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Where are the Visegrad Countries in Meeting the Targets of the EUROPE 2020 Strategy?

József Káposzta, Henrietta Nagy

Abstract: *The aim of our study is to highlight the specialities of the Visegrad countries, focusing on their progress in meeting the targets of the two most important strategies of the EU, namely the Lisbon strategy and EUROPE 2020. We wanted to find out whether the Visegrad countries have got closer to the targets defined by the European Commission up to now or if they still need further improvements in some of the fields. In our research, we also intended to see whether the performance of the V4 is enough to catch up with the more developed regions of Western Europe to achieve a harmonised development as well as economic and social convergence. In this paper we intend to share the major findings related to the economic and social progress of the Visegrad countries and to highlight their commonalities as well as differences.*

Key words: CEE Region · Lisbon Strategy · EUROPE 2020 Strategy · Indicators · Economic and Social Progress

JEL Classification: R11

1 Introduction

The year 2010 was extremely significant in the life of the European Union. As is commonly known, a long-term development strategy was released by the Union, called EUROPE 2020. It is the first strategy in the EU aimed at economic and social development in the long-term. It has been in effect since 1st of January 2011, therefore, all the development projects, carried out or to be carried out, in the territory of the EU in the near future, have to meet the requirements of the above mentioned strategy. It is also a well-known fact that the different member states are in different stages of development and there are big differences between the former and new EU member states.

2 Literature Review

Before introducing the EUROPE 2020 strategy in detail, we considered it important to introduce and evaluate the results of the strategy that was in effect before EUROPE 2020, namely the Lisbon strategy. This strategy was instrumental in paving the way for the latter EUROPE 2020 version by defining concrete target indicators for the member states.

Lisbon strategy

The original Lisbon strategy was launched in 2000 *as a response to the challenges of globalisation and ageing*. The European Council defined the objective of the strategy for the EU *"to become the most dynamic and competitive knowledge-based economy in the world by 2010 capable of sustainable economic growth with more and better jobs and greater social cohesion and respect for the environment"*. Underlying this was the realization that, in order to enhance its standard of living and sustain its unique social model, the EU needed to increase its productivity and competitiveness in the face of ever fiercer global competition, technological change and an ageing population. It was recognized that the reform agenda could not be pursued at EU level alone (as had for instance been

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the case with the 1992 single market programme), but that since many of the policy areas involved member state competences, close co-operation between the EU and member states would be necessary to achieve results. It also reflected acknowledgement, for the first time, that member states' economies are inherently linked, and that the action (or inaction) of one member state could have significant consequences for the EU as a whole (SEC, 2010, 114; EURÓPA 2020, 2010).

However, the original strategy gradually developed into an overly complex structure with multiple goals and actions and an unclear division of responsibilities and tasks, particularly between the EU and national levels. The Lisbon strategy was, therefore, re-launched in 2005 following a mid-term review. In order to provide a greater sense of prioritisation, the relaunched strategy was focused on growth and jobs. A new governance structure based on a partnership approach between the Member States and the EU institutions was put into place. In assessing ten years of the Lisbon strategy, what ultimately counts is the impact on growth and jobs. Assessing this impact, however, is not straightforward, as the economic cycle and external events, as well as public policies, play a determining role. Ultimately, the objective of the Lisbon strategy was to improve the pace and quality of reforms at national and European level: therefore the assessment needs also to consider whether the strategy shaped reform agendas by forging greater consensus amongst stakeholders on challenges and policy responses. Overall, *the Lisbon strategy has had a positive impact on the EU even though its main targets (i.e. 70% employment rate, and 3% of GDP spent on R&D) have not been reached.* The EU employment rate reached 66% in 2008 (from 62% in 2000) before it dropped back again as a result of the crisis. However, the EU has failed to close the productivity growth gap with leading industrialised countries: total R&D expenditure in the EU expressed as a percentage of GDP only improved marginally (from 1.82% in 2000 to 1.9% in 2008). It would, however, be too simplistic to conclude that the strategy has failed because these targets were not met. We can state that the strategy has broken new ground by promoting common actions to address the EU's key long-term challenges (SEC 2010 114).

The major conclusions concerning the results achieved in relation to the objectives of the strategy:

- It has helped build broad consensus on the reforms that the EU needs.
- It has delivered concrete benefits for EU citizens and businesses but increased employment has not always succeeded in lifting people out of poverty.
- Structural reforms have made the EU economy more resilient and helped us weather the storm.
- It was not sufficiently equipped to address some of the causes of the crisis from the outset.
- Whilst much has been achieved, the overall pace of implementing reforms was both slow and uneven.
- The importance of interdependence in a closely integrated economy, particularly in the euro area, has not been sufficiently recognized.
- A stronger link between the Lisbon Strategy and other EU instruments and sector specific initiatives or policy measures would have improved its effectiveness.
- Earmarking of Structural Funds has helped mobilise considerable investments for growth and jobs, although there is still further to go.
- The partnership between the EU and member states has generally been a positive experience but implementation has suffered from variable ownership and weak governance structures.
- The impact of country-specific recommendations has been variable.
- Policy learning and exchange of good practices has been stepped up.
- Communication has been an Achilles' heel of the Strategy.
- More could have been done to strengthen the euro-area dimension.
- The external dimension could have been stronger (SEC 2010 114, Lisbon European Council, 2000).

As a sort of continuation of the sustainable development measures taken in the framework of the Lisbon strategy, and to achieve the goals which could not be met by 2010, the EU has published another strategy, namely EUROPE 2020, to enhance the sustainable economic and social cohesion among the member states. EUROPE 2020 was being developed and was in the finalization phase when the global financial crisis hit the world, including the EU. Thus, the European Commission had to define strategies which continue the activities of the Lisbon strategy, as well as to define totally new ones to meet the changed conditions due to the financial crisis and also to set long-term objectives to achieve further convergence within the Union.

