2020’ Strategy, employment, poverty, social exclusion, greenhouse effect gas emissions, education related Strategic objectives.*

Jel Classification: I31, I32, J21

EC concludes about a slow economic growth and a mixed progress in the Strategy objectives accomplishing in the 2010-2020 interval, e.g. the *education, climate change and energy* related objectives approach their full achievements, whereas the *labor employment, research-development-innovation* and *poverty reduction* ones differently perform. Besides, less satisfaction arises when good regional progress comes to be analyzed at the national level, i.e. on the EU’s Member States. There are sometimes obvious and serious performing gaps between Member States and even regions. Or,

This paper is a part of research theme for 2014 : “ Coeziunea economico-sociala a Romaniei in perspectiva Strategiei Europa 2020, Partea II / Romania's economic and social cohesion in the perspective of Europe 2020 Strategy, Part II, “ , coordinator Dr. Mioara Iordan, Institute for Economic Forecasting , Romanian Academy.

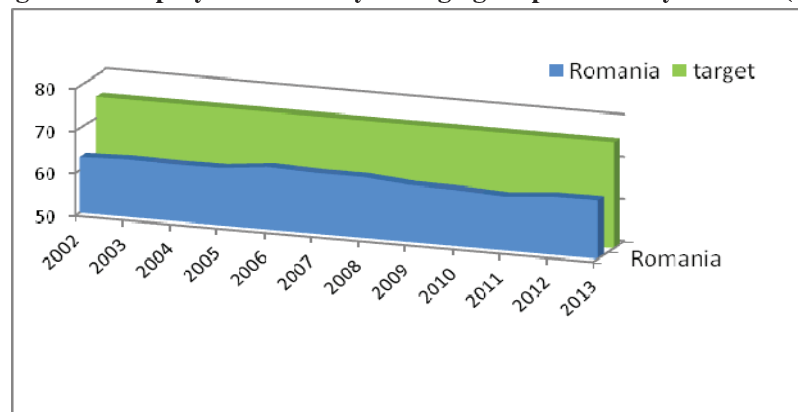
all these challenges are supposed to be approached in a forthcoming context of Strategy revising.

And so let us extract from the same analysis the corresponding set of the Strategy's results for Romania, as follows.

I. Employment-related objectives:

The employment rate of 20-64 years old people calculates through employed population of 20-64 years old divided by total population of the same age. Population numbers include people of private households and exclude people of collective households, e.g. pensions and hospitals. Such rates on Member States perform between 62.9% in Malta and 80.0% in Denmark, Netherlands and Sweden. As overall on the EU region, the rate made as high as 68.4%, meaning 6.6 % less than the specific Strategic target (previously) established. Romania, on its side, correspondingly records a decrease for this rate from 69.8% in 2007 to 63.9% in 2013, so making a 6.1% gap from the 'Europa 2020's specific provided target.

Figure 1: Employment rate by the age group of 20-64 years old (%)



Calculation based on Eurostat statistics

- **Young population employed.** The 15-24 years old employed people in the total corresponding age group in Romania also met a 6% decrease during 6 years for coming down to 25.3%, as compared to the EU28 average of 35.1%.

- **Young people employment rate: the 15-24 years old age group (%)**

As effectively, this young employed population did record in Romania 1,009 thousands in 2002, then a decrease to 604 thousands in 2013, whereas EU28 went from 23,000 thousands to 18,000 in the same interval.

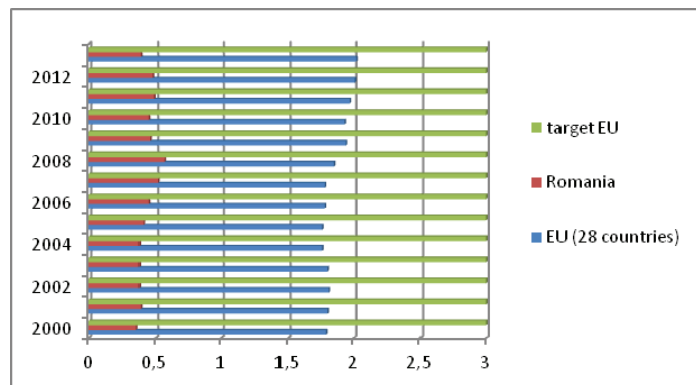
- **Effective 15-24 years old population (thousands):** Romania here recorded on its inside regions the highest rate at 40.7% (for 'North-East') in 1999, then a decrease to 30.6% in 2013.

