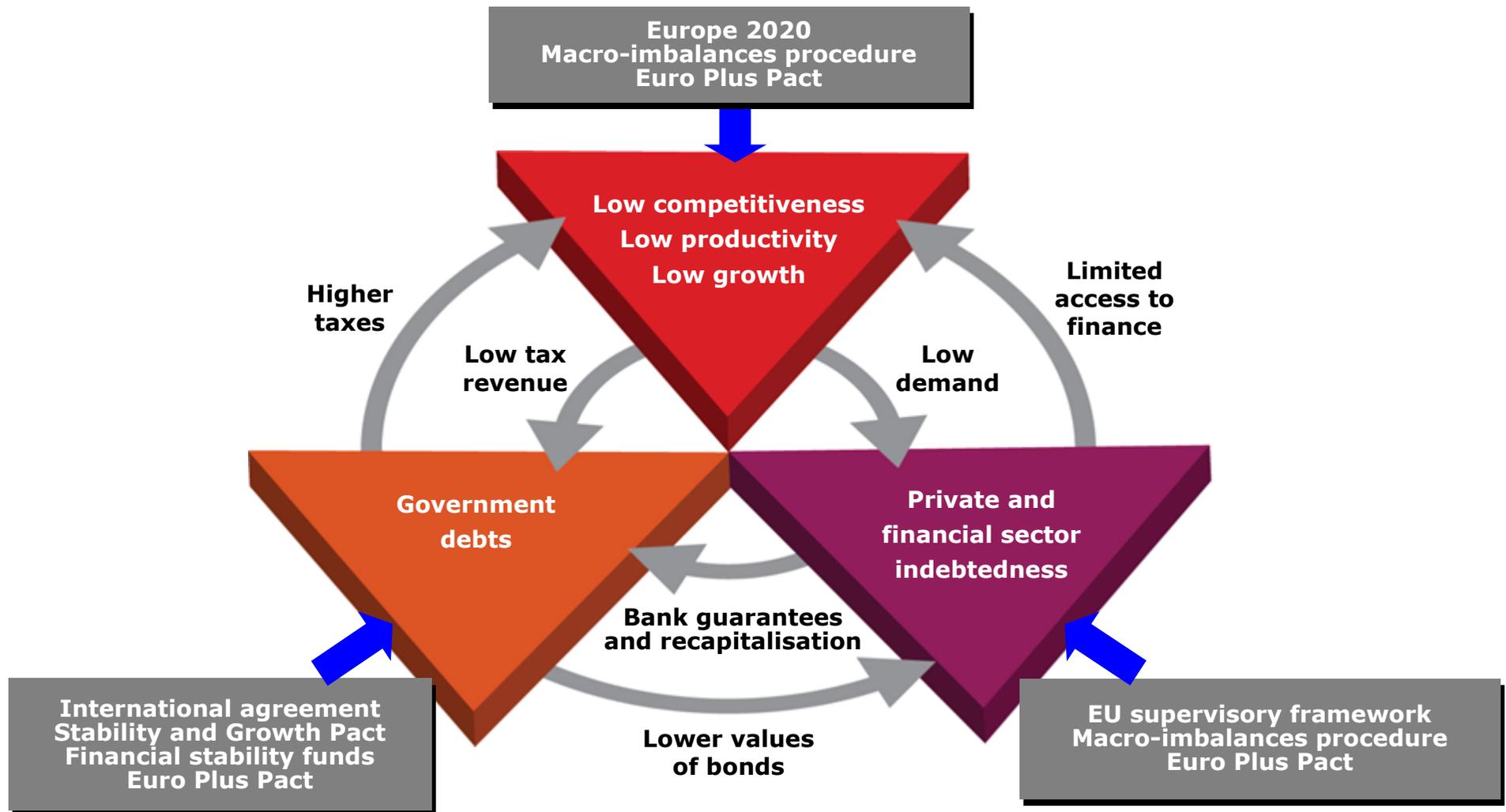




# GROWTH AND JOBS: NEXT STEPS

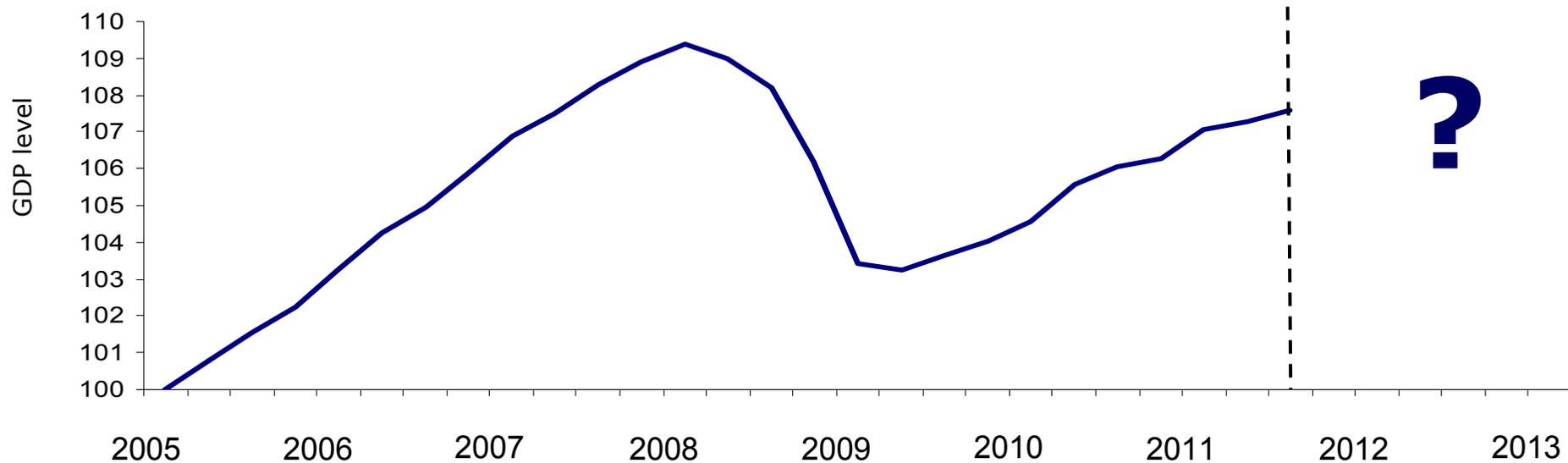
**Presentation of J.M. Barroso,  
President of the European Commission,  
to the informal European Council of 30 January 2012**

