

Post-2010 Lisbon Strategy

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26 June 2009**

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Post-2010 Lisbon Strategy

The Portuguese Vision

Portugal considers the post-2010 Lisbon Strategy and the Lisbon Treaty to be two structuring pillars for the consolidation of the European project in the context of the disruptive change being witnessed in the world.

This belief is strengthened by the important role that the Lisbon Strategy plays as the matrix that brings together the European response to the crisis, demonstrating the flexibility and resilience of the priorities defined for the New Cycle of 2008/2010.

With the aim of contributing to the formulation of a post 2010 Lisbon Strategy that rises to the challenges facing the European Union, Portugal has prepared its position of principle on the future of the Lisbon Strategy in the context of the preparation of the document that the European Commission submitted to the Spring European Council 2008.

As a follow up to the decisions of this Council, a strategy of public debate on the guidelines of the post 2010 Lisbon Strategy was adopted, culminating with a Workshop. The program, general and thematic conclusions of this can be found in annex.

It is our belief that it is essential to involve the social partners and European citizens in the debate and formulation of the post 2010 Lisbon Strategy.

Therefore, a process of wide reaching debate is ongoing in Portugal and we are simultaneously turning the implementation of the National Reform Program, specifically, into a stimulating good practice for the new challenges.

In light of the European Commission's mandate to launch an extensive debate on the post 2010 Lisbon Strategy in early October, we consider it both relevant and opportune to formally send the documents resulting from the public debate conducted hitherto in Portugal.

In addition to providing the conclusions and the summary of the debate, the 4 strong lines that emerge as fundamental to the successful framing of a post 2010 Lisbon Strategy must be underlined as the document's political introduction.

1. A political strategy

We believe that the post 2010 Lisbon Strategy must constitute a political as opposed to a technical response to the European challenges and it should be assumed as such by European, national, regional and local technicians. A political response implies strong commitments that can be scrutinized at various levels.

The political dimension is also a requirement if the external dimension of the post 2010 Lisbon Strategy is to be fully assumed.

In the new global competitive framework, convergence on a new political strategy of internal and external affirmation is essential to ensure that the EU has the capacity to

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influence the definition of regulatory frameworks and competition norms that are sustainable and favorable to the standards and values on which the European project lies.

If a matrix Political Strategy with various territorial dimensions is to be consistent, it must have a recognized Network of National Coordinators as its anchor and all Member States and organs of the Union must agree on and respect the parameters of its mission and status.

2. An integrated strategy

We believe that the post 2010 Lisbon Strategy should be a convergence reference for the sector strategies in the framework of the EU; rather than imposing artificial integration, coordination mechanisms should be defined that lead to the interactive harmonization required at a time when the dividing lines between the economic, social and environmental dimensions of development dynamics become progressively weaker.

The reference taken for the post 2010 Lisbon Strategy should be the ambition of a green Europe, based on the sustainability of economic processes, social models and environmental impacts, making the fight against climate change a driver for the reconfiguration and modernization of European society.

3. An ambitious strategy

The global affirmation of the European Union implies leadership in strategic sectors and cutting edge technology.

Notably, fields in which Europe faces a competitive threat such as energy, the ageing of the population and environmental quality, should be turned into areas of opportunity and leadership, namely renewable energies, new models of efficient production, new responses to health and the next generation networks.

The consolidation of leaderships in the framework of the 2010 Lisbon Strategy should give preference to the inclusive model underlying the Open Coordination Model, but should not stop using specific strengthened cooperation for goals that cannot be pursued without this increased commitment.

4. A mobilizing strategy

The post 2010 Lisbon Strategy must connect innovation to people and give rise to new attitudes and new opportunities. Its success should be measured using the latest indicators of job opportunities or of entrepreneurial activity generated and the quality of these opportunities, as well as of the wealth created in a framework of equity and sustainability.