As for the Romania's opposite lowest employment rate of the 15-24 years old age group on inside regions, this was 'Center' with around 17%, as correspondingly. As for the same age group in Romania on regions and sexes, the 2000-2013 years interval found its average rate at 23%, its highest rate at 26% on the 'North-East' region as well and its lowest rate at 19.8% in 'Bucharest-Ilfov' for men. Correspondingly for women, the average rate was here at 17%, the highest rate in 'North-East' at 21.6% and the lowest ones at 15% in 'Center' and even at around 14.6% in 'South-East' and 'Bucharest-Ilfov'.

II. Research and development related objectives

Research-development (R&D)'s expense weight in GDP (%) is supposed to perform an about 3% growth rate up to 2020 for the whole EU region. The *experimental R&D* gathers a continuous creative work on enlarging knowledge, here including knowledge about the human being and society and here including usage of the same knowledge on new applications¹. The EU's investments in research-development and innovation performed a growth rate from 1.78% to 2.02% along the 2007-2013 interval, but stay enough lower than the 3% targeted level for 2020, that then also became less probable to be performed. Pretty the same for Romania, for its 2% targeted R&D expense in GDP.

Figure 2: The R&D expense in GDP (%)



Calculation based on Eurostat statistics

As on inhabitant, the experimental R&D expense in Romania was at 27.9 EUR, this corresponding to a total that was 0.39% of GDP in 2013

¹ Frascati Manual, 2002 edition, § 63

(much lower than the 2% of GDP target for Romania, from the EC's Strategy). As correspondingly for EU, the experimental R&D expense was 539.2 EUR per inhabitant for a total that was 2.2 % of GDP.

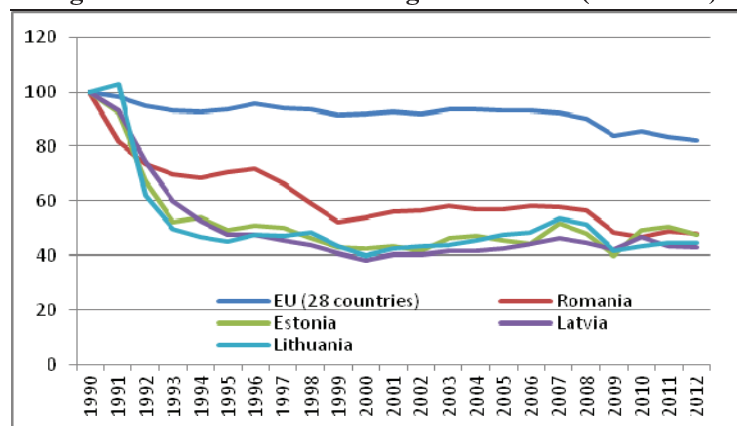
Regarding the experimental R&D expense per inhabitant (EUR/inhabitant) for inside regions of Romania, this time 'Bucharest-Ilfov' meets the highest amount on inhabitant at 155 EUR for experimental R&D expense that makes 1% of GDP as the total amount. At the other end, the lowest R&D expense was 4.8 EUR on inhabitant for a total amount of 0.11% of GDP in 'South-East'.

III. Greenhouse effect gas emissions and regenerating energy resources employed.

Greenhouse effect gas emissions are an indicator that shows trends in total emissions of greenhouse effect gases. A total annual of such emissions here relates to a long term trend as such that starts in 1990, as reference year considered. And gases here considered are: carbon dioxide (CO₂), methane (CH₄), nitrogenous protoxide (N₂O) and the set of fluorinated gases available. All of these gases' emissions transform into CO₂ units equivalent, but the calculated indicator here either excludes emissions resulted from operations like land exploiting and shifting the use of land here, including for forestry, or does not here consider gas emissions by international transportation by sea and air.