# Tackling the « vicious circles » affecting Europe



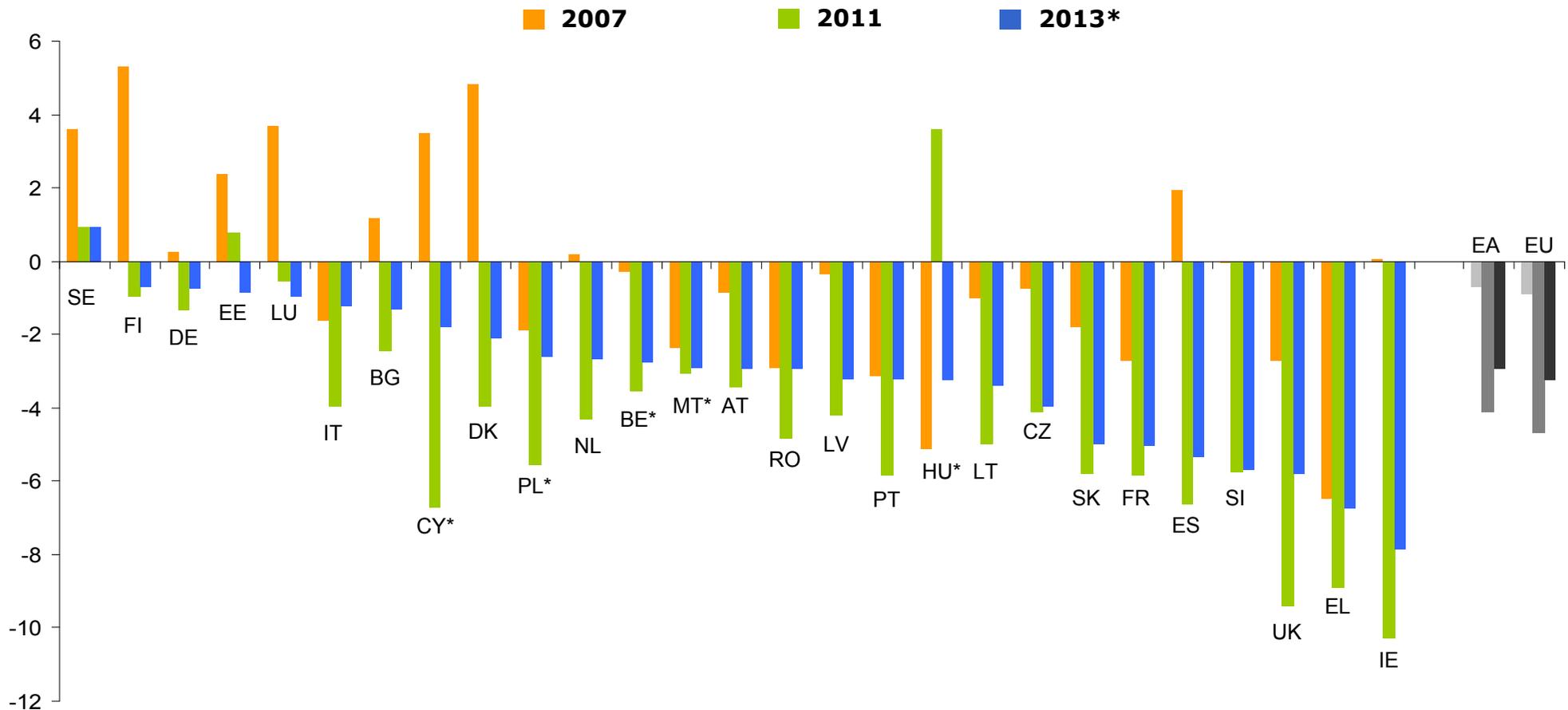
# Restoring growth: a pressing priority

## EU GDP level in recent years (first quarter 2005 = 100)



# Discipline and growth must be combined

## Government balance in % of GDP



\* This forecast is based on an Autumn 2011 scenario of « no policy change » and does not reflect announcements made since then, except for BE, CY, HU, MT and PL, where information for 2013 dates from January 2012.



# Europe 2020: the EU's growth strategy

## Strengthened EU economic governance

Macro-economic & fiscal surveillance

Regulation of financial services

Targets and guidance for structural reforms

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## Flagships for smart, sustainable and inclusive growth

Digital Agenda

Youth on the Move

Innovation Union

New Industrial Policy

New Skills and new Jobs

Platform against Poverty

Resource Efficiency

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## Modernised EU levers for growth and jobs

Single Market Act

Trade and external policies

Structural Funds and future EU budget

# EU recommendations for action at national level

	Public finances				Labour market				Structural policies					Financial stability		
	Fiscal consolidation	Long-term Sustainability	Fiscal framework	Taxation	Wage Setting	Active Labour Market Policy	Labour Market participation	Education	Network industries	Energy efficiency	Service sector	Business environment and SMEs	R & D and innovation	Public services and cohesion policy	Banking	Housing market
AT	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
BE	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
BG	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
CY	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
CZ	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
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FI	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
FR	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
HU	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
IT	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
LT	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
LU	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
MT	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
NL	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
PL	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
SE	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
SI	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
SK	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
UK	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red

Note: Recommendations adopted by the EU in July 2011 for 2011-2012. For IE, LV, EL, PT and RO, the only recommendation is to implement existing commitments under EU/IMF financial assistance programmes.

# Commitments made under the Euro Plus Pact

	Foster competitiveness					Foster employment						Sustainability of public finances			Reinforce financial stability
	Wage setting mechanisms	Public sector wage developments	Competition in services	Education, R&D, innovation	Business environment	Labour market flexibility	Labour participation	Undeclared work	Life-long learning	Lower labour taxes	Participation of 2nd earners	Align pensions to demography	Incentives for older workers	National fiscal rule	National legislation for banking resolution and other financial stabilisation measures
AT															
BE															
BG															
CY															
DE															
DK															
EE															
EL															
ES															
FI															
FR															
IE															
IT															
LT															
LU															
LV															
MT															
NL															
PL															
PT															
RO															
SI															
SK															

Note: this table summarises commitments taken by Member States participating in the Euro Plus Pact since Spring 2011.