In our study, we tried to pay great attention to EUROPE 2020 strategy objectives, focusing on the achievements of the Visegrad countries, because we believe that the efficiency of these countries in catching up with the Western-European ones is of great significance. However, we examined the progress of the rest of the EU as well to be able to compare the efficiency of policies.

EUROPE 2020

The EUROPE 2020 strategy was published in spring 2010 and entered into force on 1st January 2011. As mentioned above, it is the first long-term economic and social development strategy of the European Union, including long-term objectives and targets that should be met by 2020.

EUROPE 2020 focuses on three key priorities as follows:

- Smart growth – developing an economy based on knowledge and innovation.
- Sustainable growth – promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth – fostering a high-employment economy delivering economic, social and territorial cohesion.

In order to achieve smart, sustainable and inclusive growth by 2020, the following targets have been identified:

- The employment rate of the population aged 20-64 should increase from the current 69% to at least 75%: Due in some measure to the greater involvement of women and older workers and to the better integration of the migrant workforce within the workplace.
- 3% of the GDP should be spent on R&D throughout the EU, however an indicator needs to be developed which would reflect R&D and innovation intensity
- Greenhouse gas emissions should be reduced by at least 20% compared to 1990 levels or by 30%, if the conditions are right; the share of renewable energy sources in the final energy consumption should be increased to 20%; and a 20% increase is expected in energy efficiency.
- The drop-out rate from schools should be reduced to 10% from the current 15%, whilst the share of the population aged 30-34 having completed tertiary education should be increased from 31% to at least 40% in 2020.
- The number of Europeans living below the national poverty lines should be reduced by 25%, lifting over 20 million people out of poverty (COM, 2010).

These targets are related to each other, therefore, progress achieved in one may have direct positive impact on the others. For example, better educational levels help employability and progress in increasing the employment rate helps to reduce poverty. A greater capacity for research and development as well as innovation across all sectors of the economy, combined with increased resource efficiency will improve competitiveness and foster job creation. Investing in cleaner, low carbon technologies will help our environment, contribute to fighting climate change and create new business and employment opportunities. The targets represent an overall view of where the Commission would like to see the EU in terms of key parameters by 2020. They do not represent a "one size fits all" approach. Each member state is different and the EU, consisting of 27 (from 1 July 2013 28), is more diverse than it was a decade ago. Despite disparities in levels of development and standards of living, the Commission considers that the proposed targets are relevant to all member states, old and newer alike. Investing in research and development as well as innovation, in education and in resource efficient technologies will benefit traditional sectors, rural areas as well as high skill, service economies. It will reinforce economic, social and territorial cohesion. To ensure that each member state tailors the EUROPE 2020 strategy to its particular situation, the Commission proposes that these EU targets are translated into national targets and trajectories to reflect the current situation of each member state and the level of ambition it is able to reach as part of a wider EU effort to meet these targets. Therefore, the strategy includes measures that have to be taken at EU level and the member states should define their own tasks in line with the European level objectives based on their own economic and social conditions. Thus, neither the concrete targets nor the way to achieve them are the same in all the member states (National Development Ministry and VÁTI Nonprofit Ltd., 2011).

Based on the above mentioned, EUROPE 2020, i.e. a strategy for jobs and smart, sustainable and inclusive growth, is based on five EU headline targets which are currently measured by eight headline indicators (see Table 1). Since there are various economic and social conditions in the member states, they have different chances to achieve the targets. It cannot be expected for all member states to achieve the same success in the relevant fields; thus, the member states set and published their own targets based on their economic development level in their National Reform Programmes released in April 2011 (see Table 2).

Table 1 The headline targets and indicators of the EUROPE 2020

Headline targets	Indicators
75 % of the population aged 20-64 should be employed	Employment rate by gender, age group 20-64
3% of the EU's GDP should be invested in R&D	Gross domestic expenditure on R&D (GERD)
Reduction of the greenhouse gas emissions by 20% compared to 1990	Greenhouse gas emissions, base year 1990
Increase in the share of renewable energy sources in final energy consumption to 20%	Share of renewables in gross final energy consumption
20% increase in energy efficiency	Energy intensity of the economy (proxy indicator for *Energy savings*, which is under development)
The share of early school leavers should be under 10% and at least 40% of 30-34 years	Early leavers from education and training by gender
old should have completed a tertiary or equivalent education	Tertiary educational attainment by gender, age group 30-34
	People at risk of poverty or social exclusion *(union of the three sub-indicators below)*
Reduction of poverty by aiming to lift at least 20 million people	People living in households with very low work intensity
out of the risk of poverty or exclusion	People at-risk-of-poverty after social transfers
	Severely materially deprived people

Source: European Commission, (2010), Government of the Republic of Hungary (2011), Republic of Poland, (2011); Ministry of Finance of the Slovak Republic, (2011); Government of the Czech Republic (2011).

Table 2 EU HeadlineTargets for the Visegrad countries

EU/Member states targets	EU headline target	Estimated EU (addition of the national targets)	Hungary	Slovakia	Czech Republic	Poland
Reduction of population at risk of poverty or social exlusion in number of persons	20,000,000	Result cannot be calculated because of differences in national methodologies	450	40	Maintaining it at the level of 2008 (15.3% of total population) with efforts to reduce it by 30,000.	1,500,000
Tertiary education in %	40	37.50-38.0	30.3	40	32	45
Early school leaving in %	10	10.30-10.50	10	6	5.5	4.5
Energy efficiency - reduction of energy consumption in Mtoe	20% increase in energy efficiency equalling 368 Mtoe	206.9 Mtoe	2.96	1.65	n.a.	14
Renewable energy (%)	20	20	14.65	14	13	15.48
CO2 emission reduction targets	-20% (compared to 1990 levels)	-20% (compared to 1990 levels)	10	13	9	14
R&D in % of GDP	3	2.65-2.72	1.8	1	1 (public sector only)	1.7
Employment rate (in %)	75	73.70-74	75	72	75	71

Source: European Commission, (2010), Government of the Republic of Hungary (2011), Republic of Poland, (2011); Ministry of Finance of the Slovak Republic, (2011); Government of the Czech Republic (2011).

