How to turn the EU into an innovation Union: Europe needs a wake-up call

Introduction

Just as the European Council is preparing to deal with innovation and energy at an extraordinary meeting scheduled to be held on 4 February 2011, after being obliged to postpone it on two separate occasions because of the financial crisis, the European Union seems determined to step up its efforts to tackle the growth challenge by means of innovation. Although the Lisbon Strategy did not succeed in achieving the target of 3% of GDP devoted to R&D in 2010, the increasing gap between the EU and the much better performance of the United States and Japan, has been, to some extent, stabilised. Six member states have achieved excellent performances which have enabled them to catch up and sometimes take the lead. This somewhat mixed situation is made to look rather worse by the remarkable performance of countries such as Brazil, India or China – particularly the latter – which are rapidly making up the gap separating them from R&D levels in the EU. In order to tackle this new situation, the European Council called for a strategic and integrated approach to boosting innovation. The European Council has confirmed, in the framework of the Europe 2020 strategy, the EU target of devoting 3% of its GDP to R&D by 2020 and has called on each member state to set a national target reflecting its own situation. The Commission has, at the same time, proposed an ambitious strategy aimed at turning the EU into an Innovation Union. Will this be enough to prompt the measures that are required at both EU and member state level in order to restore European competitiveness and tackle new societal challenges? What will be the consequences of this target and this strategy on the research sector and the industrial fabric of Europe? Does the EU have the means to take up this challenge successfully?

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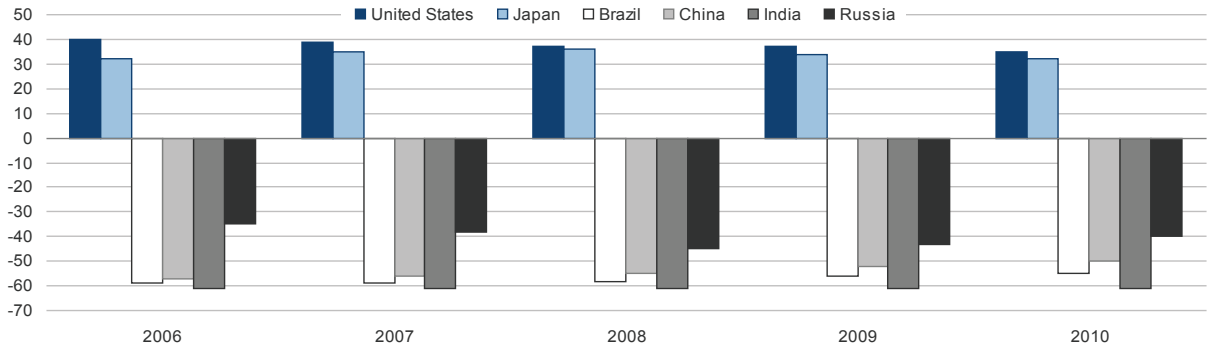
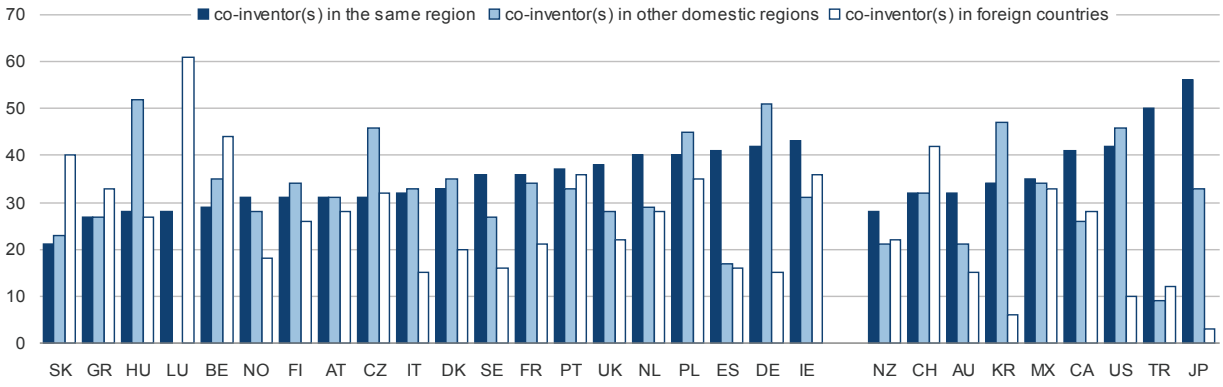
The EU innovation gap: under cross-fire from US and China

Figure 7.1 **The EU innovation gap: under cross-fire from US and China**



Data source: PRO INNO Europe (2011). Note: Performance is measured as 100*(X/EU)-1) where X refers to the value for the indicator for the country X and EU to the value for the indicator for the EU27. The values in the graphs should be interpreted as the relative performance compared to that of the EU27, e.g. the US in "2010" is performing 35% better than the EU27 and China in "2010" is performing 50% worse than the EU27.

