Students Scientific Conference

EUROPE 2020 INDICATORS IN ROMANIA, HUNGARY AND SLOVAKIA

FELICIAN PINTEAN

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Europe 2020 indicators for Slovakia, Romania and Hungary

Abstract:

The Europe 2020 strategy which began in 2010 by the European Commission, up holds the 2000 Lisbon Agenda, by improving its aim and accomplishing them with new and better ones. The purpose of this paper is to examine the situation of Romania, Hungary and Slovakia by analyzing the values of the eight statistical indicators measuring the EU 2020 aims and by developing proposals and suggestions for policy makers.

Key words: **Europe 2020 Strategy, indicators for Slovakia, Romania and Hungary**

Chapter I

Introduction

Europe 2020 puts out a path for Europe's social market economy for the 21st century. Due to the crisis, economic and social progress of Europe had been vulnerable and weakened. As of the moment, the world is changing fast such as: pressure on resources, aging and globalization. The EU must foresee and specify where it wants to be by 2020. Does it want a failed European economy or does it want to be a sustainable, smart and inclusive economy delivering high levels of employment, productivity and social cohesion. So to reach this goal, Europe must **wipe out this crisis and stand a Union.**

The Three main priorities of Europe 2020 are:

- **Smart growth**: evolving an economy based on innovation and knowledge

- **Sustainable growth**: boosting a more resource efficient, greener and more competitive economy.

- **Inclusive growth**: encouraging a high-employment economy delivering social and territorial cohesion.

By 2020, **The Commission** proposes to have **these goals achieved**:

- At least 75% of the population aging between 20-64 should be employed.

- 3% of The Gross Domestic Product (GDP) of EU should be invested in Research and Development (R&D)

- Share of renewables in gross final energy consumption, Reduction of emissions increased by 30% and increased in energy efficiency by 20%.

- A number of 20 million people less should be at risk of poverty

- School leavers should be under 10% and at least 40% of the younger generation should have tertiary degree.

In addition, The Commission is putting forward seven initiative flagships to catalyze evolution under each priority topic:

-"**Innovation Union**" - to improve the possibility to financial access for research and innovation to assure that innovative ideas can be transformed into services and products that generate jobs and growth.

-"**Youth on the move**" - to boost the performance of the educational system and to ease the access of young people to the labor market.

-"**A digital agenda for Europe**" to hasten the roll-out of high-speed internet and to bring in the benefits of a single-digital-market for firms and households.

-"**Resource efficient Europe**" to support the change towards a low carbon economy, to raise the use of renewable energy sources, modernizes our transport sector and promotes energy efficiency.

- "**An industrial policy for the globalization era**" to enhance the environmental business and to support the expansion of a sustainable and a strong industrial base.

-"**An agenda for new skills and jobs**" to renew labor markets and allow people by improving their skills throughout the lifecycle with a view to increase labor participation and a better match labor supply and demand.

-"**European platform against poverty**" to secure social and territorial cohesion such that the benefits of jobs and growth are extensively shared and people encountering poverty and social exclusion are granted to live in decency and participate vigorously in society.

The paper **aims** to analyze the situation of Slovakia, Romania and Hungary by discussing the values of the eight statistical indicators measuring the EU 2020 targets.

