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Competitiveness of the European Union – Expectations, Reality and Challenges Towards 2020

Abstract

RESEARCH OBJECTIVE: The aim of this paper is to document the performance of the EU and its Member States in the light of the Europe 2020 strategy, while also presenting a broader picture of the context. Its purpose is not to strictly predict whether the 2020 targets will be reached, but also to consider the consequent circumstances.

THE RESEARCH PROBLEM AND METHODS: The problem of this publication is the analysis of competitiveness of the EU and its Member States. The article uses traditional literature studies, as well as an analysis of documents, reports and statistics.

THE PROCESS OF ARGUMENTATION: The line of reasoning consists of four sections. The opening one provides a concise overview of the key definitions. Subsequently, the post-crisis instruments of building competitiveness are discussed. The third section juxtaposes the Europe 2020 targets and reality. The last part includes a reflection on the current challenges concerned mainly existing division in the UE.

RESEARCH RESULTS: Despite of having new post-crisis competitiveness tools, some of the targets will not be achieved by 2020. Moreover, there are countries which have already over-performed, whereas some of the Member States significantly fall behind their targets.

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CONCLUSIONS, INNOVATIONS AND RECOMMENDATIONS:

The capacity to deal effectively with the implementation of necessary policies and reforms in the EU is not enough. Heterogeneity of the Member States involves not only the level of competitiveness, but can be considered in many aspects. The failures seem to be a result not only weak economic performances, but are also determined by the crisis of solidarity. Working on this challenge ought to involve a larger reflection on psychological aspects and how to bring citizens along on the next stages of the European (economic) integration process.

KEYWORDS:

competitiveness, Europe 2020, the European Union, economic governance

INTRODUCTION

The woes of the financial and ensuing economic crisis strained relations between European Union (EU) Member States and raised many questions about the very viability of the European project and about the position of the EU in the global arena as well. Challenges to competitiveness, which is herein an object of research, might seem to be an old cliché in the current Europe facing a myriad of other seemingly more important challenges. However, there is no acceptance of the view proclaiming competitiveness as an out of date, or, as P. Krugman suggests, fundamentally misleading (Krugman, 2011) goal. The fact that the diversified level of price- and non-price competitiveness among EU countries contributed to the severity and consequences of the 2008+ crisis cannot be diminished. To moderate the turbulence, in 2010 the European Commission announced its specific competitiveness strategy – Europe 2020 with a priority on transforming the EU into “a smart, sustainable and inclusive economy, delivering high levels of employment, productivity and social cohesion” by 2020 (European Commission, 2010). Additionally, over the next few years there were introduced new solutions that imply stronger coordination within the EU to achieve these goals. With the halfway point of the decade 2010-2020 behind us, we were inspired to consider the progress.

The aim of this paper is to document the performance of the EU and its Member States (MS), while also presenting a broader picture

of the context. Its purpose is not to strictly predict whether the Europe 2020 targets will be reached, but also to consider the consequent circumstances.

According to the hypothesis, the factor that significantly contributes to the weak implementation of the Europe 2020 strategy is the persistent diversity of Member States. It matters not only in the sense of a given EU-level progress consisting of MS performances, but also as a factor subverting solidarity and motivation.

This article has been structured into six parts. After the introduction, the opening part provides a concise overview of the key definitions and provides basic information about the contemporary approach to competitiveness. The post-crisis instruments of building competitiveness and a sketch of new governance are discussed in the second section. The third section juxtaposes expectations and reality. Namely, it presents how successful the EU and its members are in terms of building up the fundamentals of competitiveness. The subsequent part includes a reflection on the current challenges. The analysis is completed by a display of the conclusion of the article.

This paper presents the results of research based on the review of economic literature as well as EU documents, reports and statistics delivered by Eurostat and the World Economic Forum.

COMPETITIVENESS: THE EVOLUTION OF AN INTERPRETATION

The topic of competitiveness was pushed into public debate with the acceleration of globalisation and integration processes and the desire to win the race and hold the crown of most competitive place to live and run a business. There were opponents of treating countries as objects which have to start in that race (i.a. Krugman, 1994), but eventually competitiveness has been incorporated into strategies and reform programmes in most countries.