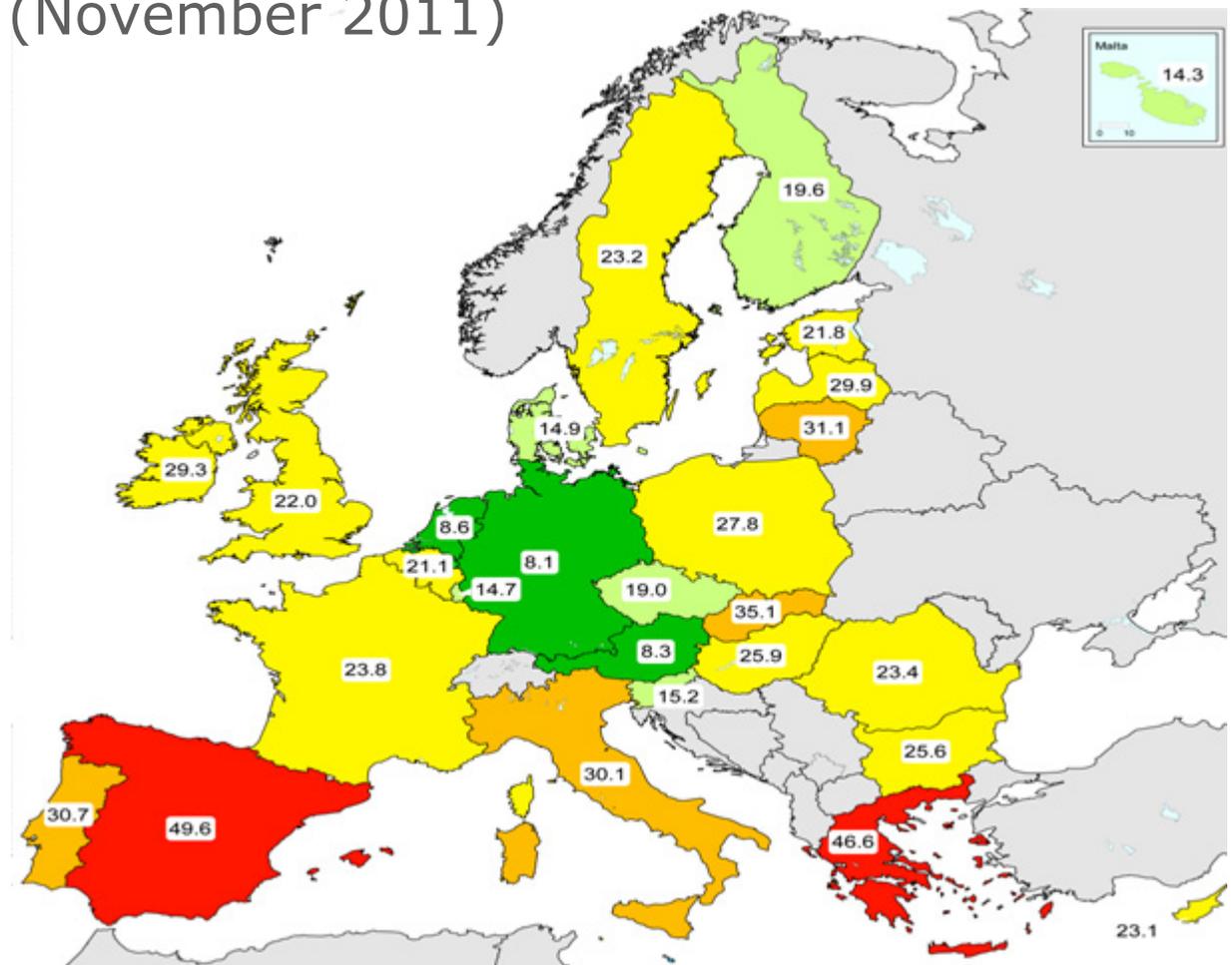
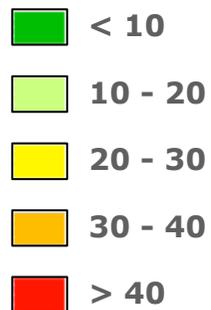
# Annual Growth Survey: five priorities for 2012

- Pursuing growth-friendly fiscal consolidation
- Restoring normal lending to the economy
- Promoting growth and competitiveness
- Tackling unemployment and the social consequences of the crisis
- Modernising public administration

# FOCUS 1: Tackling youth unemployment

## Youth unemployment rates (November 2011)

% of labour force  
(EU average = 22%)