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Therefore, the post 2010 Lisbon Strategy must be flexible, in keeping with the political cycles and assessed in terms of relative progress and the extent to which assumed goals have been met by each Member State in the context of the Union.

This model implies a political contractualization process of goals and the definition of counterparts in the overall financial context of the Union both from the financial perspectives and the application of common macroeconomic growth and stability policies.

Lisbon Strategy post 2010

Outcome of the Workshops held

Context

A reflection on the shape the Lisbon Strategy should take in the post 2010 period necessarily involves considering it against the backdrop of a current and prospective analysis of the economic context and the aspects that put constraints on the future economic scenario e.g. the ageing of the populations, climate change or the sustainability of the energy. The analysis should also contemplate the need to face social policies both in terms of their capacity to “repair” less favorable or unfavorable situations and also as promoters of social development dynamics.

The future of the EU’s competitiveness can lie on a new international approach for markets and products based, to a great extent, on the green economy – green technology companies, environmental industries, among others, and the information economy. The EU’s future also involves assuring the security and stability of the Union’s energy supply and the role of renewable energies and industrial innovation as drivers in the transition to a **low carbon paradigm**, which is essential to the effective fight against climate change.

Increasing the employability of workers; stimulating the start-up of companies and innovation; the importance of the role of education and life long learning. These are just some of the areas that the EU must make a priority when defining its development policies.

External dimension

The external dimension of the Lisbon Strategy should play a fundamental role in the European Union’s competitiveness in the world, as should the boosting of its role in governance at world level. As a way of “exporting” the Lisbon Strategy and enabling the European values to be the inspiration of other large regions, it is also vital that the Union Summit agendas systematically include the concern to open the markets, with the convergence of rules and regulatory cooperation.

The first step in fostering the external dimension is to assure the EU’s strong internal coordination, which is expressed in coherent and concerted action in all the channels available: bilateral relations of Member States, bilateral relations of the EU and multilateral relations. However, attaining the convergence of the different national interests is not always easy; only with solidarity within the EU and overcoming the national “egotisms” can the current status quo be changed.

The **future of international trade** will be centered not so much on the traditional cut in tariffs but on the relations and dialog between countries and non-tariff barriers (regulations, rules

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and behaviors) that complicate the exchange of products and above all services. This new approach, which is more political and less technical, requires broad political commitment so that the opening of international trade contributes effectively to economic growth at world level.

Consideration should also be given to the **coherence of “internal” policies and the “external” policies at the heart of the Strategy**. Increasing the focus on competitiveness is in fact an appeal for the Union’s growth strategy to give due consideration to the EU’s trading (and investment) partners. At the same time, the Lisbon Strategy priorities should be transmitted in the economic relations with these partners. This is embodied in the fostering of the standards followed by the EU (on social, environmental and other matters) in the context of those relations.

Lastly, it is stressed that the **Lisbon Treaty** raises the EU’s capacity to affirm itself externally, and allows for a quicker decision making process due to the increase in the number of decisions taken jointly and by a qualified majority, boosting the strategic and coordination role of the CAGRE, bestowing the EU with a greater capacity to act in other policies and developing an institutional framework that facilitates the coherence and effectiveness of external action.

Competitiveness and Cohesion

The Lisbon Strategy should be focused on the concept of sustainable development: in this context, the environmental angle is the fundamental pillar as well as the social pillar.

The Strategy should cover all factors that put constraints on the creation of sustainable jobs; accordingly, it should give coherence to the instruments that stimulate productivity, employability and competitiveness in the UE.

The areas of greatest competitiveness should revolve around energy, education and training, as a new development paradigm. Sectors like tourism, information and communication technologies, health or transport (as industries with innovation potential) should be addressed in the Strategy, insofar as it is important to stimulate their productivity, competitiveness and job creation capacity. The key factors for boosting productivity and competitiveness, noted by participants, include innovation, entrepreneurship and risk-taking.