Among many existing criteria, the notion can be interpreted in two ways: price competitiveness and non-price competitiveness. Whereas the first one is not debatable and means a country's price (or cost) competitiveness relative to its principal competitors in international markets measured with the real effective exchange rate, the

understanding of the latter evolved. In short, non-price competitiveness (called from this moment onwards simply “competitiveness”) in the 80’s was understood as an ability to sell, in the 90’s – as an ability to grow, then life quality and welfare came into focus (Tusińska, 2014). Nowadays, according to the World Economic Forum (WEF, 2014), competitiveness is the ability to provide high and rising living standards, allowing all members of a society to contribute to and benefit from these levels of prosperity. The heart of the issue is the level of productivity of an economy, but in addition, competitive economies have to be sustainable – meeting the needs of the present generation while not compromising the ability of future generations to meet their needs.

This definition by the WEF is not in conflict with the European approach. According to the Europe 2020 strategy for the current decade, three priorities were deemed essential for making the European economy fit for the future and for delivering higher employment, productivity and social cohesion, namely (European Commission, 2010):

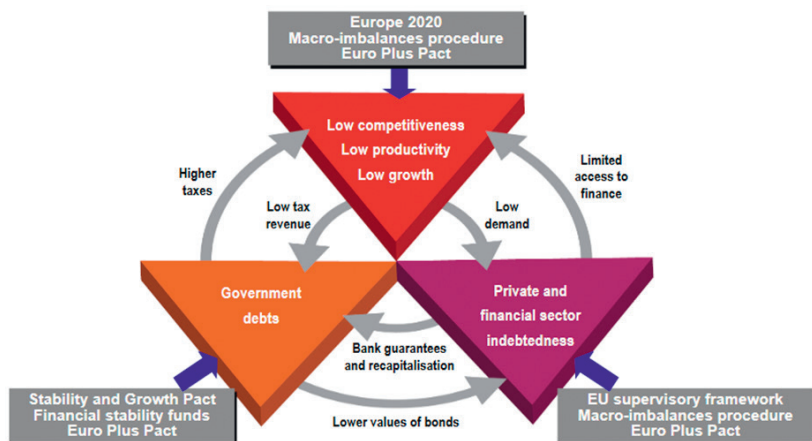
1. Smart growth, through the development of an economy based on knowledge, research and innovation.
2. Sustainable growth, through the promotion of resource-efficient, green and competitive markets.
3. Inclusive growth, through policies aimed at fostering job creation and poverty reduction.

Admittedly, at higher stages of development (which includes EU countries) a priority is put on non-price competitiveness, but price competitiveness must not be understated. The asymmetry of price competitiveness among Eurozone members – the years preceding the crisis 2008+ were marked by striking external and internal macroeconomic imbalances. The loss of price competitiveness linked mainly with the growth of unit labour costs resulted in growing current accounts deficits of peripheral countries (i.e. Greece, Ireland), whereas considerable surpluses could have been observed in the balances of payments in the core economies, Germany being a good example (Pietrucha, Czech-Rogosz & Tusińska, 2013). The crisis has also shown that a lack of necessary structural reforms or half measures in one Member State can have negative effects in others. The awareness of these facts was the impetus to change the attitude to competitiveness in the whole EU and its Member States.

POST-CRISIS PRO-COMPETITIVENESS INSTRUMENTS

Tracing the story of the drive to increase competitiveness of the EU within the first decade this century, it was a long way in 2010 from the ambition declared in the Lisbon Strategy (LS) to “make the EU the most dynamic and competitive knowledge-based economy in the world (...) by 2010” (Lisbon European Council, 2000). Only in 2004 did this over-ambitious priority turn out to be unrealistic due to (...)“an overloaded agenda, poor coordination and conflicting priorities (...) the lack of determined political action” (“Facing the Challenge”, 2004, p. 6). Europe 2020 was supposed to be different not only in terms of the content, but also in ways of monitoring the implementation. Under the three aforementioned priorities, the EU adopted measurable targets then monitored by using a set of headline indicators and additional sub-indicators related to various dimensions of the data (Table 1). Each of the EU targets have been translated into national goals reflecting each state’s situation and the level of ambition they are able to reach as part of the EU-wide effort for implementing the strategy.