# Unemployment levels vary greatly

## Unemployment rates and numbers of unemployed (November 2011)

	Unemployment rates in % (total population)	Number of persons unemployed (rounded)	Youth unemployment rates in %	Number of young unemployed (rounded)		Unemployment rates in % (total population)	Number of persons unemployed (rounded)	Youth unemployment rates in %	Number of young unemployed (rounded)
<b>EU</b>	9.8	23 674 000	22.3	5 579 000	<b>LT</b>	15.3	247 000	31.1	43 000
<b>BE</b>	7.2	351 000	21.1	84 000	<b>LU</b>	4.9	12 000	14.7	2 000
<b>BG</b>	10.9	361 000	25.6	61 000	<b>HU</b>	10.7	457 000	25.9	78 000
<b>CZ</b>	6.7	351 000	19.0	72 000	<b>MT</b>	6.4	12 000	14.3	4 000
<b>DK</b>	7.8	229 000	14.9	70 000	<b>NL</b>	4.9	437 000	8.6	121 000
<b>DE</b>	5.5	2 339 000	8.1	393 000	<b>AT</b>	4.0	174 000	8.3	49 000
<b>EE</b>	11.3	79 000	21.8	17 000	<b>PL</b>	10.0	1 776 000	27.8	456 000
<b>IE</b>	14.6	303 000	29.3	58 000	<b>PT</b>	13.2	720 000	30.7	143 000
<b>EL</b>	18.8	934 000	46.6	145 000	<b>RO</b>	7.3	727 000	23.4	204 000
<b>ES</b>	22.9	5 333 000	49.6	990 000	<b>SI</b>	8.2	83 000	15.2	13 000
<b>FR</b>	9.8	2 850 000	23.8	722 000	<b>SK</b>	13.5	367 000	35.1	78 000
<b>IT</b>	8.6	2 142 000	30.1	459 000	<b>FI</b>	7.4	201 000	19.6	63 000
<b>CY</b>	9.1	37 000	23.1	8 000	<b>SE</b>	7.4	374 000	23.2	148 000
<b>LV</b>	14.8	169 000	29.9	34 000	<b>UK</b>	8.3	2 665 000	22.0	1 023 000

# The EU opens up opportunities for young people

## STUDY: ERASMUS

- 3 million students so far
- > 200 000 a year
- > 90% satisfaction

## TRAIN: LEONARDO

- 710 000 people so far
- > 80 000 placements a year
- 86% find it beneficial

## WORK: EURES

- 1.3 million vacancies
- 25 700 employers registered
- 100 000 jobs/offers a year