As it can be seen in Table 2, the major fields of development are closely related to the ones urged in the Lisbon strategy, i.e. research and development and employment. In addition to these, innovation, lifelong education and energy efficiency/sustainability also gained importance in this advanced strategy.

3 Material and method

In order to see the tendencies of the member states in relation to the indicators set in the strategy, we have collected the relevant data for the EU27 for the years 2000, 2004 and 2010. We have selected these years because 2000 was the starting date of the Lisbon strategy, 2004 was the year of accession of the Visegrad countries and 2010 was the deadline to achieve the Lisbon goals. As for the availability of data, we need to state that there are indicators (e.g. data on energy use and poverty) which are available only for the years after 2006.

In order to reflect the progress of each member state, we have created indices for each indicator. We use the formula below:

$$\frac{X_i - X_{min}}{X_t - X_{min}} \tag{1}$$

In which X_i was the actual data of the member state in the given year, X_{min} was the minimum value achieved by any of the EU27. The EU target (X_t) was always the target defined by the EU to be achieved by 2020. In the case of such indicators, where the favoured outcome was to reach the lowest figures, we deducted this from 1 to reflect the real performance of the member states. Although in 2000, 2004 and 2010 the Lisbon targets were in effect, we compared all the data to the EUROPE 2020 targets because Lisbon ones can be considered as a preparation for EUROPE 2020 and in the longer term EUROPE 2020 targets need to be met. Regarding the values of indices in the case of employment, R&D, the share of renewables and the tertiary education attendants (where the MSs need to achieve higher values than the current ones), the range was between 0 and 1, except for those countries which already exceed the target. Such countries had over 1. In the case of those figures where the member states need to reduce the values, the range was between below and above zero. The further they are from meeting the target, the lower the negative value was. As a further study, we intend to create a complex index, including all the major targets, to see how the member states could proceed in meeting the EUROPE 2020 targets (The EUROPE 2020 Competitiveness Report, 2012).

4 Results and discussion

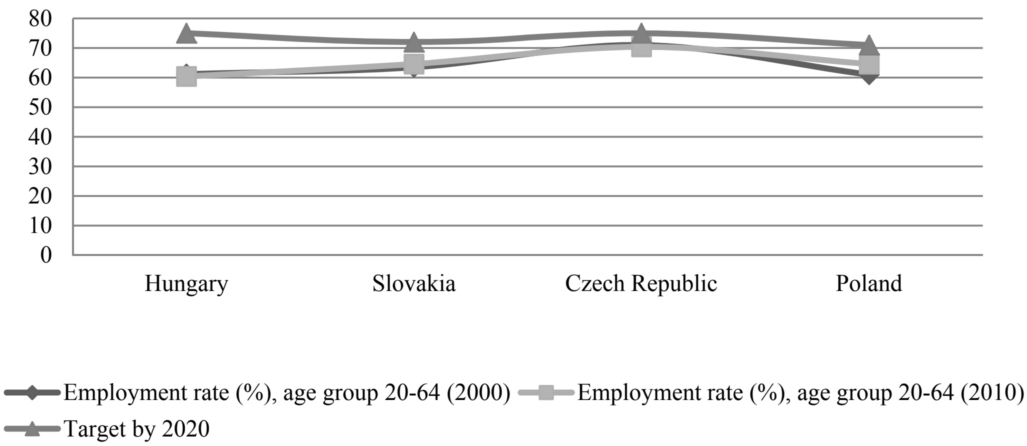
In this chapter of our study, we intended to introduce the achievement of the Visegrad countries compared to the general tendency experienced in the EU27 in the case of each headline target as well as all the indicators. Our aim was to prove that all the V4s have made a lot of efforts to meet the targets set by 2020 and there are specific fields where they have reached much better results than the EU, including some of the even more developed member states.

Headline target No. 1.

75% of the population aged 20-64 should be employed
Indicator No. 1: Employment rate by gender

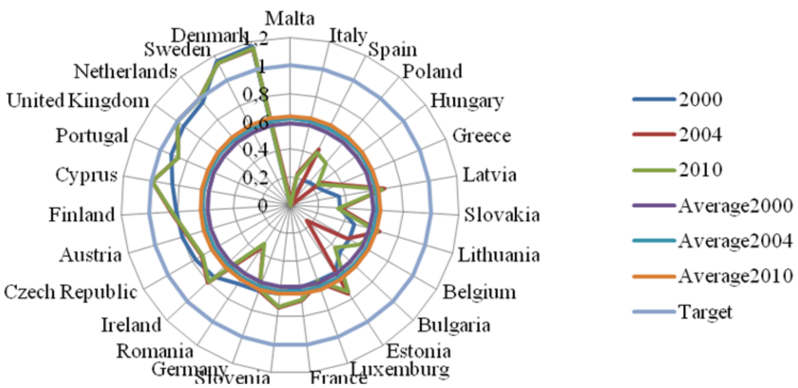
We can see from the figures that the employment rate in the EU continuously increased up to 2010, but the V4 countries show a more variable picture. In Hungary and the Czech Republic the employment rates decreased between 2000 and 2010, reaching about 60% and 70%, respectively. It means that the latter one could achieve the target set by the Lisbon strategy by 2010, but Hungary is far from meeting the target. Even though Slovakia and Poland increased their employment rates, as far as the targets for EUROPE 2020 are concerned, all the V4 countries need to accelerate further their activities. Further measures are necessary to increase the employment of women, since their employment rates are even lower. Only the Czech Republic exceeded 60% in this matter, all the other countries are well below, including Hungary with the lowest figure (55% in 2010). As Figure 1 shows, Hungary was the farthest from the target set for 2020 according to the figures of 2010 compared to the other V4 countries and, so, employment growth needs to be urged the most in that country. If we think about the territorial imbalances between the Hungarian NUTS 2 regions, we can see even greater disadvantages. There are some regions where the employment rate is well below the national average (which is the lowest in the CEE region at the moment).