Figure 7.2 **Regional average of PCT patents with co-inventor(s) by location, 2005-2007**



Source: OECD REGPAT Database (2010).

A declining leadership of the US and EU

The EU is not succeeding in narrowing the gap that separates it from the US and Japan, its main international competitors, in advanced technology. Comparing innovation performance with the main competitors of the EU shows that there is a clear, though very slowly declining, performance leadership of the United States. Trends show that the US is improving faster notably as regards new doctorate degrees, license and patent revenues as well as business R&D investments. In the business sector, the gap emerges in particular in the ICT and commercial services sectors. ICT appears as the main determinant of the productivity gap between the US and the EU (see Figure 7.4). Overall, the US innovation performance has grown at an annual rate of 0.65% compared to 0.73% for the EU27. However, the EU outperforms the US in public R&D expenditure, trademarks, growth performance in the fields of tertiary education, international co-publications and exports of knowledge-intensive services. Over the last five years, the strongest growth among the EU27 innovation indicators has been in open, excellent and attractive research systems and intellectual assets (Community trademarks, PCT patents and Community designs).

The EU innovation gap: under cross-fire from US and China

EU's innovation performance: not catching up with the US and challenged by Asian economies

There has been a relative decline in R&D investment in the pharmaceutical and biotechnology industry as regards the introduction of new molecular entities to the market in Europe, compared to the United States. In 1990, the European pharmaceutical industry invested the equivalent of 7 billion euros in R&D, while the US industry invested 5.5 billion. By 2004, this situation had been reversed, with European firms investing 21 billion and US firms 27 billion. During this period, the leading location for the introduction of new molecular entities to market also switched (1990-94, 88 in Europe; 49 in the US; 2000-2004, 57 in Europe, 70 in the US) (European Commission 2008e: 17).

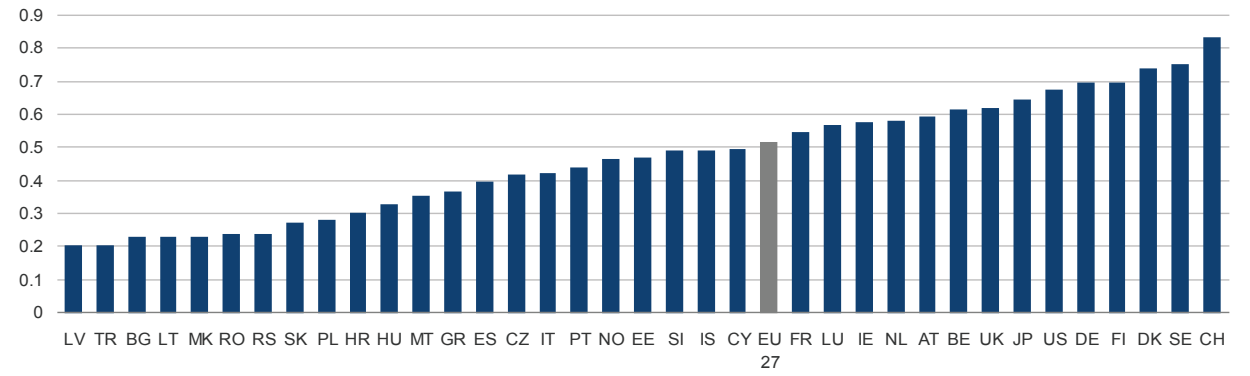
Comparison with the US may, however, be misleading. The attractiveness of the US as a location for business R&D is certainly related to the superlative quality of its research base and the concentration in a limited number of hot spots of large numbers of highly skilled researchers. It is also strongly driven by the large and innovation-friendly market that it offers. Other differences, such as the efficiency of regulatory processes, also play a role. Yet there is no compelling evidence that formal industry-university links work better in the US than in Europe. The difference lies more in the opportunities available to their alumni in the entrepreneurial establishment and, especially, the quality of the business environment and easier access to private capital which allow the early growth of new technology-based firms. The conclusion is that, while the US research and innovation system indeed has many strong points from which lessons may be drawn, these require careful contextualisation and may not correspond to the received wisdom.

Compared to China and Brazil, the EU still has a clear innovation performance lead. This lead, however, is declining fast: China's innovation performance is growing at an annual rate of 6.26%, Brazil's at 3.78% and India's at 1.89% compared to 0.73% for the EU27. In net spending, in 2014 China will spend more than the EU. While Russia performs better than the EU in relation to new doctorate degrees and tertiary education, the EU is overall well ahead and this trend is increasing.