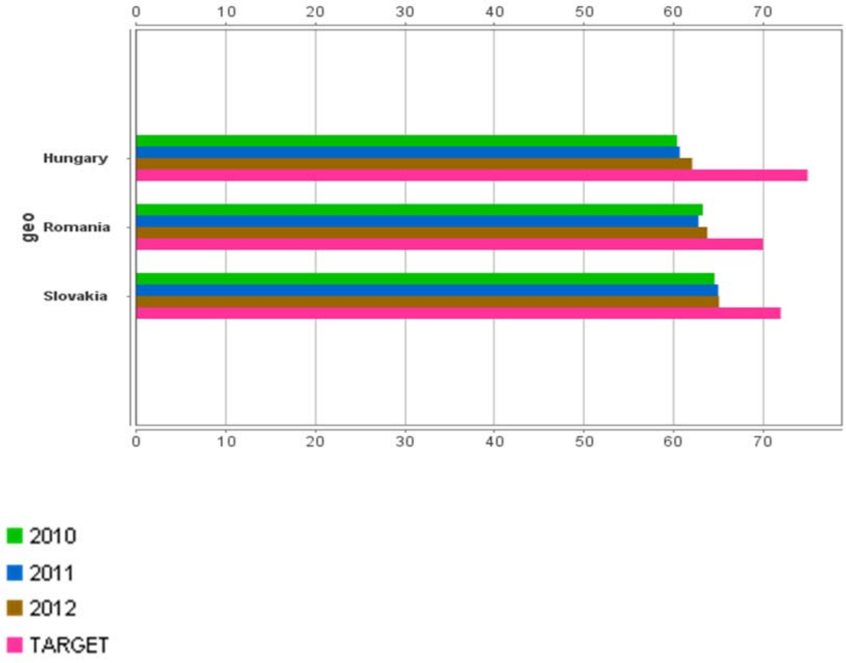
Chapter II

Statistical Indicators

Employment rate (unit of measure: % of population aged 20-64)

Short description: The employment rate can be calculated by dividing the amount of people between the ages of 20 – 40 in employment by the total amount of people of the same age group. These results are based on the **EU Labor Force Survey**. The survey includes the whole population inhabited in private households and excludes boarding houses, hospitals and halls of residence.

Employed population is made out of those people who worked for pay or profit for at least one hour during the reference week, or were not working but, on the other hand, had jobs from which they were temporarily absent. Because of the demographic changes, our **workforce** is about to **diminish**. At the moment, only **two-thirds of working age** population is currently employed. The rate employment of older workers and women are exceptionally low. Young people have been severely hit by the crisis, with an unemployment rate over 21%. There is a strong risk that people poorly attached to the world of work lose ground from the labor market.



	2010	2011	2012	TARGET
Hungary	60.4	60.7	62.1	75
Romania	63.3	62.8	63.8	70
Slovakia	64.6	65.0	65.1	72

Greenhouse gas emissions (unit of measure**:** Index 1990 = 100)

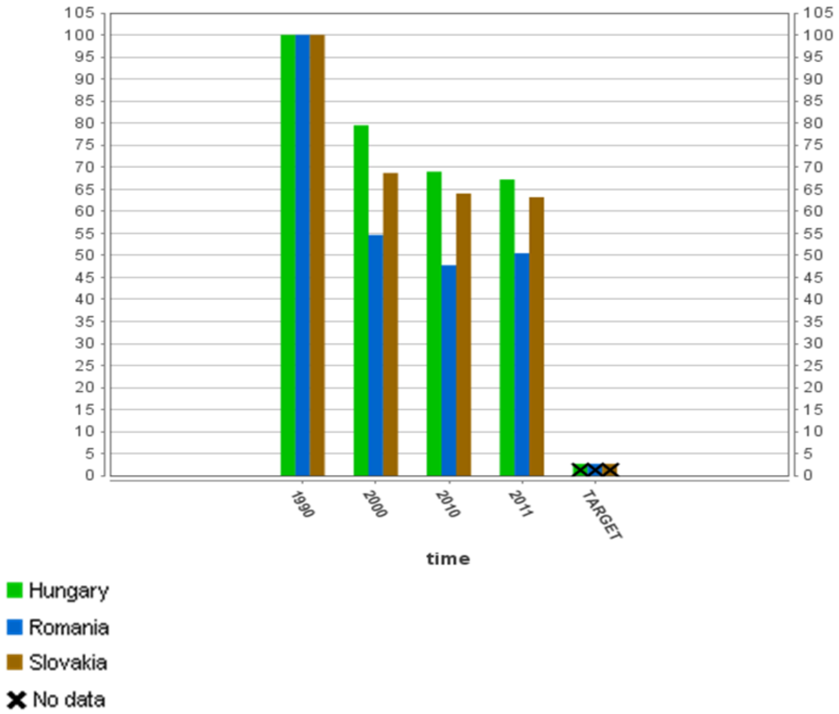
Short Description: Greenhouse gas emissions indicator presents trends of all emissions built of the “**Kyoto basket**” of greenhouse gases. It shows annual overall emissions regarding to the **1990 emissions.**