Within the framework of the post-crisis agreements there were official and informal declarations which were critically important to create momentum around the long-term structural shifts required to meet the 2020 targets. Such expectations concerned not only instruments referring strictly to competitiveness, but practically to all elements of new economic governance in the EU (Pic. 1).



Picture 1. Economic governance in the EU – an outline.
Source: Barroso, 2011.

The interdependence of various aspects of an economy and the indispensability of a complex approach seemed to be finally discerned (Pic. 1). It was assumed – i.e. according to the Stability and Growth Pact – that stronger coordination between various areas has a positive impact on achieving goals connected with competitiveness. The Euro+ Pact to increase productivity promotes (among other goals) a further opening of sheltered sectors, improvement of education systems and of the business environment (particularly for SMEs), R&D promotion, and developing innovativeness and infrastructure as well (European Council, 2011). An important element with respect to price-competitiveness is the Macroeconomic Imbalance Procedure (MIP), which provides information for the identification of imbalances, including external ones (related to current account developments and trends in real effective exchange rates, share of world exports and nominal unit labour costs). Countries in need are obliged to implement recommendations to correct their imbalances, otherwise they become subject to certain sanctions (optionally, they receive revised recommendations with an extended timeline) (Eurostat, 2013).

An instrument to provide guidance for the MS in their actions is the European Semester, an annual cycle of Union-level policy co-ordination. The Annual Growth Survey (AGS), normally adopted by the Commission towards the end of every year, marks the start of the Semester. It

sets out overall priorities at the EU and national level. Based on the AGS, each state submits its annual National Reform Programmes (NRPs) presenting concrete reforms and measures towards implementing the Europe 2020 plan. The countries also present Stability and Convergence Programmes (SCPs). The period of each states' supervision starts before the first half of a year to detect potential inconsistencies and to issue early warnings in due course. The NRPs and SCPs are submitted to the European Commission for assessment in April. For about two months, country-specific recommendations (CSRs) are formally endorsed by the Council. These recommendations address the implementation of the Europe 2020 strategy and other economic challenges on the national level and provide a timeframe for MS to respond accordingly and implement the policy advice in their annual economic policy and budgetary cycle (more: Pećiak, 2014, pp. 161-185).

Despite the regularity and coordination of many actions being an important step, it is hard to point to an enforcement tool – on the topic of competitiveness this is rather a type of “peer pressure” approach. A kind of breakthrough in the area of the governance of competitiveness was supposed to be the Convergence and Competitiveness Instrument (CCI) presented in March 2013. The intention was to set out options for two instruments: contractual arrangements for Member States under particular stress to undertake specific reforms and a solidarity mechanism in the form of financial support. The planned aim was to help MS facing problems that may affect the entire Eurozone to undertake the necessary structural reforms through CCI sooner than they would be able to do on their own. Countries would be obliged to plan reforms and implement them according to the timeline, they should also participate financially in the Instrument. The EC would assess MS reform plans (looking at i.e. potential spill-over effects and the feasibility of implementation) (European Commission, 2013). Decisions on the competitiveness pact have been postponed, because of potential problems to consider, namely: how to prevent moral hazard arising from the perception that reforms would be rewarded once they were overdue, which could delay reforms until the moment they were eligible for financial support. Another action which could potentially appear would be the risk of deadweight losses occurring by providing incentives for reform that would have been implemented even without that incentive.

EUROPE 2020 – EXPECTATIONS VS. MIDWAY REALITY

This new vision of economic governance reflected the ambition to achieve Europe 2020 targets. The data concerning the progress are published yearly and, being closer to 2020, it is wise to encapsulate the preceding way by juxtaposing the progress with the targets (Table 1).