China, in particular, has shown a rapid rate of relative improvement and, while it is fast catching up in quantitative terms, in qualitative terms this is less obviously the case. In other words, the EU's accumulated stock of knowledge continues to stand it in good stead. Nevertheless, the performance gap with the EU27 is decreasing fast and will disappear in the very near future if China's rate of improvement over the last five years is maintained (Archibugi *et al.* 2009). But China and India are not isolated cases. Other Asian countries, such as South Korea and Singapore, have become new innovation hot spots. The emergence of new innovation powers has accelerated the globalisation of research and innovation activities and increased the pressure on the EU to maintain and improve its innovation performance and competitive position.

The uneven performance between member states

Figure 7.3 **EU member states' innovation performance related to other competitors**



Data Source: PRO INNO Europe (2011).

A fragmentation of innovative performance between EU countries

This overall picture begins to appear more diversified when comparisons are made at member state level: six member states are outperforming the US and Japan, while three are performing less well than the BRIC countries (Brazil, Russia, India and China). The overall performance of the EU is dragged down by the poor performances of the Central and Eastern countries and two large countries – Italy and Poland – whose combined economic weight lies heavy in the balance.

Among the factors affecting this situation, fragmentation between member states and access to appropriate sources of finance are two of the most significant constraints on business-led innovation in Europe. Proximity to large pools of top talents is another key factor.

The European Innovation Scoreboard 2010 has shown that EU member states can be divided into four different groups: a) the innovation leaders, which include Denmark, Finland, Germany, Sweden, have performances way above the EU27 average; (b) the innovation followers, comprising France, Austria, Belgium, Cyprus, Estonia, Ireland, Luxembourg, the Netherlands, Slovenia and the UK, have results close to the EU27 average; (c) the moderate innovators, which include Croatia, the Czech Republic, Greece, Hungary, Italy, Malta, Poland, Portugal, Slovakia and Spain have performances somewhat below the EU27 average; and (4) the catching-up countries (Bulgaria, Latvia, Lithuania, and Romania) remain very far below the EU27 average. At regional level, the situation is even more fragmented. The fragmentation of innovation performance is also a mirror image of the continuing absence of a real internal market for many of the most innovative sectors, including, most notably, the services sector (Renda *et al.* 2010).

One of the most interesting examples is the case of Finland, one of Europe's innovation leaders. Since the 1980s, the advanced industrial countries have undergone a process of transition from a resource-based to a knowledge-based economy, entailing significant structural change. In Finland, this change has been exceptionally rapid. The most visible change in industrial structure was the growth in the electronics industry – in particular, the Nokia success story – during the 1990s. One of the main factors behind this change was the economic crisis of the early 1990s. Recovery started promptly as it was realised that the key factors for growth are structural change and innovation, based on, among other things, high-level technological and business know-how. From 2000, Finnish R&D and innovation policies rapidly adjusted to the emerging challenges of globalisation. In particular, the development of the National Innovation System was based on improving core competences, and on increasing openness in the economy and society, with a focus on strengthening education and cooperation within the system. The functioning of the commodity and labour markets was also discussed in this context, with proposals for improvement.

The innovation paradox

Why does the EU not innovate?

Nowadays, not a single involved party fails to stress that Europe must substantially increase its rate of innovation in the economy. In spite of unceasing appeals to this end, the innovative capacity of the EU is curbed by a number of factors that prevent it from gaining the requisite momentum.

Firstly, Europe has not invested sufficiently either in R&D or in the knowledge economy. Underinvestment in R&D and innovation, largely attributable to the structure of the EU economy, combined with a weak ability to turn R&D results into innovations commercialised by European companies, is the main explanation for the EU's underperformance in innovation. While European companies continue to invest the same and sometimes a larger share of their income in R&D, just like their US counterparts, Europe has not so far succeeded in increasing the size of its high-tech sector in which most business R&D investments are concentrated. Furthermore, the EU has been unable to take full advantage of recent technological revolutions, particularly in information and telecommunications, and this has resulted in lower productivity gains than in the US (Figure 7.4; van Pottelsberghe 2009).