The main gases of the “Kyoto basket” are: methane, carbon dioxide, the F gases (sulphur hexafluoride, perfluocarbons and hydrofluorocarbons) and last but not the least, nitrous oxide.

This indicator doesn’t consist of removals and emissions concerning land use, land-use change, forestry and emissions from international maritime transport. However, it involves emissions from **international aviation**.

The Commission of Europe 2020 has an aim of achieving 20% reduction of its greenhouse gas emissions. This **aim involves**:

a) A reduction in emissions from sectors covered by the EU ETS (emissions trading scheme) by 21%
b) A reduction for sectors outside of the EU ETS by 10%



	1990	2000	2010	2011	TARGET
Hungary	100	79.52	68.99	67.19	-
Romania	100	54.63	47.76	50.46	-
Slovakia	100	68.68	64.03	63.19	-

People at risk of poverty or social exclusion (unit of measure: % of total population)

Short Description: The Europe 2020 strategy promotes the reduction of poverty, by targeting to lift at least a number **20 million people** out social exclusion and the risk of poverty.

The indicator refers to the amount of population who are: at a risk of poverty, severely materially deprived or inhabiting in households with a very low intensity of work.

People who are at risk of poverty are people with an equivalent disposable income below the risk of poverty threshold, which is set at 60 % of the national median equivalent disposable income.

Material deprivation indicators refer economic strain and durables. Materially deprived persons live in severely limited condition by lack of resources. According to statistical research, at least 4 out of 9 are suffering as follows:

a) Unable to pay rent bills or utility bills

b) Having an adequately warm home,

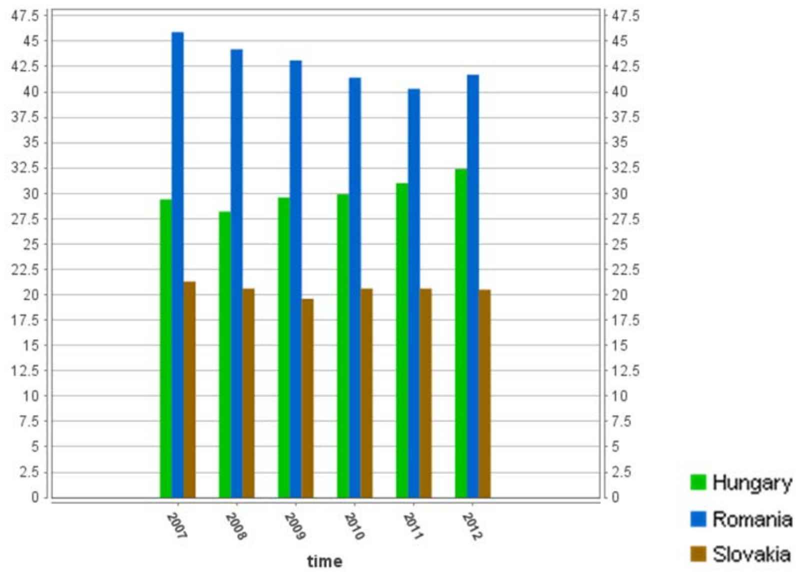
c) Possibility to face unexpected expenses,

d) Access to eat meat, fish or a protein equivalent every second day,

e) Likeliness to have a week holiday away from home,

f) Opportunity to buy a car, a washing machine, a color TV, etc.

People living in households with **very low work intensity** are people between 0-59 living in households where the adults (aged 18-59) work less than 20% of their total work potential during the past year.