In such a context EU expects a total reduction of greenhouse effect gas emissions of about 20% in 2020, as compared to the 1990 situation for the whole geographic region. And as effectively the end of 2012 found a reduction of 17.86 percentage points, as compared to the same 1990 basic situation. This is a context in which Romania has performed a 52.02 percentage point reduction that is the fourth place in the region, after Baltics, Estonia, Latvia and Lithuania, and respecting the previously proposed limits of such reduction for the country.

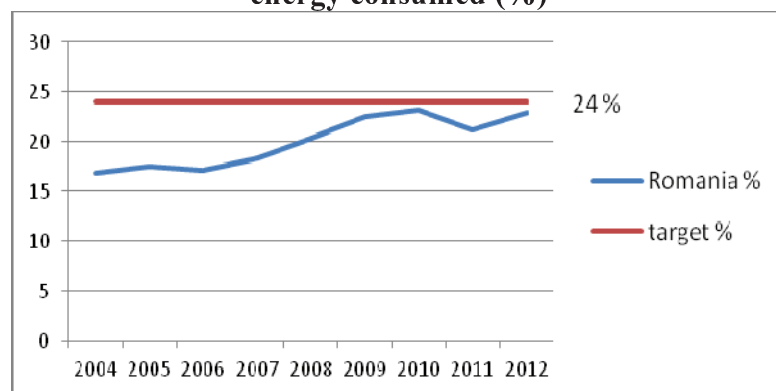
Figure 3 : Greenhouse effect gas emissions (1990=100)



Calculation based on Eurostat statistics

- Progress might be highlighted on the whole EU region in the respect of the weight of **regenerating energy sources** in the total energy consumption evolving¹, i.e. from 10% in 2007 to 14% in 2012, but the previously established targets stay far from reality – i.e. these targets were 24% for 2020 and correspondingly 22.9% for 2012.

Figure 4: Weight of regenerating energy sources in the total energy consumed (%)



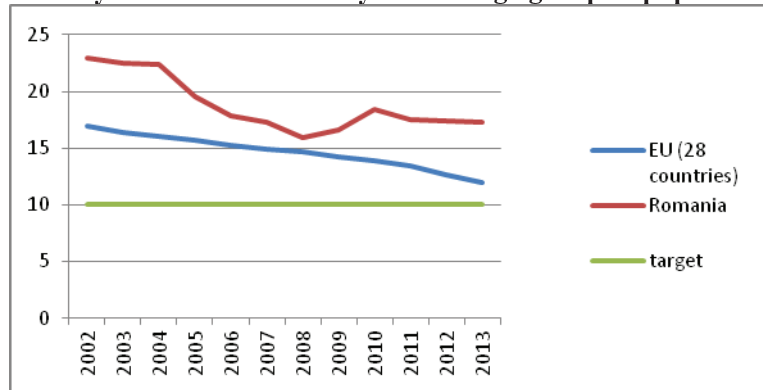
Calculation based on Eurostat statistics

IV Education-related objectives

The indicator that reflects the weight in the total corresponding age group of 18-24 years old population of people who drop out education and professional formation systems assumes two lines of restrictions. The one is considering ISCED 0, 1 and 2 of the internationally classifying standards as the highest education and professional formation levels considered. The other is personal statements that individuals considered – as within the *numerator* -- haven't attended any education and/or professional formation course during four weeks previous to the developed study. The last works concomitantly to *denominator* that refers to total population of this age group. Or, this weight did constantly lower in the EU region from 17% in 2007 to 12% in 2013. But Romania – i.e. a pretty constant drop out rate of 17.3% between 2007 and 2013 that means a 11.3% gap against corresponding national target -- stays in a group of Member Countries with high drop out rate and low progress against it, together with Spain, Malta and Portugal.

¹ The weight of energy from *regenerating sources* in the total gross energy consumption calculates on data provided by the EC's Rule Number 1099/2008 regarding Statistical Procedure on Energy. However, Member States provide additional information on their regenerating energy sources that do not belong to this rule, if the case. The result of such a weight calculated so stays estimation (approximation) here recognized for a no full y harmonized statistic and no fully respecting this EU Directive.