Some participants also referred to **fiscal competition** between the Member States as an obstacle to consolidating implementation and cohesion in the application of a strategy that promotes economic development (along with environmental and social development) in the set of EU countries.

The various policies in the Lisbon Strategy should be made more coherent (cohesion/competitiveness, energy/environment, etc.) not only from the moment of conception but also when they are being implemented. Where the integration of policy domains in common instruments is found to make practical implementation difficult, it should at least be guaranteed that the objectives of these domains are pursued harmoniously.

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Insofar as it is hoped that the Strategy fosters the employability of European citizens, **it is crucial that the “competitiveness” part of the strategy interacts with its more social part.** As the social angle of the Lisbon Strategy is expected to be ongoing, the labor market is the field where economic and social concerns intersect and where productivity, employability and competitiveness are promoted simultaneously: it is essential to boost the effective participation in the labor market – i.e. ensure that workers are employable throughout their working life – in order to boost productivity and innovation, whilst also promoting inclusion and combating social inequalities.

Interaction with the environmental part based strongly on the energy domain. The energy sector, clearly acknowledged by the participants as an integral part of the Lisbon Strategy, forms the main bridge between its economic and environmental angles. Emphasis was given to questions like the importance of guaranteeing the safe and stable supply of energy to the Union and renewable energy, biofuels and industrial innovation as drivers in the transitions to a new low carbon paradigm which is essential if we are to effectively combat climate change.

The central role of education and training. The role of life long education and training must be recognized in order to achieve the above mentioned employability of workers, and also to foster the creation of companies and hence work posts. If education for active life is based on “technical literacy”, it will enable workers to hold on to their employability. At the same time, the increased integration of education for entrepreneurship and for risk taking and creativity is urgent. This would lead to a rise in the levels of “initiative” and “innovation” in the Union. The participants placed definite emphasis on generalized and high quality basic education and the importance of integrating these concerns in the curricula of children in Europe from an early age.

Social Dimension

Social policies should not only be seen from the perspective of “repairing” less favorable or unfavorable situations, but as promoters of social development dynamics.

A turning point, while an opportunity to change European policies: greater Europeanization of national policies or the start of re-nationalization processes?

Lessons learnt in the last 10 years and the 2020 panorama:

- Trade-off between the broad objectives and ambitions of a normative nature and the capacity to Europeanize domestic policies;
- The EU continues to have a great capacity to structure national agendas and MS should therefore make every attempt to reflect on their domestic preferences at community level;
- Loss of political emphasis of the European processes linked to social policies – importance of *flexicurity* type “labels”;
- Autonomous and bipartite social dialog was “abandoned” as an idea but could be recovered. An intermediate level of social dialog could be sought that goes beyond the national level but which does not imply agreement of the 27. A realistic possibility would be one involving agreements with varied geometrics or progression by clusters;

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- Another possibility retains the centrality of the “employment” theme and complements it with other social dimensions (training of the work force/ social cohesion; inequality/poverty levels);

The priorities addressed included questions like the importance of **Social Innovation** (and not just technological innovation) linked to **social entrepreneurship**, without forgetting that social responses have a specific duration (they lapse with time) which means an R&D pledge must also be made in the social area. Focus was also given to the need for new instruments for the qualification of social actors and the dissemination of good practices.

The inclusion of **immigration policies** in the Strategy should be more associated to the competitiveness dimension and the response to the questions of the ageing of the population, as well as to the issue of the cultural diversity and sustainability of the European Social Model.

The questions of **social inequalities and poverty** were also addressed, as well as the need to develop **active social inclusion** policies, bearing in mind three vital dimensions: minimum income, insertion in the labor market and access to quality social services.

Governance

Coherence with the Union’s and the Member States’ other policies. It is important to ensure greater coherence between the policies (macro, micro and for the labor market) covered by the Strategy and other EU policies. Emphasis was given, for example, to the case of the immigration policy which, like policies for the family, should be consistent with concerns in relation to the ageing of the population and with the need to assure a rising activity rate (rate of participation in the labor market) in the EU.