	2007	2008	2009	2010	2011	2012
Hungary	29.4	28.2	29.6	29.9	31.0	32.4
Romania	45.9	44.2	43.1	41.4	40.3	41.7
Slovakia	21.3	20.6	19.6	20.6	20.6	20.5

Primary energy consumption (unit of measure: percentage %)

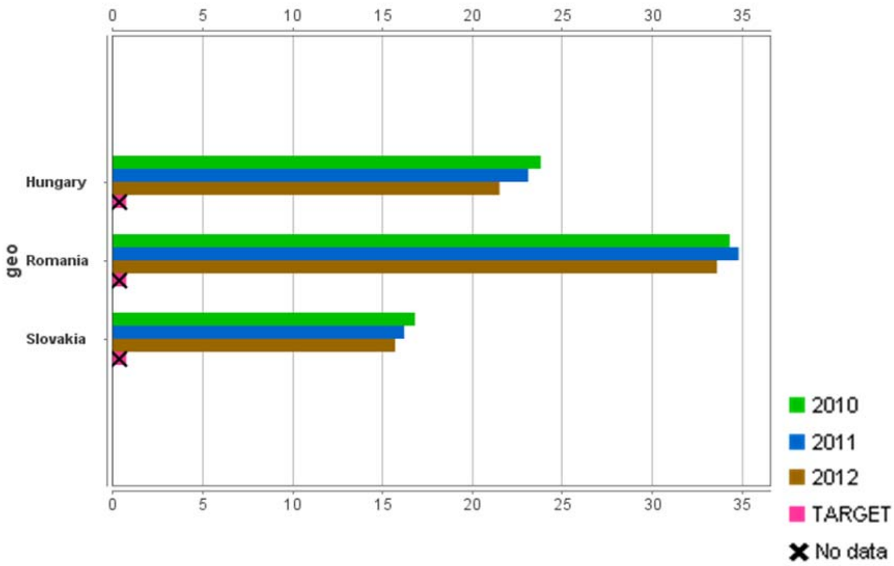
Short Description: This indicator refers to the **Gross Inland Consumption** excluding all non-energy use of energy carriers such as natural gas used not for combustion but for producing chemicals. This quantity measures the true energy consumption and for comparing it to the Europe 2020 targets. The "**Percentage of savings**" is calculated using these values of 2005 and its forecast for 2020 targets in Directive 2012/27/EU; the Europe 2020 target is reached when this value reaches the level of 20%.

This graphic below provides **statistical evaluation of the progress** made towards primary energy consumption. Significant differences in the model of energy consumption may be credited to the different levels of economic development and to different geopolitical environment.

Primary energy refers to Solid Fossil Fuels, Oil & Petroleum Products, Gas (Natural & Derived), Nuclear Heat, Renewables and other. For the time period after 2010 (2010) the reserves are calculated as the difference between the existent energy consumption and the linear trajectory between 2010 and 2020 on a business-as-usual scenario divided by the energy consumption in year 2020 in the business-as-usual scenario.

Europe cannot afford to dispose energy. Energy efficiency is the most cost effective way to decrease emissions, improve energy security, enhance competitiveness and make energy consumption more affordable for all consumers.

Energy efficiency one of the key factors in succeeding our long-term energy and climate aims.



	2010	2011	2012	TARGET
Hungary	23.8	23.1	21.5	-
Romania	34.3	34.8	33.6	-
Slovakia	16.8	16.2	15.7	-

Share of renewable energy in gross final energy consumption (unit of measure: %)