Table 1
Europe 2020 headline indicators, EU-28, 2008, 2011-2015

Topic	Headline indicator	2008	2011	2012	2013	2014	2015	target
Employment	Employment rate age group 20-64 (% population)	70,3	68,6	68,4	68,4	69,2	70,1	75
	– Employment rate age group 20-64 females (% population)	62,8	62,2	62,4	62,6	63,5	64,3	:
	– Employment rate age group 20-64 males (% population)	77,8	75	74,6	74,3	75,0	75,9	:
Research & Development	Gross domestic expenditure on R&D (% GDP)	1,85	1,97	2,01	2,03	2,03	:	3,0
Climate and energy	Greenhouse gas emission (Index 1990=100)	90,3	83,0	81,8	80,2	77,1	:	80,0
	Share of renewable energy in gross final consumption %	11,0	13,1	14,3	15,0	16,0	:	20,0
	Primary energy consumption (Million tonnes of oil equivalent)	1,693	1,593	1,584	1,569	1,507	:	1 483
	Final energy consumption (Million tonnes of oil equivalent)	1,180	1,105	1,105	1,106	1,061	:	1 086

Competitiveness of the European Union

Education	Early leavers from education and training total (% of population aged 18-24)	14,7	13,4	12,7	11,9	11,2	11	<10
	– Early leavers from education and training females (% of population aged 18-24)	12,7	11,5	10,9	10,2	9,6	9,5	:
	– Early leavers from education and training males (% of population aged 18-24)	16,6	15,3	14,5	13,6	12,8	12,6	:
	Tertiary educational attainment total (% of population aged 30-34)	31,1	34,8	36,0	37,1	37,9	38,7	≥40
	– Tertiary educational attainment females (% of population aged 30-34)	34,3	38,6	40,2	41,4	42,3	43,4	:
	– Tertiary educational attainment males (% of population aged 30-34)	28,0	31,0	31,8	32,8	33,6	34	:
Poverty and social exclusion	People at risk of poverty or social exclusion, EU27 (million people)	116,2	119,6	122,5	121,6	120,9	:	96,2
	People at risk of poverty or social exclusion, EU28 (million people)	:	121,0	123,8	122,9	122,2	:	:
	People at risk of poverty or social exclusion, EU28 (% of population)	23,7	24,3	24,7	24,6	24,7	:	:
	– People living in households with very low work intensity EU28 (% of population aged 0-59)	9,2	10,4	10,5	10,9	11,2	:	:
	– People at risk of poverty after social transfers EU 28 (% of population)	16,5	16,8	16,8	16,7	17,2	:	:
	– Severely materially deprived people EU28 (% of population)	8,5	8,9	9,9	9,6	8,9	:	:

Source: <http://ec.europa.eu/eurostat/web/europe-2020-indicators/europe-2020-strategy/headline-indicators-scoreboard> (access: 05.11.2016).

On the basis of presented numbers one may say that the EU is on course to meet or come close to its targets on education, climate change and energy but not on employment, research and development and poverty reduction (Table 1). Education target realisation looks optimistic and certain MS have already even exceeded the levels set for them, whereas some aims have turned out to be wishful thinking, especially poverty and social exclusion reduction targets – it is already known that the EU target will not be reached based on current national targets. These add up to around 12 million people poor and/or socially excluded people in 2020. It is predicted that if the spill-over effects of strategies focusing on combating child poverty or reducing long-term unemployment are taken into account, this number can be increased by 25%. However, this would still fall short by at least 5 million, or 25% of the headline target (Draft thematic guidance 2014, p. 3). In a few cases MS have not set up national targets or cumulatively their targets are not ambitious enough to reach the EU-level goal. For example, the fulfilment of all national targets in the area of employment would bring the overall employment rate up to 74%, which would still be one percentage point below the 2020 target (75%). Similarly, even if all States met their targets on R&D expenditure, the EU would still fall short of its target of 3% R&D expenditure as a share of GDP, reaching only 2,6% by the end of the current decade.

The static shot of performances is summarised in short visually in Fig. 1.