Figure 1 Employment rate of the V4 countries in 2000, 2010 in line with the 2020 targets



Source: Eurostat, European Commission, (2011)

Figure 2 Employment rate of the EU 27 in 2000, 2004, 2010



Source: own editing

If we analyse **all the EU member states**, we can state that there are only 3 countries which have achieved the target already (Denmark, Sweden, UK). There are 6 countries which showed progress from 2000 to 2010, but there are a further 17 which, although they had an improving tendency from

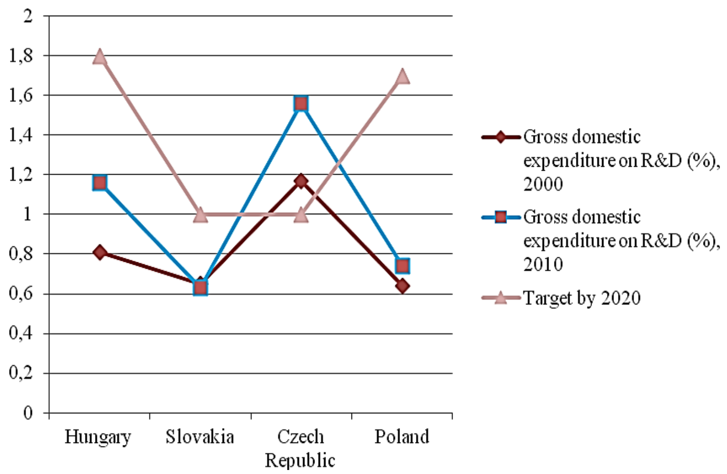
2000, they then had a drop by 2010 due to the global financial crisis. The **lowest value** was in Malta, while the highest in 2010 was Denmark with a value of 77,6% over the decade in question. The following graph shows the indices of the 3 years indicating how much difference there was between the countries in trying to achieve the targets.

Headline target No. 2.

3% of the EU's GDP should be invested in R&D
Indicator No. 2.: Gross domestic expenditure on R&D (GERD)

There was an increasing trend in the EU on average between 2000 and 2010. As for the Visegrad countries, there was only one country, namely Slovakia, where this indicator decreased slightly from 0.65 to 0.63%. The problem seems even more important, if we recognize that the rate of Slovakia has been the lowest compared to the other countries. Czech Republic has had the leading position among the countries examined, since it has spent over 1% of its GDP on R&D, even in 2000, and it reflected an increasing trend until 2010.

Figure 3 Gross domestic expenditure on R&D in the V4 states in 2000 and 2010 compared to the 2020 targets

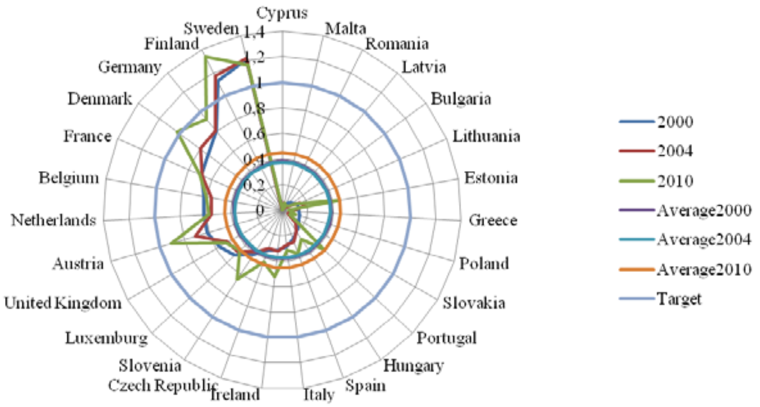


Source: Eurostat, European Commission, (2011)

As it can be seen from Figure 3, the Czech Republic has already exceeded the target for 2020, since it had forecasted only 1% of the GDP spent on R&D by the public sector. The Figure also shows that the biggest difference between the figures for 2000 and 2010 was in Poland. In general, however, it can be stated that the EU average of 2010 (2.06%) is still lower than the target set in 2000 in the Lisbon strategy for the year 2010. The figure to be achieved has not been increased in EUROPE 2020 compared to the target of the Lisbon strategy, whose first priority was to encourage R&D and innovation to make the EU the most knowledge-based integration within the global market. Regarding the EU27, we can see that only 3 countries reached the target (3%), namely Denmark, Sweden and Finland. There are 8 countries where progress was continuous, but there are a further 17 which could achieve improvement by 2010 (mainly between 2004 and 2010). The lowest value was in Romania, where there was a slight increase from 2000 to 2004, but then it decreased. The lowest was Malta with 57.9%.

Figure 4 shows how efficient the member states were in coming closer to the target and we can see how diverse is the picture among the countries. We should point out Luxemburg and Greece, whose figures were gradually decreasing in the past decade. We need to highlight Austria, Finland and Denmark, whose values have increased the most.