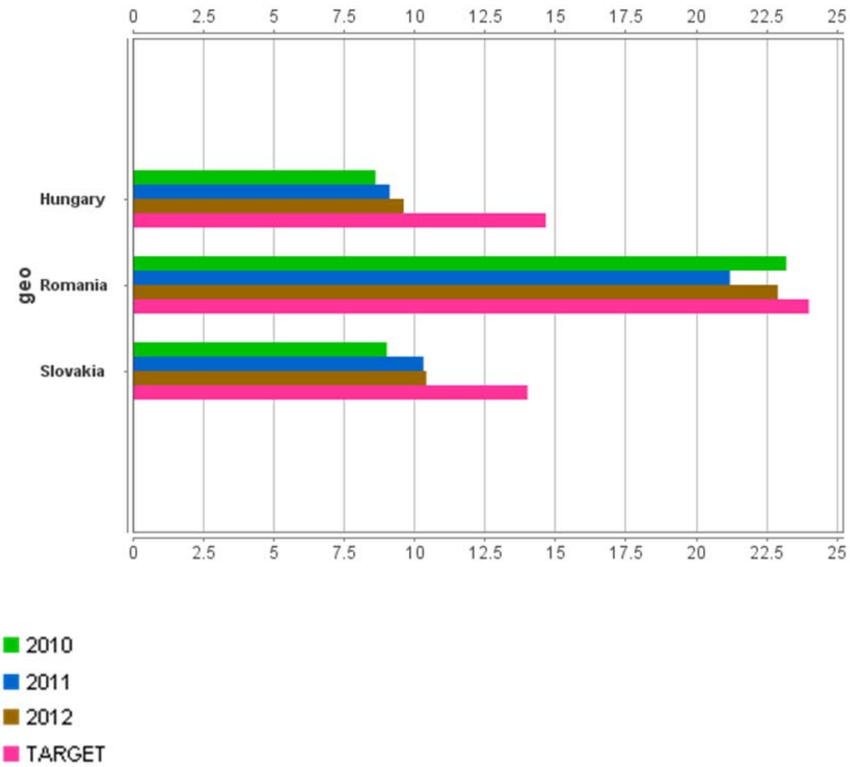
Short Description: This indicator is calculated on the basis of data covered by Regulation (EC) No 1099/2008 on energy statistics.

This indicator is considered an estimate of the indicator described in Directive 2009/28/EC due to the fact that statistical systems in certain countries are not developed enough to meet all the requirements of this Directive.

Renewable energy is energy that is produced from physical and natural processes that are continuously replenished. This includes sunlight, geothermal heat, wind, tides, water, and various forms of biomass. This energy cannot be exhausted and it is constantly renewed.

The indicator has been chosen for the assessment of the EU progress towards the targets of the Sustainable Development Strategy. Renewables in all sectors of economy are covered, including ambient heat absorbed by heat pumps.

The Maastricht Treaty set an objective of supporting stable growth while defending the environment. **The Amsterdam Treaty** work out the principle of sustainable development for EU targets: The figure show that renewable energy covered 10.4% of the Slovakian energy consumption in 2012, 22.9% in Romania´s case, and 9.6% in Hungary´s situation. Going back to 2010 the renewable energy covered 9.0% in Slovakia, 23.2% in Romania and 8.6% in Hungary.



	2010	2011	2012	TARGET
Hungary	8.6	9.1	9.6	14.65
Romania	23.2	21.2	22.9	24
Slovakia	9.0	10.3	10.4	14

Tertiary educational attainment (unit of measure: % of population aged 30-34)