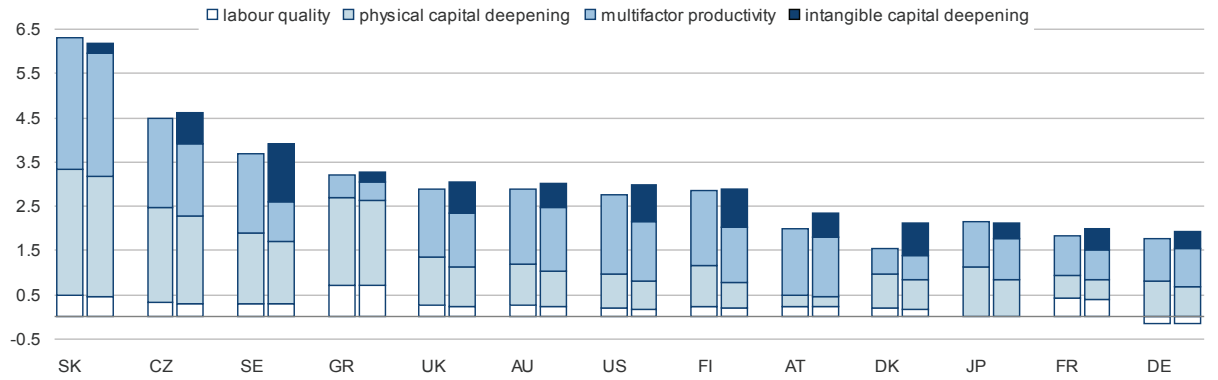
Secondly, innovation and its spread come up against strong barriers in the public sector (European Commission 2010n). One of the most commonly acknowledged of these is to be found in the organisations themselves. Reluctance to innovate, often combined with few or poor skills to handle innovation (e.g. limited procedures for stimulating, rewarding and managing innovation), can undermine the introduction of innovation in public services. Yet the public sector, representing almost 40% of the GDP of the European Union, constitutes an important opportunity to foster innovation. Moreover, framework conditions on both the national and EU levels are not sufficiently innovation-friendly and prevent the entry of new innovators to the marketplace. This last point is possibly the most important of all: in the absence of an innovation-friendly business environment, newcomers have fewer possibilities to compete against incumbent firms, which prevents them from growing and rejuvenating the industrial fabric. This is one of the main explanations for the large proportion in the US, amongst the top 500 companies, of firms established less than 25 years ago, whereas the EU industrial landscape is still dominated by large German, French, British and Swedish firms founded around the turn of the 19th century.

Thirdly, there is too much fragmentation, duplication of efforts and overlap, with weak links between EU and national/regional research and innovation programmes. Five negative consequences of fragmentation might be seen as a system-level failure (European Commission 2008a): barriers to researcher mobility inhibiting career opportunities; difficulty in establishing cross-border academic industrial partnerships; duplication of funding between national/regional programmes leading to dispersion of resources; loss of spillovers making Europe's global role subcritical (while Europe has a large number of (public) researchers, they are working in sub-critical units and their efforts and the resources they require cannot be concentrated sufficiently for them to reach a world-leading position); lack of European perspective and transnational coherence in reforms undertaken at national level; diminished attractiveness of the EU as a location for business R&D investment. It is in response to these numerous elements of fragmentation that the Commission has announced in the Europe 2020 Innovation Union flagship initiative that it will make proposals in 2012 to complete the European Research Area by 2014 and to launch 'European Innovation Partnerships' aimed at breaking down 'silos', bringing together all relevant stakeholders across policies, sectors and borders in order to speed up innovations that address a major societal challenge, and gain competitive advantages for growth and job creation in Europe.

Fourthly, the current European landscape suffers from a lack of good governance and simplicity of EU support. As a matter of fact, an estimated 16.5% of the EU budget in the period 2007-2013 is devoted to innovation-related activities; this is spread, however, over several programmes and subject to different management rules: four centrally managed EU funding programmes (FP7, CIP, LLP and Life+), four executive agencies, 386 operational programmes under the ERDF and ESF that contain an innovation component. Insofar as these are regional programmes, it is logical that there should be a large number of them, for this is one aspect of the regional-level appropriation of the EU priorities and of the orientation of regional innovation policies. Nevertheless, this diversification of programmes could lead to a lack of clear political leadership and strategic orientation (Renda *et al.* 2010). This point is debatable, nonetheless, for it is far from certain that a centralised innovation programme would be capable of suiting the diverse needs of so many different sectors. Finally, at the present time, access to programmes is so complicated and protracted that it is virtually impossible for an SME to obtain Community R&D subsidies. A measure such as a lower rate of income tax for researchers, which has been introduced in Belgium, would, by lowering their cost, enable their numbers to be increased.