Figure 4 Gross domestic expenditure on R&D in the EU 27 in 2000, 2004 and 2010



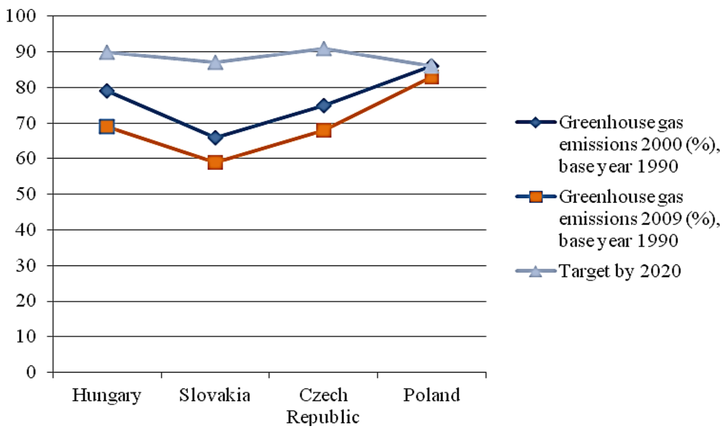
Source: own editing

Headline target No. 3/a.

Reduction of the greenhouse gas emissions by 20% compared to 1990
Indicator No. 3: Greenhouse gas emissions, base year 1990

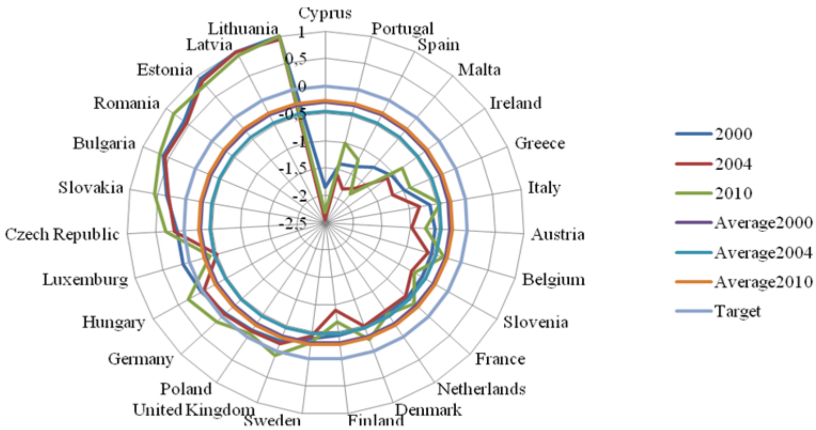
Based on the figures it is clear that the most efficient country in reducing greenhouse gas emissions was, in the last decade, Slovakia. All four countries have set lower targets than the overall target (20%) for the whole of the European Union and, in fact, three of them, so far, have already achieved the general target for the EU27. The EU27 stood at 83% in 2009. It is Poland which needs further efforts to meet the requirements, because in 2009 it was the only country that was over 80%. At the same time, Slovakia was able to reach 59%, so it almost halved the greenhouse gas emissions compared to the year 1990.

Figure 5 Greenhouse gas emissions of the V4 countries in 2000 and 2009



Source: Eurostat, European Commission, (2011) It is important to mention that out of the **EU27**, only 3 countries could not achieve success in decreasing the greenhouse gas emissions, namely Estonia, Latvia and Malta, but we must not forget that Latvia and Lithuania had the best figures (approx. 39-45%) compared to the expected 80% share. It needs to be added that the highest values were in Portugal (2000) and Cyprus (2010), 137 and 168% respectively which are much higher than the target (80%).

Figure 6 Greenhouse gas emissions in the EU 27 in 2000, 2004 and 2010



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Headline target No. 3/b.

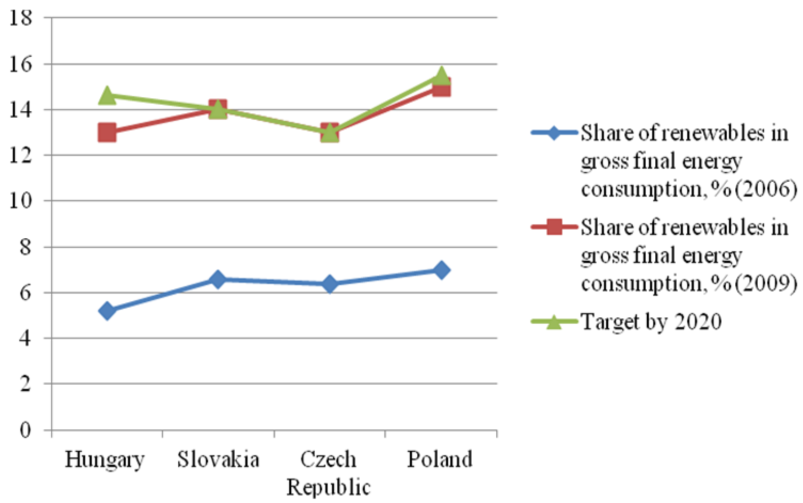
Increase in the share of renewable energy sources in final energy consumption to 20%
Indicator No. 4.: Share of renewables in gross final energy consumption

The abovementioned indicator serves the sustainable development of the EU together with the indicators No. 3. and 5. These three indicators all aim at the reduction of greenhouse gas emissions as well as reaching higher energy efficiency and increasing the use of renewable energy sources in the economies. As for the data, we need to mention that there are no figures available for all the member states for the period before 2006, so in our study we had to use the limited number of data for the years 2006 and 2009. Based on the figures of 2006 and 2009, we can state that the V4 countries are in a good position compared to the EU average, since all achieved a 13-15% share concerning renewables, by 2009. In our opinion, it is a great success that all the V4 countries were able to, at least, double the share of renewables in the total energy consumption within 3 years. However, as it can be seen in Figure 7, two countries, namely Hungary and Poland, need to make further efforts to reach the targets.

If we take an overview of the figures of the EU27, we can see that Sweden had the highest share in both 2004 and 2010, reaching the highest increase in this regard. It is a direct consequence of the above mentioned indicators and achievements. In 2010, Sweden had 47.9% share of renewables within the gross final energy consumption, which is quite far ahead of the figures of the V4 countries, even from those of the more developed Western countries (e.g. UK-3.2%, Belgium 5.1%).