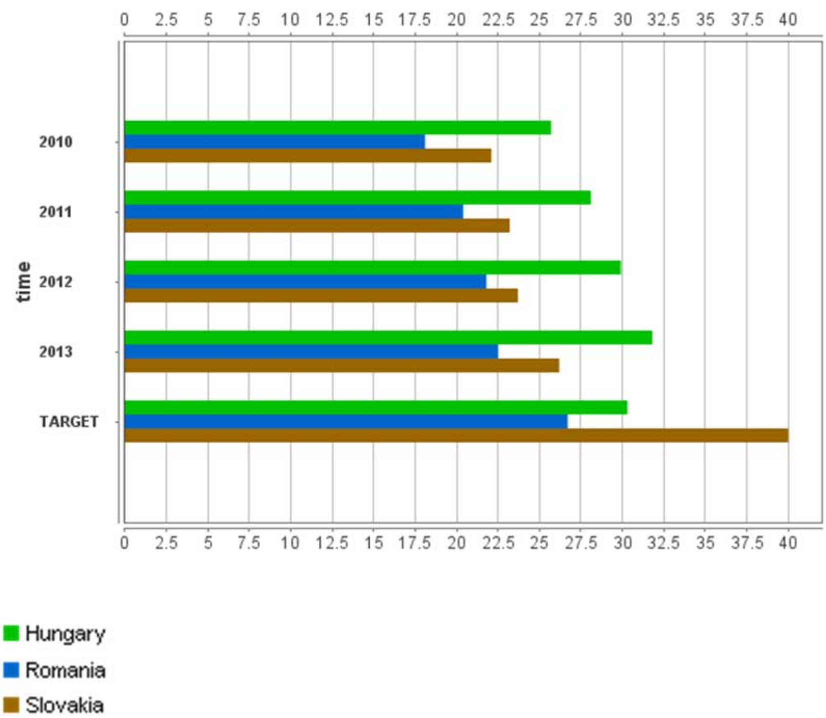
Short description: The proportion of the population aged 30-34 years who have successfully concluded university or university-like (tertiary-level) education with an education level ISCED 5 or 6.

Today there are more people concerning tertiary education than ever before. The trends in attainment rates reflect the differences between generations in educational attainment and growth in tertiary and secondary attainment.

Since 2000, the percentage of people with no upper secondary education decreased while the percentage of those with tertiary education grew in most EU countries.

The targets proposed for Hungary, Romania and Slovakia are 30.03%, 26.7% and 40%, rate of tertiary educational attainment.

In Europe, 7.5 million young people are not currently following any form of education or training and are not employed. Due to this fact, the EU has initiated the campaign "**Youth on the move**" part of an agenda for education and youth employment.



	2010	2011	2012	2013	TARGET
Hungary	25.7	28.1	29.9	31.8	30.03
Romania	18.1	20.4	21.8	22.5	26.7
Slovakia	22.1	23.2	23.7	26.2	40

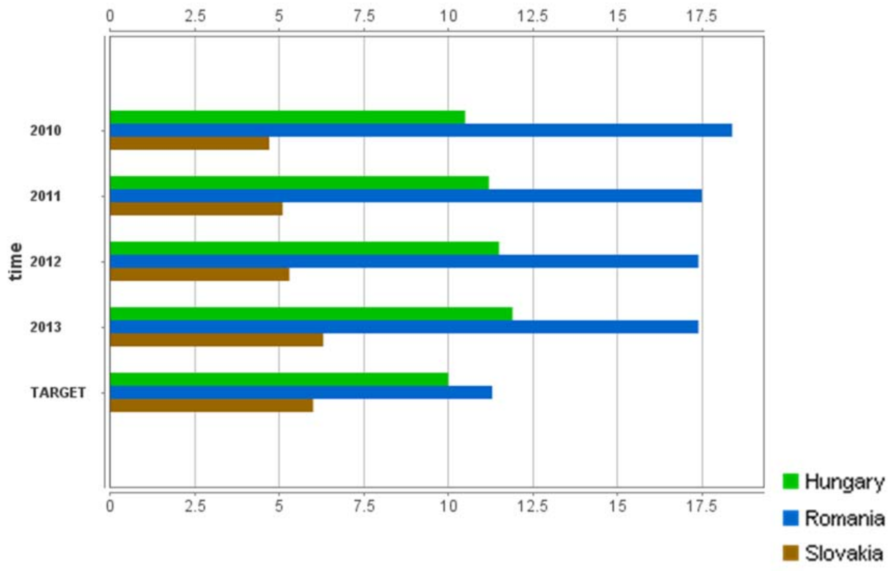
Early leavers from education and training (unit of measure: % of population aged 18-24)

Short Description: Early leavers from education and training indicates to the population aged **18 to 24** accomplishing the **following two cases**: **firstly**, the maximal level of education or training attained is ISCED 0, 1, 2 or 3c short, **secondly**, respondents claim not having received any education or training in the four weeks preceding the survey.