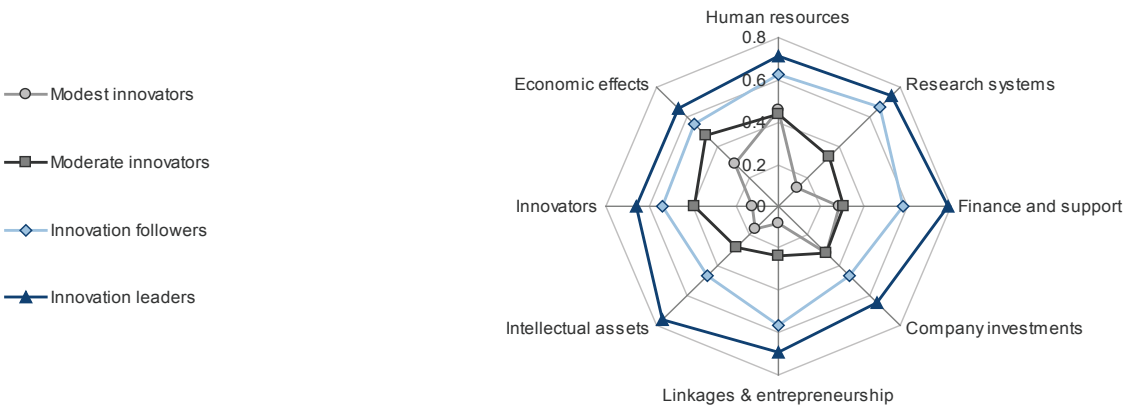
The innovation paradox

Figure 7.4 **Labour productivity growth: adding the contribution of intangible assets, 1995-2006**



Data Source: OECD (2010f).

Figure 7.5 **The link between innovation, competitiveness and employment**



Data Source: PRO INNO Europe (2011).

The link between innovation, competitiveness and employment

The impact on employment depends on the full mobilisation of all production factors

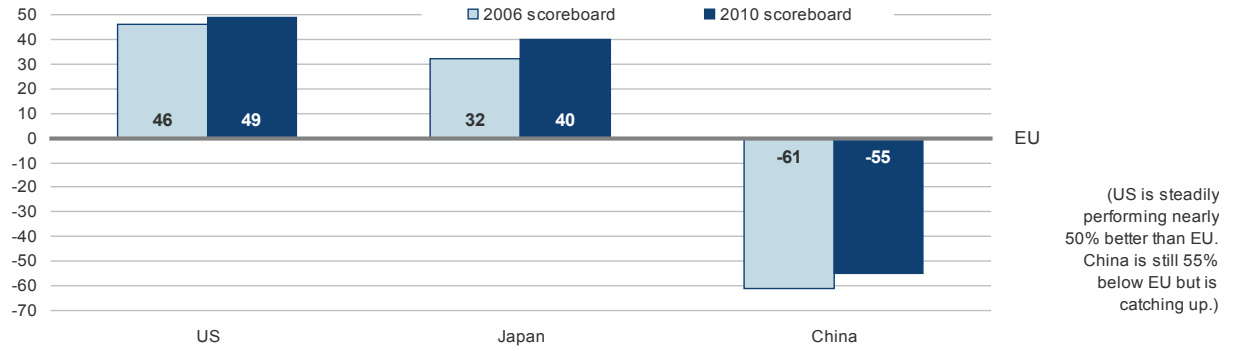
Innovation is presented sometimes as the main factor of job creation in the long term and at other times as the cause of decreasing recourse to human labour (mechanisation, automation, etc.), and hence as destructive of employment. Finally, there are those who minimise the link between innovation and employment, considering that the main factors of job creation or destruction are to be sought in other socio-economic mechanisms.

As an aid to understanding the link between innovation, competitiveness and jobs it may be useful to refer to the typology drawn up by Pierre-Noël Giraud (1997) in relation to jobs faced with international competition. He distinguishes between 'protected' jobs which cannot easily be replaced, such as neighbourhood services or services of general interest; 'exposed' jobs directly threatened by competition from low-wage countries or readily accessible productivity gains; and the highly skilled jobs that he labels 'competitive'. Responsibility for maintaining the overall level of competitiveness lies with the latter category of jobs. Whereas the destruction of jobs, following the impact of innovation, related until recently only to the 'exposed' jobs, it is today the 'competitive' ones that are at stake and the relative situation of which determines the fate of the exposed jobs.

The impact on employment of the 3% of GDP or of European research programmes is difficult to assess for it entails a whole series of chain developments that do not readily lend themselves to study. In the wake of a study conducted by Luc Soete (2010), Paul Zagamé (2010) estimated that the 3% target for R&D would enable creation of up to 3.7 million jobs by 2025. After assessing the nature of the jobs thus likely to be created, Zagamé concluded that more than half of them would be non-skilled, contrary to what might be imagined at first sight. As such, there would not necessarily be any substitution effect of non-skilled by skilled jobs, the essential reason for this being that, with the impact on growth of an ambitious innovation policy, per capita income would increase and would stimulate demand for a whole series of products, a non-negligible proportion of which would not be of high added value. In summary, a European society with stronger growth would bring benefits for all.