Figure 5: Weight of people that drop out education and professional formation systems in total 18-24 years old age group of population (%)

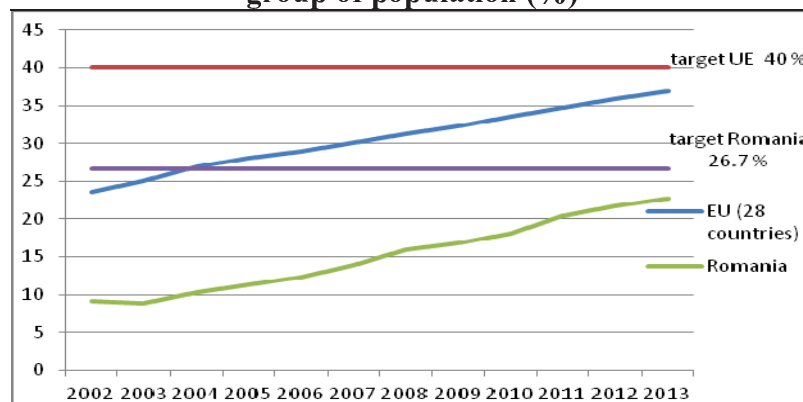


Calculation based on Eurostat statistics.

This actually is the weight of 18-24 years old people of secondary education level and no other form of course or training attended in the total population of the same age group

Weight of tertiary education in the 30-34 years old age group is the corresponding weight of 30-34 years old people successfully graduating universities or assimilated educational forms in the total corresponding age group, according to ISCED 1997 (International Standard Classification on Education) of 5-6 levels. Or, this indicator really covers the main ‘Europa 2020’'s Strategic objective of rising number of 30-34 years old people university (tertiary or equivalent) graduated to a minimum of 40% of population up to 2020. In real terms, those are close to such a target, i.e. 22% in 2000 and 37% in 2013, that is as low as 3% gap against the 2020 target on this indicator. Romania itself performed progress on this, i.e. from 13.9% in 2007 to 22.8% in 2013, but also here stays in a group of EU Member States with low corresponding weight, together with Malta, Austria and Slovakia.

Figure 6: Weight of tertiary education of 30-34 years old age group of population (%)



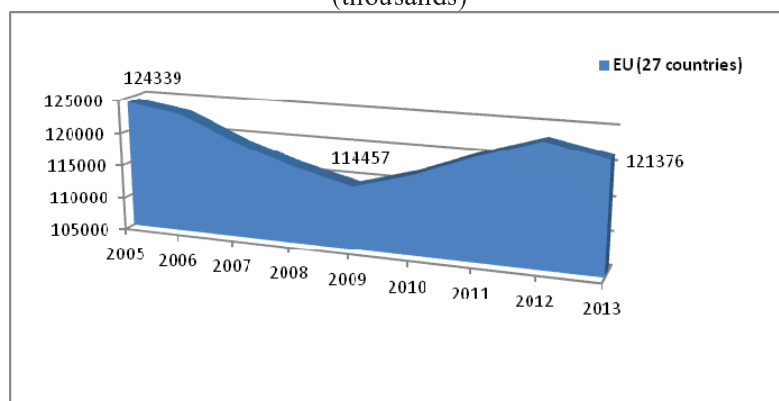
Calculation based on Eurostat statistics

V. Exposure to poverty and social exclusion

‘Europa 2020’ supports **social inclusion**¹, first through reducing poverty, i.e. through 20 millions less people of any risk of poverty and social exclusion targeted. This is people really exposed to poverty and/or to material depriving as well as people living in households with enough low intensity of labour. Restriction is that each individual accounts just once, despite multiple sub-indicators considered for. As for a definition, individuals exposed to *poverty risk* are the ones of disposable income below 60% of the national average equivalent (i.e. post social transfers applied). The same for *material depriving* that means diverse indicators of missing, e.g. missing of long-term use goods. Plus, *severe* material depriving refers to individuals of life conditions severely affected by some of the following: not affording rent and/or utility bills current payment, not affording home heating payment, the same for unexpected payments, the same for eating meat, fish or proteins every two days, the same for one week vacancy far from home, the same for having a car, the same for a washing machine, the same for a TV color, the same for a phone.