# A “Youth on the move” Pact (1)

## EACH MEMBER STATE TO:

**Develop youth jobs plans  
by mid-April as part of  
National Reform  
Programmes**

**Agree with social partners  
to increase number  
of apprenticeships  
and traineeships**

**Use existing EU support  
schemes to facilitate youth  
mobility (with EU and/or  
top-up national funding)**

**Guarantee job, education  
or training for each young  
person within 4 months  
of leaving school**

**Re-direct EU Structural  
Funds to give priority to  
youth unemployment**

# A “Youth on the move” Pact (2)

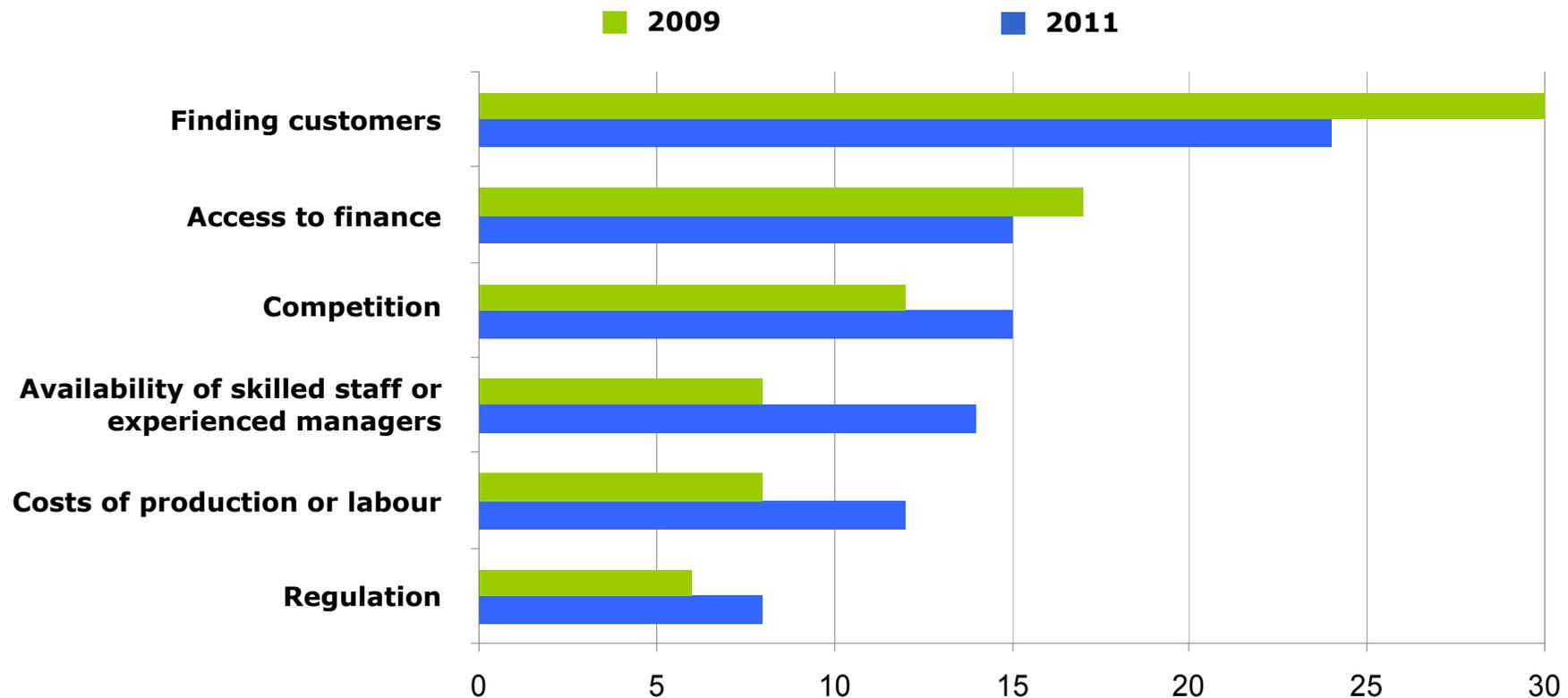
**WHERE YOUTH UNEMPLOYMENT  
IS SIGNIFICANTLY ABOVE EU AVERAGE:**

**Action teams  
with Commission,  
Member States  
& social partners  
to develop youth jobs plans**

**Use of unallocated  
EU Structural Funds to fund  
training and work  
experience**

## FOCUS 2: Helping our entrepreneurs...

**What is the most pressing problem your firm is facing?**  
(all SMEs in the EU, %, survey from December 2011)



# ... and boosting the competitiveness of our SMEs

## Access to finance

- EU schemes for SMEs:
  - Direct funding and loans
  - Guarantees
  - Working capital
  - EIB
- EU market for venture capital
- Innovative financing instruments (project bonds)

## Access to markets

- At home:
  - Enforce Single Market legislation
  - Fast-track Single Market Act
  - Use of public procurement
- Abroad:
  - Support for internationalisation
  - New trade agreements

## Cutting red-tape

- E-government and e-commerce
- 3 days to start a business
- Reduction of late payments
- Exemptions for micro-firms

