

THE LISBON STRATEGY

1/ The Lisbon Strategy was launched in 2000 at the European Council in Lisbon. The goal of the Strategy is to **make the European Union "the most dynamic and competitive knowledge-based economy in the world."** This economic and social strategy is based on three pillars:

- Preparing the transition to a competitive, knowledge-based economy and society
- Modernising the European social model, investing in people and combating social exclusion
- Applying an appropriate macro-economic policy mix

A fourth, **environmental** pillar was added to the Strategy at the Göteborg European Council meeting in 2001.

During the European Council meeting in December 2003, a short list of **14 indicators** was adopted for measuring Strategy progress. These include, notably, objectives for 2010 with respect to growth (3% on average for the decade), the percentage of GDP spent on R&D (3%), an overall employment rate (70%) and employment rates for women (60%) and workers between 55 and 64 years old (50%).

2/ The Lisbon Strategy was relaunched in 2005, based on a mid-term review of its implementation by the former Dutch Prime Minister Wim Kok. Given the modest progress made up to that point, the Commission took up the report's recommendation **that the strategy be refocused on a twin objective of growth and job creation.**

The renewed strategy now consists of **two dimensions**:

- **A national dimension** based on the implementation of structural reforms in the Member States and the drafting of National Reform Programmes (NRP), accompanied by annual progress reports
- **A European dimension**, which covers all of the initiatives taken by the Commission. The first Community Lisbon Programme was presented in July 2005. The second Programme should be published by the end of 2008.

The refocused strategy is aimed at improving the ownership of reforms by Member States, social partners and European citizens. The goal is to make the Lisbon Strategy an effective part of national policy discussions. To this end, the Member States have each named a National Lisbon Co-ordinator.

3/ The Open Method of Co-ordination (OMC) was, at the launch of the Lisbon Strategy, designed to be a way to encourage Member States to exchange best practices. The method is based on the principle that it may be useful for Member States that are grappling with similar problems to draw inspiration from reforms that have been tested in neighbouring countries, and examine them in light of their particular context. Although there is no obligation to adopt any co-ordination that may be constraining, the OMC does contain a multilateral surveillance mechanism in order to ensure implementation of both reforms and initiatives taken by Member States.

The OMC is the **national-level policy co-ordination instrument.** It authorises the EU to take action in areas in which it has no competencies, thanks to the shared goals set by the Council,

whose implementation is the responsibility of the Member States. In other words, each State decides on national-level policies that it deems necessary for meeting the objectives set at Community level.

4/ The second three-year cycle of the renewed Lisbon Strategy (2008–2010) was launched this year during the Spring European Council. The Council confirmed that **the guidelines adopted in 2005** (the Broad Economic Policy Guidelines and the Employment Policy Guidelines) were still valid and should be **followed for the period 2008–2010**. These guidelines contain all of the recommendations made to Member States that would allow them to meet the Lisbon Strategy's objectives.

5/ France wanted to use the second half of 2008, when it assumed the Presidency of the Council, to move discussions forward on the future of the post-2010 Lisbon Strategy, in connection with the other members of the Trio Presidency (Czech Republic and Sweden). In particular, these discussions will be fuelled by the meeting of National Lisbon Co-ordinators that will take place in Paris on Friday 5 December.

To learn more about the Lisbon Strategy
http://ec.europa.eu/growthandjobs/index_en.htm