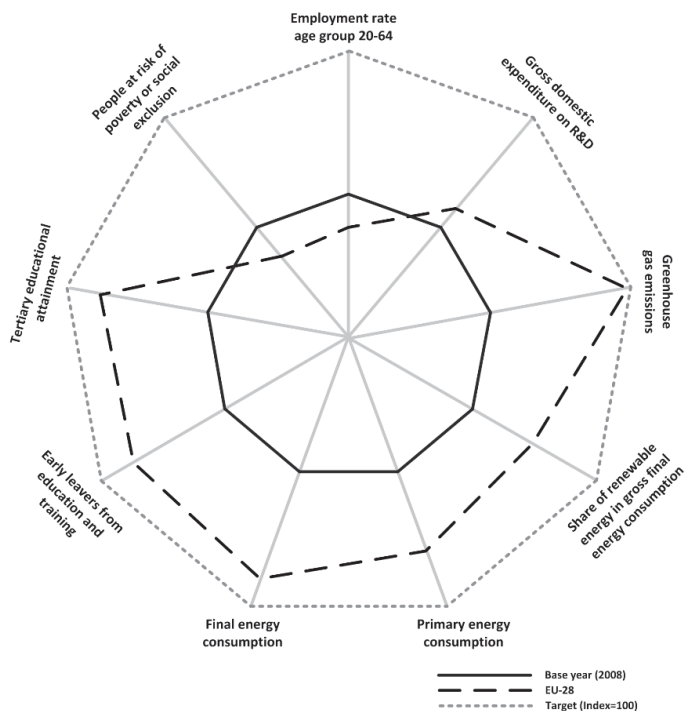


Figure 1. The distance still to cover towards the Europe 2020 key targets (2014). Source: <http://ec.europa.eu/eurostat/web/europe-2020-indicators/europe-2020-strategy/headline-indicators-scoreboard> (access: 05.11.2016).

The shape reflecting EU-28 performances (dashed line, Fig. 1) is obviously straying from the aforementioned goals. To emphasize the differences between the MS in the Table 2 there are tabulated selected Europe 2020 headline indicators respectively for the best and the worst performers. The table includes the best and the worst values in the given year, not an individual degree of achievement of national targets.

Table 2
The best and the worst performance of the Europe 2020 strategy

Indicator	Country	2015	target
Employment rate age group 20-64 (% population)	Sweden	80,5	80
	Greece	54,9	70
Gross domestic expenditure on R&D (% GDP)	Germany	2,87	3
	Cyprus	0,46	0,5
Share of renewable energy in gross final energy consumption (%)*	Sweden	52,6	49
	Luxembourg	4,5	11
Early leavers from education and training total (% of population aged 18-24)	Croatia	2,8	4
	Spain	20	15
Tertiary educational attainment total (% of population aged 30-34)	Lithuania	57,6	48,7
	Italy	25,3	26
People at risk of poverty or social exclusion* *(% of population)	Czech Republic	14	:
	Romania	37,3	:

Source: Eurostat, main tables

* data from 2014.

** originally in the Europe 2020 strategy it is expressed in absolute values.

The scale of the gaps between the countries is significant in various dimensions (Table 2). There are countries which have already over-performed (Sweden, Croatia, Lithuania), whereas some of the states (i.e. Greece) significantly fall behind their targets. The example of Cyprus shows that while being pretty close to its target (in R&D), even having it achieved soon, there is a gulf between this country and, for example, Germany.

The performances were commented on and excused by the Union institutions. In March 2014, the publication “Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth” (European Commission, 2014b, p. 21) was released in which the EC communicated that while the targets imply a long-term orientation, underlying features crucial to the future of the European society and economy, their translation to the national level has highlighted several adverse trends – including a growing gap between the best and the least well performing MS, a widening gap between regions within and across the countries, and growing inequalities in the distribution of wealth and income. A year later, the Commission published the results of a public consultation on the first years of the strategy. The main messages seem to be quite optimistic, since the Europe 2020 was termed as a relevant overarching framework to promote

jobs and growth at the EU and national levels. According to the EC, most of the flagship initiatives have served their purpose, yet their visibility has remained weak. There is a need to improve the delivery of the strategy through involvement on the ground (European Commission, 2015c). In the 2016 Annual Growth Survey, the Commission said it will make the best use of the strategy by improving its implementation and monitoring in the context of the European Semester (European Commission, 2015a).