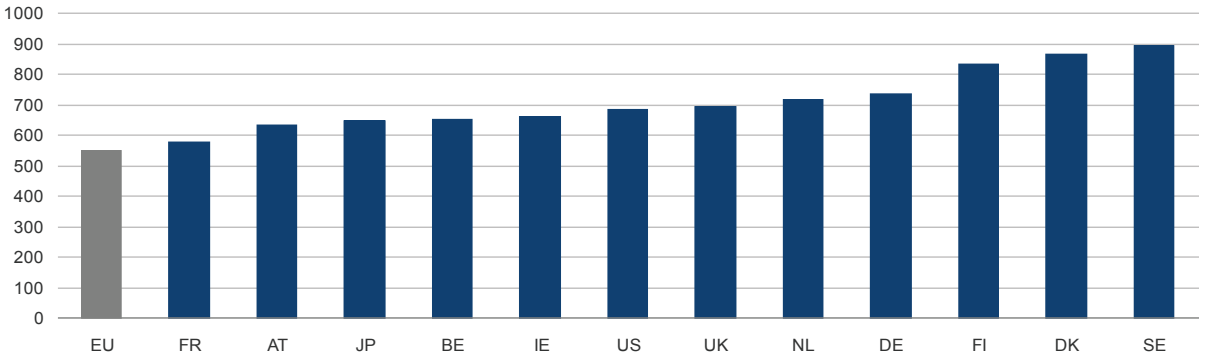
The link between innovation, competitiveness and employment

Figure 7.6 **EU research and innovation performance compared to US, Japan and China**



Data source: PRO INNO Europe (2011).

Figure 7.7 **Research and innovation performance index: best performing EU countries compared to Japan and US**



Data Source: PRO INNO Europe (2011).

The link between innovation, competitiveness and employment

Scenarios for the EU: innovate or lose

This failure to perceive the links between innovation, competitiveness and jobs – together with the lower share of hi-tech sectors in the economy – is the main reason for Europe's R&D investment gap. According to Eurostat figures, investment in business R&D in Europe needs to increase by 105 billion euros in total by 2025 to reach the 3% of GDP target. It is to be remembered that R&D expenditure has a multiplier effect of between 6 and 7 (Zagamé 2010): every euro invested generates 6 to 7 euros of GDP and a million euros generates about 30 jobs, with variations depending on the policies implemented.

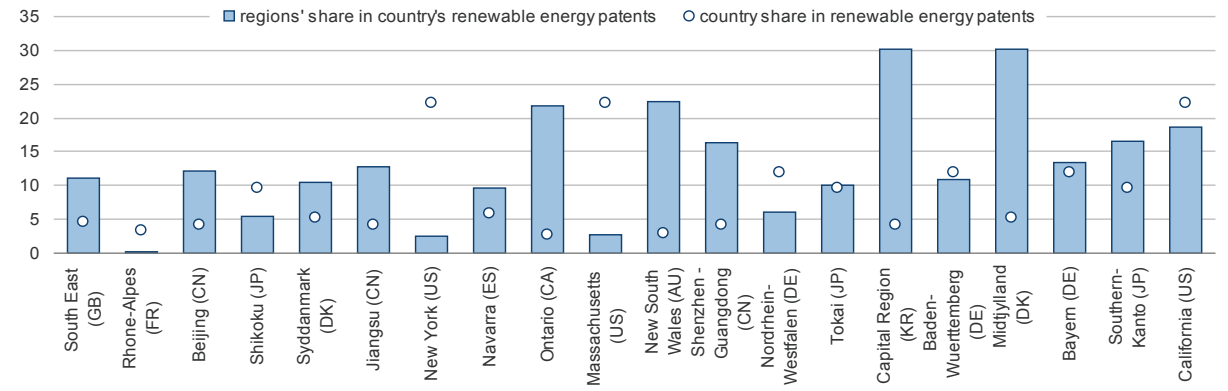
The stock of researchers in Europe is insufficient. Although the number of researchers in the EU (1.5 million full-time equivalent jobs in 2008) has been increasing since 2000 at a faster rate than in the US and Japan, the EU still lags behind in the share of researchers in the total labour force. In 2008, this stood at 6.3 per 1000, compared to 9.4 in the US (in 2006) and 10.7 in Japan (2006). The difference is due to a much lower share of researchers in the business sector. In 2008, the EU had approximately 1.5 million researchers: about 690,000 in the private sector; 610,000 in the higher education system; and 190,000 in the public sector. The problem is that only half of the researchers in the EU work in the private sector, where research is more closely linked to innovation. In the US, almost four out five researchers and in Japan two out three researchers work in the private sector (OECD figures). To achieve the target of 3% by 2020, the number of researchers would have to be drastically increased by around 1 million compared to 2008 (European Commission 2010).