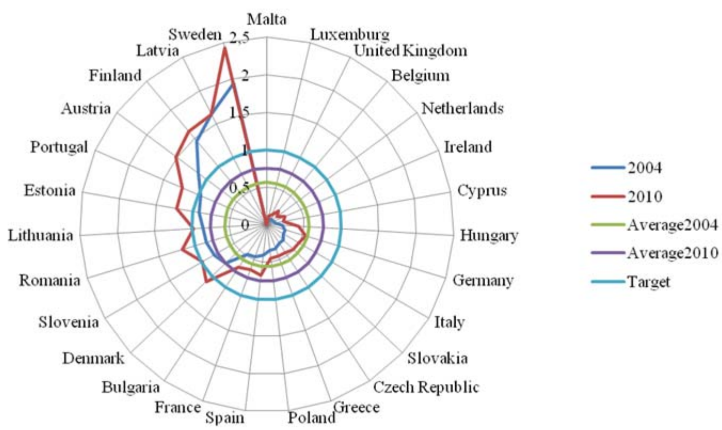
Figure 8 clearly shows that Latvia and Malta remained constant in the examined period, all the others could achieve progress. I suggest: although, all the others did achieve some progress. It is a disappointing fact that Malta had the lowest values, so we can state that it has not improved its status over the last decade.

Figure 7 The share of renewables in gross final energy consumption in the V4 countries in 2006 and 2009



Source: Eurostat, European Commission, (2011)

Figure 8 The share of renewables in gross final energy consumption in the EU 27 in 2004 and 2010



Source: own editing, (2012)

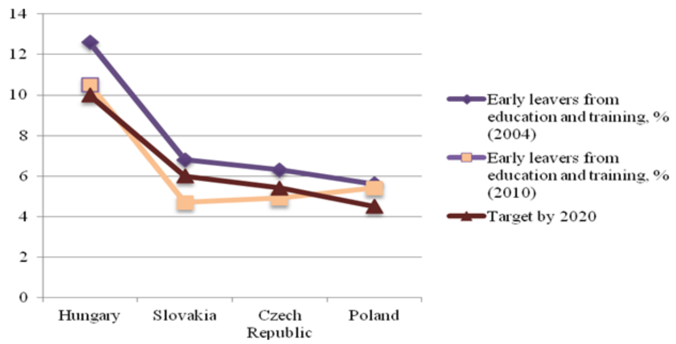
As for the third sustainable indicator (Indicator No. 5), the major aim of the European Commission is to increase the efficiency of energy use. In order to measure it, the kilogram of oil equivalent **per 1 000 EUR GDP** is used at the moment, meaning that the indicator does not only focus on the amount of energy used, but takes into consideration the economic development level of each member state, including the GDP in the measurement. Based on the achievements of the V4 countries, we can state that all of them had a value of around 400-500 by 2009, but the greatest success was achieved by Slovakia, which was able to almost halve its figure in a decade. It means that the most energy-intensive economy, at the beginning of the millennium, used to be Slovakia. However, despite a successful decrease in all the countries examined, they are still 2-3 times above the EU27 average (165kg in 2009).

Headline target No. 4.

The share of early school leavers should be under 10% and at least 40% of 30-34 years old should have completed a tertiary or equivalent education
Indicator No. 6/a: Early leavers from education and training by gender

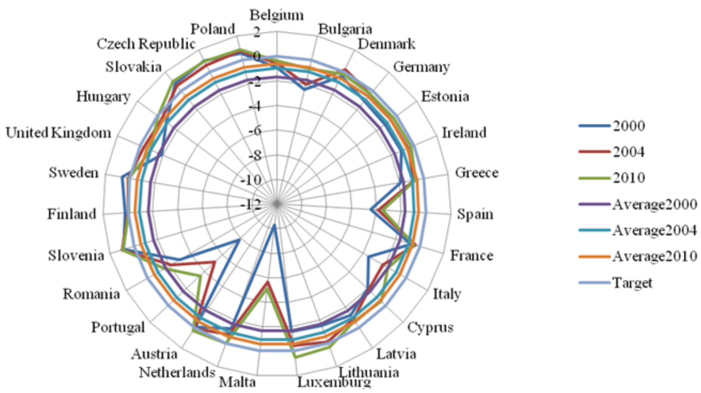
As for the availability of data we need to mention that only Hungary has the relevant figure for the year 2000 and that all the others are missing that data. Therefore, it was decided to examine the tendencies between 2004 and 2010. As the data of Figure 9 show, the countries reduced the share of early school leavers by 2010, with two countries even exceeding the targets (Slovakia and the Czech Republic). However, the greatest reduction was performed by Hungary, reducing the share of early leavers from 12.6 to 10.5%. The EU27 stood at 14.1% in 2010, which is a much higher share than, even, Hungary's rate, not to mention the other countries' relatively low rates (4-5%).

Figure 9 The share of early school leavers in the V4 countries in 2004 and 2010



Source: Eurostat, European Commission, (2011).

Figure 10 The share of early school leavers in the EU27 in 2000, 2004 and 2010



Source: own editing

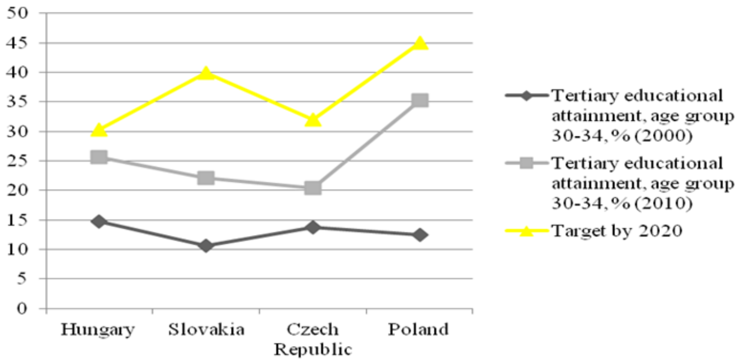
If we take into consideration the differences between the rates of male and female school leavers, we can see that the share of men is higher in the whole integration as well as in 3 of the V4 countries. Surprisingly, the rate of women is a bit higher in this matter in Slovakia and we can see, almost, the same rates for genders in the Czech Republic. The most significant difference between the two shares can be observed in Poland, where the share of men was 7.2% in 2010, while that of women was 3.5%. In our opinion, the reason for the higher rate of men is that, more often, they choose to start work instead of going on to graduate from school. In many cases, family traditions might result in the fact that young male family members need to start earning money at as young an age as is allowed.