Finally, individuals living in *households of very low labour intensity* are those of 0-59 years old living in households of which’s adult individuals (i.e. 18-59 years old) work less than 20% of their whole potential.

Figure 7: Population under poverty and social exclusion risks in EU (thousands)



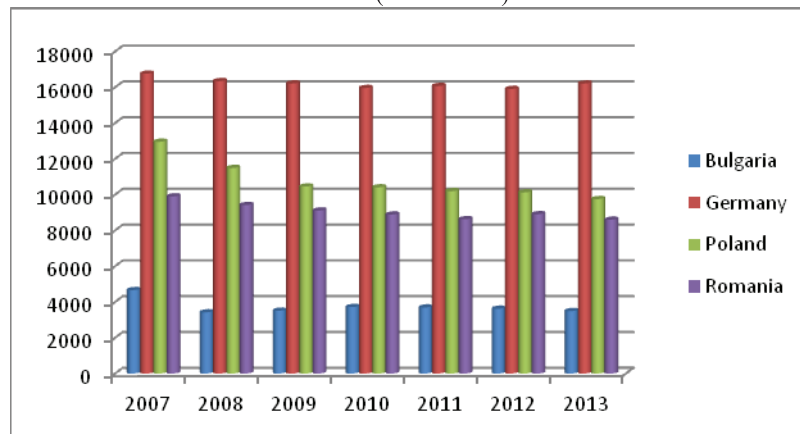
Calculation based on Eurostat statistics

There was rather no significant increase of the weight of **individuals exposed to poverty and exclusion risks** in the aftermath of Romania and Bulgaria joining the EU in 2007, as previously expected. Even on the contrary, significant lowering did occur in 2009, as against 2005, by 9,882

¹ Eurostat statistics explained, 2014

thousands; but then such progresses came to be vanished by the next crisis the way that poverty rate was rising and went back to the one of the previous 2005 in most of the EU Member States. Then, in 2013 there were new poverty reductions in Member States like Germany, France, Poland, Bulgaria and Romania.

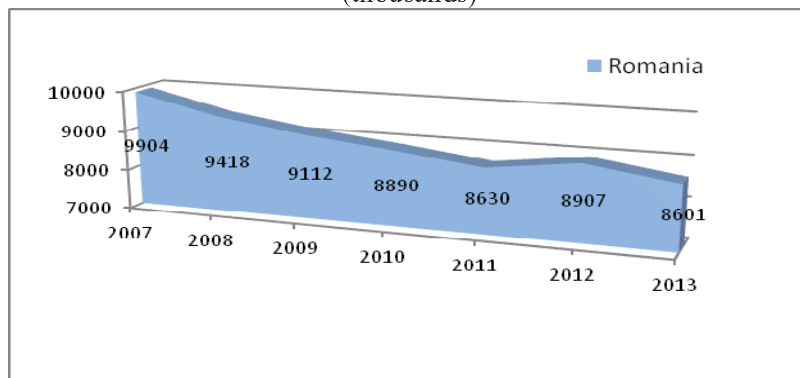
Figure 8 : Significant poverty reductions in some EU Member States during 2007-2013 (thousands)



Calculation based on Eurostat statistics

Correspondingly in Romania, the same 2007-2013 interval saw 1,303 thousands less exposure to poverty and social exclusion risks.

Figure 9: Romania: population exposed to poverty and social exclusion (thousands)