In the event of a failure to sufficiently reinforce the innovation component of EU competitiveness, it seems rather likely that the steadily continuing erosion of European competitiveness (figure 7.5) could lead to a situation in which the volume and quality of employment, the level of wages and social protection systems, will come under pressure in the EU. Indeed, either the EU will maintain its competitiveness by keeping production costs at a reasonable level and increasing their quality by means of innovation (processes, products, organisation) – in which case it will preserve positive wage and social protection system developments – or it will fail to make up its delay in comparison with the EU and Japan, or to contain the slow catching up by China and other Asian countries, among others. In this case, the EU might be obliged to maintain its competitiveness by a rationalisation of production factors: wage freeze or reduction, employment losses, increased unemployment, falling standards of living and welfare. In order to remain competitive, the European governments could be tempted to use these production factors as structural adjustment variables. Between these two scenarios, there is a range of intermediate situations that would enable the EU to retain its status quo, or even to gradually make up the gap between itself and the two groups. If the EU aims to ensure the sustainability of its unique socio-economic model, it must raise its productivity by investing in R&D and education and by becoming ever more innovative. More precisely, the EU must retain its competitiveness in terms of effective mobilisation of the total factor productivity growth: capital deepening, capital intensity and labour force skills.

This analysis has to be fine-tuned to take account of the structure of the European economy: the medium-high and high-tech sectors are just as competitive as their US, Japanese or Korean counterparts. Of this we have proof every day in the news (Airbus, Areva, VW, Siemens, etc.). In these areas our level of competitiveness is not currently under threat from that of our main competitors; or, rather, the only risk it does run is a shortage of skilled labour. On the other hand, the insufficient size of these very competitive sectors in the global economy of the EU leads to a deterioration in our trade balance (with the notable exception of Germany) and hence of our potential growth. Hence the need to count on an increase in our innovation performance in the absence of any significant increase in our R&D investment (linked to the structure of the economy that is developing slowly in Europe, unlike in China which is building up its strength).

The EU 2020 strategy and 'emergency innovation'

Figure 7.8 **Innovation hot spots in renewable energy, 2005-07**



Data Source: OECD REGPAT Database (2010).

A need for an integrated and strategic approach

The EU has responded to the 'Innovation paradox' by a so-called 'Innovation paradigm' seen as an exit strategy to reinforce the EU's capacity to face its main competitors. To this end, the Commission has proposed seven Europe 2020 flagship initiatives. It is in this context that on 6 October 2010 the Commission presented its 'Innovation Union flagship initiative' to turn Europe into an innovation Union by 2020, this being the top priority of the EU 2020 strategy.

As is evident at a first glance, the European Council has urged the member states to stabilise the economy in the short term by restoring order to public finance by means of an exercise in intelligent budgetary consolidation that will safeguard the levers of growth, such as investment in education, research and innovation. So far, Germany has announced a rise of the RDI and education budget by 12 billion euros over the 2010-2013 period, while France has launched a large investment programme that will inject an additional 8 billion euros into RDI over the 2011-2014 period, despite overall budgetary constraints, the UK having promised not to reduce its RDI budget over the next four years.

Confronted with an 'innovation emergency' and the structural weakness of the EU, which is pleading for structural reforms, the Competitiveness Council of December 2010 concentrated its answer on a fourfold integrated and strategic approach:

- Creating the right conditions for a globally competitive innovation environment in Europe: the EU and its member states must concentrate on the key and framework conditions for making Europe more attractive for RDI investors and entrepreneurs and on boosting private investment in R&D and innovation; offer more affordable and robust Intellectual Property Rights protection and a European patent; reform of the standardisation system (faster and more efficient in delivering interoperable standards); using public procurement in a more strategic way to foster innovation; improve access to capital, in particular for SMEs, and create a digital single market and dramatically invest in ICT technologies;
- Maximizing the impact and efficiency of all types of resources: at times of significant public budget constraints, it is crucial for the EU to safeguard its sources of future growth and jobs, by prioritising investment in education, training, RDI and key technologies; putting in place strong policies for human resources in science, technology and innovation; tackling fragmentation by increasing the efficiency of public spending on RDI at EU, national and regional level; facilitating co-operation between European networks and clusters;
- Improving governance and monitoring progress: the Commission is developing a single innovation indicator with a view to measuring the progress made by each member state in relation to the 3% R&D target. Moreover, the Commission has decided to set up a 'European Innovation Partnership' a forum in which the actors can identify, develop and test innovative solutions and ensure the smoothest possible transition from conception to implementation, mobilise resources to achieve breakthroughs more rapidly, reduce time-to-market of research and innovation and make easier to achieve scalable results by overcoming fragmentation. The European Council invited the Commission to continue to develop a single indicator to allow a better monitoring of progress in innovation.
- Projecting the EU on the world stage: the EU and its member states should consider scientific and technological cooperation with third countries as an issue of common concern and should consider coordinated approaches. Moreover, experts from the member states and the Commission should, in collaboration with international partners, benchmark innovation policies outside the EU.