Figure 10 reflects that the V4 countries are among the best performers in this regard, one of them being the first in the rank in the last decade (Czech Republic-2000, Slovakia-2010). Based on the abovementioned, it is not surprising that Malta was in the worst position in the whole period with 35-54%. However, it is surprising that those two countries which were among the best regarding the first few indicators, they were the only ones which could not reach improvement in this regard, namely Sweden and Finland. The share of early school leavers increased in these countries from 2000 to 2010. Although they were still around the target.

Indicator No. 6/b: Tertiary educational attainment by gender, age group 30-34

Keeping the lifelong learning policy in mind, the EU aims at the increase in the share of tertiary education attainment to 40% among the people aged 30-34. In order to become a knowledge-based economy, the rate of people with diploma needs to be increased further. By 2010, the EU27 reached 33.6%, which is a good result, but on Figure 11 we can see that Poland has distinguished role in achieving the overall target. We can see that the target of Poland is 45% by 2020, which is higher than the expected rate, while Hungary and the Czech Republic were not as brave while setting the target.

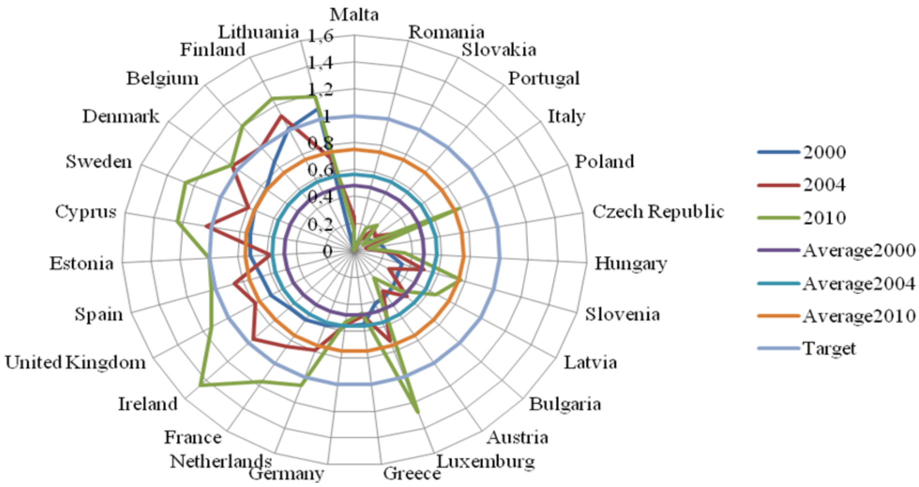
Figure 11 The share of tertiary educational attainment in the V4 countries in 2000 and 2010



Source: Eurostat, European Commission, (2011)

Poland's huge commitment to this aim can be observed if we take a look at the difference achieved between 2000 and 2010. In Poland, the share of tertiary educational attainment has tripled over the last decade. If we check the distribution of genders in relation with the abovementioned indicator, we can see that the share of women in tertiary education is higher in all the countries as well as in the EU27 overall, however, the share is extremely high in Poland (40.8%). Out of EU27, there were 13 countries in 2010 which already met the target 2020 (40%), while in 2000 there were only 2 (Lithuania and Finland) and only 3 in 2004 (Finland, Cyprus and Denmark). The highest value in 2010 was in Luxemburg, 46.1% of the young people attained tertiary education. On Figure 12 it can be seen that the highest jump was achieved by Ireland and Luxemburg compared to the figures of 2000.

Figure 12 The share of tertiary educational attainment in the EU27 in 2000, 2004 and 2010



Source: own editing

Headline target No. 5.

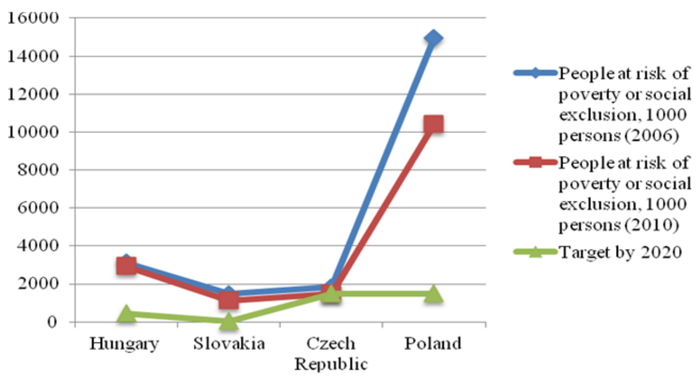
Reduction of poverty by aiming to lift at least 20 million people out of the risk of poverty or exclusion.

Indicator No. 7: People at risk of poverty or social exclusion (union of the three sub-indicators as follows):

- People living in households with very low work intensity.
- People at-risk-of-poverty after social transfers.
- Severely materially deprived people.

Before analyzing the abovementioned indicators (measured in 1000 persons), we had also collected the figures reflecting their shares within the total population. We have done it, because the targets set and the difference between the data of 2006 and 2010 might show various success among the countries examined.