Tangible results and accessibility to companies and to citizens. The Strategy should be both wide-ranging and focused which means that instead of giving excessively generic guidelines, they should be concrete and rational. This means that the scope and the results of the Strategy should be understood by citizens and companies. Moreover, it is important to have a Lisbon Strategy that is at the service of the bulk of citizens and companies. This implies that the Lisbon Strategy is not one that is oriented merely towards the Union’s “elites”.

The Lisbon Strategy should also unleash conditions that enable these companies to gain an external dimension, productivity and competitiveness which at the same time would boost their employability potential. Equally, the generalized increase in the qualification level figures as the only way in which to increase the employability of European citizens as a whole.

Although more innovative and technologically advanced companies, or more highly qualified workers warrant their own area within the strategy (it is noted that the participants clearly indicated that the instruments should take into account the specificity of the various beneficiaries and activity sectors), it should also be remembered that if the potential growth and productivity of the set of the Union countries is to be effectively increased, the Strategy must be directed at the productive base of the EU as a whole. In this context, recognition must be given to the fact that the productive fabric of the EU is comprised mainly of small and

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medium enterprises, many of which are micro-enterprises. The Strategy should therefore be oriented to fostering better conditions for the operations of these companies.

Short term results also. As this a strategy for the growth and employment of the EU with a strong base of structural reform programs, the Lisbon Strategy is naturally oriented towards the medium and long term: indeed, the time in which it is reasonable to expect the strategy's tangible results should be coherent with the structural nature of a significant part of the policies, initiatives and instruments covered by it. Nevertheless, the participants stressed the importance of promoting (at least) some visible results in the shorter term.

Emphasis was also placed on the need to upgrade the **Open Coordination Method** by improving the cooperation between MS and between social actors, complemented by the improvement of the *hard law*, as well as strengthening the cooperation among the actors within each Member State both horizontally and vertically. Focus also went to the importance of making the national preferences reflect at community level as far as possible, including their reflection on the EU budget.

Empowerment. The need to foster greater empowerment was also debated; this should be expressed in a strong political commitment at all intervention levels of the Strategy. At national level, empowerment could be increased notably by a greater incorporation of the Lisbon Strategy in the government programs, in which national parliaments must also be more involved. In this ambit, citizens must also be shown the value of structural reforms implemented internally and which result from or cross with the LS context. At European level, political appropriation should be strengthened, particularly through greater involvement of the various formations of the Council and of the coordination role of the CAGRE and the European Council; the importance of common initiatives should also be valorized and those fostering a better framing and articulation of the national coordinators which is currently inadequate.

Need for greater harmonization of the profiles of both the national coordinators of the LS and the Network. Reference is made firstly to their being given decision making powers and proximity to the Prime Ministers due to the Strategy's transversal nature across sectors. Moreover, it is also vital that national coordinators have an effective executive capacity that makes their actions flexible and operational.

With regard evaluation and monitoring, despite the importance of maintaining common goals, consideration must at the same time be given to the possibility of introducing targets and indicators that are more in line with each MS so that noteworthy national distinctions can be addressed. The targets should be realistic but ambitious and the indicators should be constructed in such a way as to allow the relative progress of countries to be measured, in addition to the usual absolute but statistical characterizations, thus allowing unequal starting points to be contemplated.

Methodology

Strengthening the Strategy's appropriation at the political level. As a strategy for the EU's economic and social development, it embodies a set of priorities for economic policy and for the labor market. It is vital that this set of priorities is endorsed at the highest political level. It

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is also necessary to raise the accountability and political appropriation of the national plans implementing the Strategy's guidelines, as well as the respective results.

Accountability versus control. Greater appropriation by the parties involved in the Strategy's execution is also important. However, the accountability of these parties should not involve excessive control over implementation.