"Early leaving" express a premature retire from training and education, or an improper investment of time in education and training. Such a statement, instantly promote the further question: "**premature**" or **"improper**" relative to what standard? The standard has changed greatly in each of the three countries considered, but the different educational and labor market institutions lead to different implications in different countries.

Training and education plays a **key role** in the Europe 2020 strategy, the EU's primary program focusing on growth and jobs.

The EU´s **most valuable assets** are **the knowledge** and **strategic innovation**. It is designed to increase the EU's growth and aims to bring high levels of employment, productivity and social cohesion.



	2010	2011	2012	2013	TARGET
Hungary	10.5	11.2	11.5	11.9	10
Romania	18.4	17.5	17.4	17.4	11.3
Slovakia	4.7	5.1	5.3	6.3	6

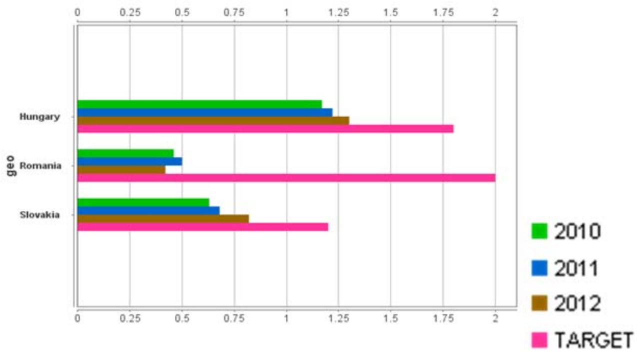
Gross domestic expenditure on R&D (unit of measure: % of GDP)

Short Description: This indicator GERD (Gross domestic expenditure on R&D) represents a **part of GDP**. GERD consists of creative work based on a systematic and calculated basis in favor of enlarging the stock of knowledge along with knowledge of man, society and culture.

The **indicator is calculated** by dividing gross domestic expenditure on R&D by GDP and expressed as a percentage. Both data on R&D expenditure and GDP can be expressed in current values and in the national currency.

Sustainable development deals concept of life quality in complexity, economically, socially and environmentally, by promoting idea of balance between economic development, social equity, efficient use and environmental conservation.

The strategy aims to eliminate the disparities among European countries, in our case Slovakia, Hungary and Romania prepares R&D system to identify and strengthen international through openness, partnership and competition, those unique areas in which our countries can excel.



	2010	2011	2012	TARGET
Hungary	1.17	1.22	1.3	1.8
Romania	0.46	0.5	0.42	2
Slovakia	0.63	0.68	0.82	1.2

Conclusion

These targets are interconnected. For example, better educational point help employability and progress in increasing the employment rate which helps to reduce poverty. An extraordinary capacity innovation as well as for research and development across all sectors of the economy, combined with increased resource efficiency will improve competitiveness and hasten job creation. Investing in cleaner, low or less carbon technologies will help our habitat, supplying fighting climate change and design new business and employment opportunities. Meeting these targets should encourage our collective attention. It will take capable management, engagement and an effective distribution mechanism to adjust attitudes and practices in the EU to deliver the conclusion which are summarized in these targets.

For Romania, the most problematic targets of the Europe 2020 Strategy are those related to the “smart growth” objective. The investments in research, development and innovation are very low. It is recommended that the National Council of Research, comprising business and academic representatives, to stimulate the mobility of the Romanian researchers and the link between industry and universities and to allocate the public money for R&D.

Working together for these objectives is fundamental. In our interrelated economies, growth and employment will only return if all Member States move in this direction, taking account of their specific circumstances. We need greater ownership. The European Council should furnish overall instruction for the scenario, on the basis of Commission recommendation built on one foundation principle: a fair EU value added. In this respect, the role of the European Parliament is especially important.

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