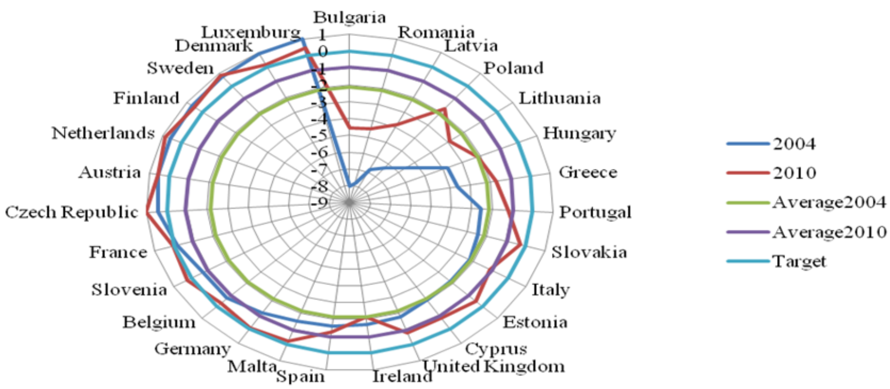
Figure 13 The share of people at risk of poverty and social exclusion in the V4 countries in 2006 and 2010



Source: Eurostat, European Commission, (2011) Based on the data available, we need to state that the all the countries examined as well as the EU27 altogether reduced the number of people living in poverty or exclusion by 2010. It is very good news, since we all know that there are regions in the European Union which are multi-handicapped and the most-disadvantaged. The cohesion policy must not leave them without help, because without targeted concepts and funds, they cannot catch up with even the regions on the average, not to mention the more-developed ones.

We can see on Figure 13 that Poland has much more to do in this matter compared to the other V4s, since we can find the highest number of people living in poverty or exclusion in that country. While all the other Visegrad countries stood at around 1-3 million in 2010 concerning the number of people in poverty, this figure in Poland was more than 10 million. However, we need to mention that Poland has already reached a decrease in this matter by 4.5 million from 2006 to 2010, which is extremely important success. If we take into consideration the overall decrease that the EU achieved in the same period, we need to mention that the difference was "only" 8 million (123 million in 2006 and 115 million in 2010). If we check the share of people living in poverty within the total population, which reflects a global picture about the given country's economic situation, we can see that the Czech Republic is in the best position. It has the lowest share of people in poverty or exclusion (14%). The next is Slovakia with 20.6%. Both Hungary and Poland have more than the EU27 average (23.4%), 29.9 and 27.8% respectively. It clearly shows the bad economic condition of Hungary, because it has the highest share, while the country has almost the same size of population as Slovakia, which is much smaller than Poland. As for setting the targets, we should mention that the bravest country was Slovakia, with defining the target to be achieved at 40,000 people (compared to the data of 2010 standing at 1.1 million). Czech Republic has a target of 1.5 million, while Hungary wishes to reduce the number of people living in poverty to 450,000. In order to reach such good results, all the countries need structural changes, complex economic and social development programs.

Figure 14 The share of people at risk of poverty and social exclusion in the EU27 in 2004 and 2010



Source: own editing

On Figure 14 it can be seen that especially Western European countries (Denmark, Ireland, Austria, Finland, Sweden and Luxemburg) could not decrease the share of people at risk of poverty between 2004 and 2010. However, it must be stated that some of them were among the best performers concerning the value of the share. Regarding the methodology, we need to mention that as for this figure, we compared the % of people at risk of poverty to the **EU27** average target, which was 19,3%. In 2004 only 7 countries could have more favourable data than the expected average (under 19,3%), while this number increased to 9 by 2010. Based on the data available, we can state that the two countries in the worst situation were Bulgaria and Romania in both 2004 and 2010. They had much higher share of people at the risk of poverty (over 45%) than the average, which they were not able to decrease in the examined period.

5 Conclusion

In our study we intended to follow up the economic and social tendencies of the European Union resulting from the EU common policies. Regarding the major fields of development aimed, we have got an overall picture about the EU27 and the area that we focused on was the Visegrad region. In order to see middle- and long-term impacts, we have also introduced the content and the evaluation of the Lisbon strategy briefly, because the targets of that strategy meant the starting/basis points of EUROPE 2020. Based on the evaluation of the major related indicators, we need to state that none of the targets of Lisbon strategy were achieved by the deadline (2010). However, we can see positive impacts due to the Lisbon strategy, even if they cannot be measured by the targets set in 2000.

In order to be prepared to meet the targets set in EUROPE 2020, each member state compiled its own National Reform Program, including the measures to be taken to achieve macroeconomic goals, including those set in EUROPE 2020. After reading through the national reform programs, we can see that all the countries are very committed to achieve economic and social cohesion within the EU, therefore they clearly defined the ways how to grow their own economies, how to increase the level of social welfare, which have indirect positive impacts on the EU as a whole. However, in addition to the similar measures to be taken, we can see special measures characteristic to each Visegrad country due to their various economic and social conditions. Based on the figures introduced in our study, we can see that there are specific fields where certain member states need to do much greater efforts than the others to reach the target at EU level.

Overall, we can see that the Visegrad countries are in relatively good position among the EU 27, e.g. the low rate of early school leavers, greenhouse gas emissions, while we need to mention those where they lag behind, e.g. share of renewable energy use, tertiary school attainment (despite of the improvement achieved), employment rate and especially the share of R&D from the GDP.

In addition, we can list up one field where they have achieved better results in meeting the targets compared to the other EU member states, e.g. **reducing the risk of poverty** in the society. In long terms this is the only way how these countries can harmonize the development of their regions and prevent the break off of their poor regions. If this social policy is accompanied by **human resource development** (encouraging the increase of tertiary school attainment and reducing the early school leavers), these countries will be able to focus on the other economic and social targets which is necessary to catch up with the older member states and to abolish the “border” that divides the EU27 into a Western developed and Eastern underdeveloped region.

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