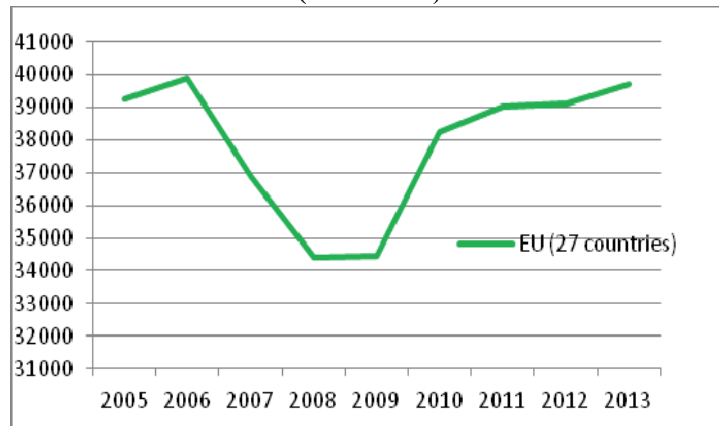


Calculation based on Eurostat statistics

As for effective population exposed to these risks weight in total, member countries like Slovakia, Lithuania, Latvia, Poland and Czech Republic performed reductions by 10-20%, concomitantly with contrary corresponding risings in Greece, Malta, Hungary and Slovenia of about 5%.

Back to population living in **households of very low labour intensity**, this met a spectacular drop in the (whole) region within the 2005-2008 interval, then a rise when the crisis up to 4,000 thousands, i.e. 10% of the total EU population, in 2013.

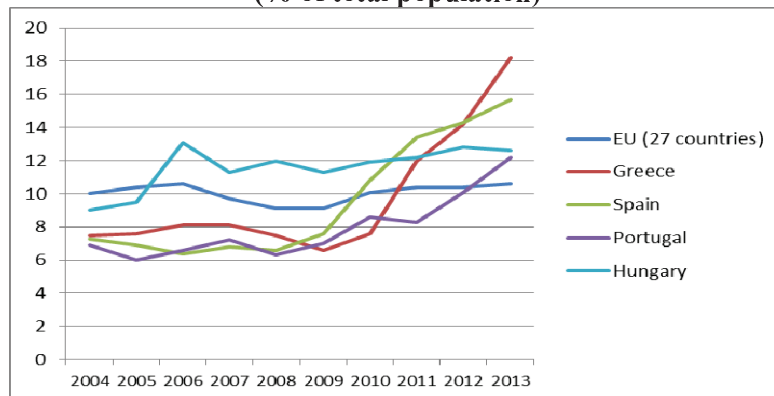
Figure 10 : EU- population living in households of very low labour intensity (thousands)



Calculation based on Eurostat statistics

Greece and Spain did record significant risings in the weight of population living in households of very low labour intensity up to about 15-18% of whole populations of each country, as on average, then doubling this indicator in 2013, as against 2012.

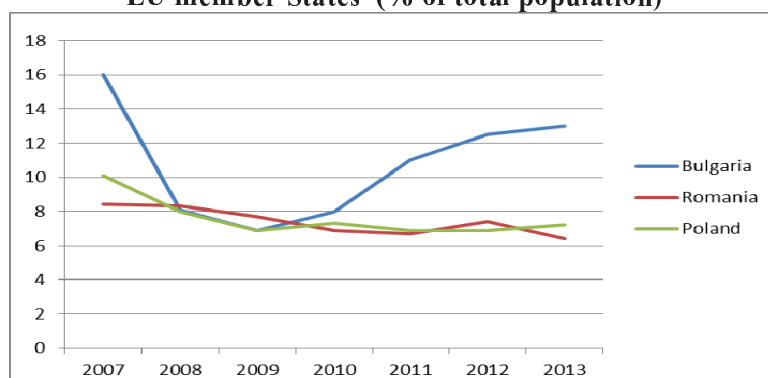
Figure 11: EU and some Member States: population living in households of very low labour intensity, in total population (% of total population)



Calculation based on Eurostat statistics

At the other end-scale, Bulgaria with 13% (695 thousands) of total, Poland with 7.2% (2,124 thousands) of total and Romania with 6.4% (1,079 thousands) of total did record significant lowering as against 2005.

Figure 12: Population living in households with low labour intensity in some EU member States (% of total population)



Calculation based on Eurostat statistics

The 'Europa 2020' Strategy's first step revision was done by its EC's communication on primary implementation plus debate in the European Council met on 21-22 March 2014. The Commission (EC) insists on that such communication (that is the primary one on this Strategy) does not contain any conclusion or political recommendation, but just a first step on a public consultation expected for the 5 May – 31 October 2014 interval towards a decision for Strategy revising by the next European Commission.

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