Besides the documents and communications provided by the EU institutions, it is worth drawing on World Economic Forum (WEF) data, which enable a comparison of Member States' performances and achievements to countries beyond the EU. Every year, the WEF assesses the competitiveness landscape of economies, providing insight into the drivers of their productivity and prosperity (Global Competitiveness Report). In 2014, the organisation additionally provided a review of Europe's progress on its own competitiveness agenda – the 2020 Competitiveness Index (2020 CI). This framework complements many of the measures identified by the Europe 2020. According to this Report, the EU hosts some of the most competitive economies in the world. Thus, closing the gap between the EU's least and most competitive economies should be crucial. The Union continues to underperform in comparison to the United States (US) and other advanced economies in terms of building a smart, innovation-based, knowledge-driven economy. The Union trails the US and other advanced countries in all "smart" areas identified by the Europe 2020, as less competitive markets, more regulatory requirements and fewer available sources of finance make the European operating environment for businesses comparatively less conducive to entrepreneurship. It appears that the EU is increasingly falling behind globally in creating a digital infrastructure and innovative capacity (WEF, 2014).

On the aggregate, Europe's fairly low score in terms of inclusive growth reflects the strong and persistent effects of the crisis coupled with comparatively rigid labour markets in several European countries. This has resulted in sharp increases in unemployment, of a long-term nature in many cases, which deprive a wide segment of the population of gainful employment. The situation is particularly dire for Europe's young population. While the EU continues to perform better than the United States in ensuring more inclusive and sustainable growth, it

lags other advanced economies. The EU does outperform the US in certain important measures: healthcare services are more universally accessible, overall income inequality is lower, and the government is more effective in reducing poverty and inequality. In addition, Europe fares well in providing environmental sustainability, for example by using a higher share of renewable energies. However, despite the EU's strength in social inclusiveness and environmental sustainability, other countries such as Canada perform even better, pointing to room for improvements in these areas. Looking at comparisons between MS, significant national and regional disparities exist in providing and enabling enterprise and an innovative environment. A number of countries (from Northern and North-Western Europe) outperform the US, but at the other end of the spectrum, many European economies, particularly in Southern and Eastern Europe, lag behind. From the Central and Eastern European perspective, the biggest challenge is to close the performance gap in institutions, infrastructure, and the innovation ecosystem (WEF, 2015).

CURRENT CHALLENGES AND OUTLOOK TOWARDS 2020

Reflecting on the content of the previous section, an optimist could state that some of the targets will have been achieved by 2020, but realistically it is definitely not enough – especially in light of the experiences with the LS. The Europe 2020 strategy was supposed to be different from the Lisbon Agenda, because instead of:

1. two headline targets, which often came across as simplistic, there are five, making the strategy more comprehensive in theory,
2. the same targets for each state, there are country-specific ones,
3. being marginalized as a “pro-business” agenda, the Europe 2020 should also be inclusive.

Beginning the current decade with such high hopes, in 2014 Jean-Claude Juncker, as a new President of the EC, announced another “new start for Europe” (European Commission, 2015b, p. 14). To some extent this was connected with the elections in the EU, however, it also referred to the fact that the first years of the Europe 2020 initiative coincided with the post-crisis problems, which had a significant

impact on poor progress. Admittedly, there was no renewed Europe 2020 (like in the Lisbon strategy case), but some comparisons of 2014 to 2004 are unavoidable.

The year 2014 was supposed to be the time for discussion on the aforementioned controversial issues concerning the Convergence and Competitiveness Instrument. For the time being, with the end of 2016 approaching, any additional communications or other documents on this topic have yet to be released. Instead of this, being just after the halfway stage, it's been officially communicated that some of the Europe 2020 targets will have not been achieved.

Facing the circumstances mentioned above, the biggest challenge seems to be psychological.

First of all, the psychological aspect of unfeasibility of the LS priority, was emphasized in the LS case. The failures to achieve certain targets mean that Europe will to some extent experience another unsuccessful throw of the dice. Such an awareness may also open the debate about the efficacy of another future strategy.

What also contributes negatively to economic performances of MS is a crisis of solidarity, which used to be one of the most important values in Europe. The past tense used here seems to be justified since countries, first and foremost, care about their national interests. This is visible in such phenomena as the reluctance of certain MS to participate in the common budget, the lack of agreement in the immigrant crisis issue, not to mention Brexit. Facing such a split, it is highly dubious whether it is possible to motivate every member of such a heterogeneous group with one common vision, especially that effective governance mechanisms and motivations are necessary at the regional, national and European levels. Further, transformations that impact competitiveness and productivity require the combined support of government, business and civil society. Building a multi-stakeholder commitment to the national and European competitiveness agendas, and mobilizing support from leaders across sectors would help fulfil the ambitions of the Europe 2020 agenda, but the answer about how to do it is an enormous challenge.