# Tapping the potential of EU Funds

## EU Structural Funds still to be allocated for the period 2007-2013 (estimate end 2011)

	ESF* unallocated (€ m)	ERDF* unallocated (€ m)	Total unallocated (€ m)	Unallocated funds as % of total EU funds		ESF* unallocated (€ m)	ERDF* unallocated (€ m)	Total unallocated (€ m)	Unallocated funds as % of total EU funds
EU	22 271	60 043	82 314	24%	LT	289	761	1 050	15%
BE	45	85	130	6%	LU	0	5	5	10%
BG	422	1 578	2 000	30%	HU	2 190	4 010	6 200	25%
CZ	1 370	5 630	7 000	26%	MT	20	55	75	9%
DK	91	14	105	21%	NL	0	240	240	14%
DE	2 112	3 688	5 800	23%	AT	78	322	400	33%
EE	33	340	374	11%	PL	3 775	13 725	17 500	26%
IE	2	0	2	0%	PT	1 760	1 240	3 000	14%
EL	1 495	2 805	4 300	21%	RO	698	5 102	5 800	30%
ES	2 712	8 000	10 712	31%	SI	204	371	575	14%
FR	747	3 500	4 247	32%	SK	39	2261	2 300	20%
IT	3 674	4 326	8 000	29%	FI	89	261	350	22%
CY	0	0	0	0%	SE	195	105	300	18%
LV	0	450	450	10%	UK	230	1 170	1 400	14%

Note: Commission estimate of EU funding in programmes still to be allocated to specific operations on the ground.

\* ESF = European Social Fund. ERDF = European Regional Development Fund.



# European Semester: working together on next steps

- **Now:**
  - Prepare youth jobs plan in each National Reform Programme
  - Commission / Member State action on youth unemployment in worst affected Member States (accelerating / redirecting structural funds for youth and SME support)
- **March:** EU-level guidance from Spring summit (based on Annual Growth Survey)
- **April:** Member State commitments in National Reform Programmes
- **May:** Commission country-specific recommendations
- **June:** European Council decisions on country-specific recommendations