The coming challenges

Innovation: not only economic, but also social and environmental

Over and above the necessary response to competitiveness, the EU is faced with other challenges to improve democracy, solidarity and cooperation which in turn constitute incentives for innovation:

- Place innovation top of the societal challenges. Innovation is of particular importance for policy development because of the important role that governments are expected to play in solving societal problems. The EU faces social and societal challenges (to ensure active and healthy ageing, mitigate the causes and effects of climate change, use energy and natural resources more efficiently, ensure raw materials supply and promote food security as well as the efficient use of water, and make transport more efficient and sustainable) which entail the risk of eroding the welfare of European citizens and undermining welfare states (pension system reforms, etc.).
- Guarantee that the innovation gains will be turned into sustainable jobs. The EU has a high unemployment rate (see Chapter 2) that has been pushed up still further as a result of the economic and financial crisis. It is particularly crucial that the investment made at public and private levels should not serve exclusively to improve the competitive position of the EU but should also raise the level and enhance the quality of jobs. The economic models (cf. Zagamé 2010) seem to indicate that the 'fruits of innovation' will be shared.
- Foster green markets as key markets. EU member states enjoy great export potential. Europe currently holds about one third of the world market in environmental goods. European companies are particularly strong in renewable power generation technologies, where they have a global market share of over 40%, and in key waste management and recycling technology, where they have a share of over 50%. This strong position represents an excellent opportunity for sustainable growth and employment in the EU. By 2020 renewable energy industries are expected to create up to two million new jobs in Europe (European Renewable Energy Council – EREC and Greenpeace 2007: 69). Further innovation in eco-efficient technologies will thus become a key factor in the wealth and prosperity of the EU.
- Launch a concept of all-encompassing competition. A key policy objective is to seek a balance between cooperation and coordination and their partial opposite, competition. Competition is at the core of business and business-led innovation. But the system has a built-in limit. As part of the fabric of science, cooperation must also be seen as a driving force to foster innovation. The competitors of today are the partners of tomorrow. As such, the member states among themselves, but also the EU and its main partners, should engage in competitive cooperation or cooperative competition intended to allow, in particular:
  - achievement of critical mass through cost sharing, combination of datasets and exchange of good practices;
  - addressing of trans-border or global problems, for example in social and environment protection;
  - access to and sharing of the cost of major facilities.

  Research programmes generally encourage cooperation in the upstream phases of the innovation process. The more downstream initiatives tend to consist of identification and stimulation of demand to encourage industry to mobilise its resources in a manner appropriate to the development of innovatory products.

Conclusions

A fight still to be won

By redirecting the Europe 2020 strategy to the achievement of an intelligent, sustainable and inclusive economy, the Commission has sought to respond to the numerous challenges facing the European Union. The Competitiveness Council of 25 and 26 November 2010 undertook, in its conclusions, to adopt a strategic and integrated approach to innovation in order to step up competitiveness and also respond to the challenges facing society. This was further reinforced by the European Council conclusions of 4 February 2011. In this spirit, the framework conditions likely to strengthen the knowledge triangle (access to funding, simplification of European R&D programmes, strategic use of public procurement, modernisation of standardisation procedures, etc.) should be strengthened. The Council also undertook to optimise the effectiveness of resources, giving priority to investment in education, training, research, development and innovation, raising cooperation in science and facilitating cooperation among networks and clusters of European companies. In this respect, the Council agreed to create 'European innovation partnerships'. Finally, it agreed to improve governance at all levels, as well as horizontal coordination, and to introduce piloting and regular monitoring of the progress accomplished. In spite of these commitments, the risk of repeating the mistakes of the Lisbon Strategy cannot be ruled out. First of all, in confining itself to setting European and national targets within the framework of a top-down process, the Europe 2020 strategy for innovation remains broadly dependent, when it comes to translation into action, on the goodwill of the member states and the decisions of the private sector. Secondly, in spite of the European Commission's efforts, the policy instruments and funding channels available to the Europe 2020 strategy remain extremely fragmented, as was already the case with the Lisbon Strategy, and this could well jeopardise their effectiveness. The policy instruments should be better coordinated and their use simplified to enable focussing on a limited number of realistic targets. Hopefully, this should be addressed by the Common Strategic Framework for EU funding of Research and Innovation (green paper under consultation) and better articulation with the 2014-2020 structural funds. Finally, in the long run, achievement of the Europe 2020 targets will depend not only on the set of actions undertaken by the governments concerned but also, and decisively, on their capacity to act in a coordinated and synchronised manner. In spite of the declared goodwill of the member states and the encouragements offered by the European Council, a substantial qualitative leap will be required to seal a strong partnership among all levels of this edifice of power. If the Europe 2020 strategy is to bear the desired fruits, a convergence among all actors must be ensured from the outset and it is essential that the targets should be specifically enshrined in national reform programmes. In order to have any real hope of appearing convincing and of achieving their targets, the European Commission and the Council, together with the member states, should diligently set about following the Europe 2020 road map which they have set themselves for 2011 and the following years.