Coming back to the debate on CCI, which was supposed to be built on the instrument of solidarity, can also be risky because it might escalate the discussion about the previous merits and shortcomings of particular countries.

The reality confirms a kind of „tiredness with integration.” Motivation and enthusiasm are often visible at the beginning of the process and just after accession, when mainly benefits are discerned, but subsequently, when additional duties appear or new law implementation takes place, the act of accession is depreciated (Czachór, 2013). Moreover, an unwillingness and sometimes inability to muster the courage at the national level to be honest with citizens about why reforms are necessary plays a role. Some politicians of EU States cannot tackle deep-seated problems, which makes it easier to blame Brussels.

National authorities are chosen by citizens, thus somehow election results reflect the moods of societies. According to the survey *Towards 2020: priorities and preferences* (European Commission, 2014a), nearly half of respondents (49%) think society should focus on social equality and solidarity, up from 43% who said this in 2012. There is a weaker support for emphasis on progress and innovation (34%) and protecting the environment (31%). Such views probably do not flow from respondents' awareness of the degree of the Europe 2020 targets, but rather from people's priorities and needs, but actually, considering a hypothetically high level of awareness of respondents, the disappointment with the EU could be even bigger since the Europe 2020 should be more inclusive than the LS.

Central to tackling the weaknesses and to achieving the Europe 2020 objective of competitiveness should be enhanced economic governance. In light of the content of section 2, and keeping in mind that it is merely a fragment of the current establishment, there is a risk of overloading economic governance. Bureaucracy, next to implementation and enforcement, has always been the Achilles heel of European reform programmes, thus simplification is desired. Complexity is only one problem of the current governance. More significant for the future of the European integration is the tendency to maintain existing subgroups of countries. Certain instruments are proposed entirely for the Eurozone, some of them are optionable also for non-euro members, whereas the others apply to the whole EU. For example, CCI and Pact euro+ could include covering all Euro area countries and possibly MS not being a part of the Eurozone to enter an arrangement in particular regarding the MS preparing for Euro accession. Thus, a “two- or multi-speed Europe” concept is still maintained and even popularised. It is essential, since the EU's membership almost

doubled in this century. There may exist irreconcilable differences among countries and there should be a means to resolve such stale-mates. However, at the same time, instead of attempting to eliminate these existing divisions, it is maintained.

CONCLUSION

At the end of the first decade of the current century, some of the European authorities wanted to treat the crisis as a breakthrough, inspiring a thorough assessment of the Union's experiences. The response to post-crisis challenges involves deepening economic integration and increased political coordination.

Observing rather small steps instead of quantum leaps, the question arises whether EU strategies are doomed to fail. The EU continues to underperform in comparison to the United States and other advanced economies in terms of building a knowledge-based economy. It also fails in terms of inclusive growth. The reflection on the progress until now comes down to mainly discerning the existing differences between the EU countries. Such gaps are problematic for the EU as a whole, and not just for those countries that are less competitive. While a concerted effort is desired from all EU states to improve Europe's performances, it is clear that paths towards this priority differ across countries – what paradoxically seem to preserve the existing divide. Since the whole of something is more than the simple sum of its parts, it will be hard to achieve a highly competitive position of the EU in the global economy until the level of competitiveness of particular member states is significantly diversified.

The Europe 2020 strategy admittedly provides a starting point to coordinate efforts towards a more competitive Europe for Member States, but the capacity to deal effectively with the implementation of necessary policies and reforms is not enough. Heterogeneity of the EU countries involves not only the level of competitiveness, but can be considered in many aspects and is maintained by a crisis of solidarity. Solving this conundrum ought to involve a larger reflection on how to bring citizens along on the next stages of the European (economic) integration process, not only to fall behind the Europe 2020 targets. Some informational actions in Member States should be

considered – since weaknesses of the EU and the tiredness with the integration have been brought to the forefront, perhaps it would be wise to create knowledge how Europe would function without the European Union. Maybe such awareness could trigger some changes.

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