Quantitative and qualitative indicators. Appropriation, in part, implies assuring that the Strategy's implementation is monitored on the basis of indicators. Although these should essentially be quantitative, they should also be able to reflect the qualitative results of the strategy's implementation. Indicators should be chosen with great care as priority should be given to the dynamic and relative (comparative) perspective of the outcome.

Complete use of the Strategy's "toolbox". If the Lisbon Strategy is to be effective, it is fundamental that it continues to exploit the methodology at its disposal to the maximum, from the initiatives of the community Institutions found in the Lisbon Community Program, to the "transmission" of common guidelines to the national reform plans, as well as the application of the open coordination method and the exchange of good practices in the domains of the competence of the Member States.

Necessary means. The Lisbon Strategy should be equipped with the necessary means (including financial means at the EU level) to produce the proposed results of the respective policies and instruments.

The operational logic of the instruments is equally important. The sum allocated to the instruments that implement the Lisbon Strategy is not the only variable that determines the success of their results. First, the use of the means should be at the effective disposal of the economic operators: a substitution of these means could suggest that they were badly designed or largely inaccessible to a vast group of citizens or companies. It is vital here that these means are widely disseminated and the bureaucracy minimized.

The instruments can further the coherence of the various aspects of the Strategy. For illustrative purposes, some participants underlined that the "Lisbonization" of the community funds by earmarking was not enough to assure that the strategy's objectives were completely reflected in these instruments and the use Member States make of them. It was suggested that projects competing for the use of these funds should comply with "Lisbonization" criteria e.g. taking the employability potential into account when evaluating an investment project.

ANNEXES

Accounts of the Workshops held at

BELÉM CULTURAL CENTRE

26 JUNE 2009

Workshop 1: “Economic growth and sustainability – Competitiveness and Cohesion”

The session devoted to the topic “Economic growth and sustainability – Competitiveness and Cohesion” was based on the work document by Professor José Maria Brandão de Brito. There was an animated exchange of impressions on the future configuration of the Lisbon Strategy in the post 2010 period in the referred domains. In the summary of the contributions presented below, it was decided to omit those that implied an alteration in the competences of the EU and/or Member State institutions that could only be implemented by means of a change in the Treaty.

The new context in which the Strategy is taking place

A reflection on the shape the Lisbon Strategy should assume in the post 2010 period necessarily involves considering it against the backdrop of a current and prospective analysis of the economic context and the aspects that put constraints on the future economic scenario e.g. the ageing of the populations, climate change or the sustainability of the energy supply. It should also take into account the characteristics of the economic crisis that are being felt and the central idea that the European Social Model is faced with growing costs and that this can be expected to continue. The background idea is that other regions are being more successful in raising their standard of living and that this is not necessarily associated to a strategy similar to that of the Lisbon Strategy and the respective social model.

Scope and Coherence of the Lisbon Strategy: The need for citizens and companies to feel results

The strategy should be wide ranging but focused which means it should avoid excessively generic guidelines and be more specific and rational.

Its goals and results must be understood by citizens and companies if it is to be appropriated. This means that it must be a strategy that is at the service of the bulk of citizens and

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companies. This implies that the Lisbon Strategy is not one that is oriented merely towards the Union's "elites". Although more innovative and technologically advanced companies, or more highly qualified workers warrant relevance within the strategy (it is noted that the participants clearly indicated that the instruments should take into account the specificity of the various beneficiaries and activity sectors), it should also be remembered that if the potential growth and productivity of the set of the Union countries is to be effectively increased, the Strategy must be directed at the productive base of the EU as a whole. In this context, recognition must be given to the fact that the productive fabric of the EU is comprised mainly of small and medium enterprises, many of which are micro-enterprises. Therefore, the Strategy should also include the promotion of better conditions so that these companies can gain an external dimension, productivity and competitiveness which simultaneously boosts their employability potential. Equally, the generalized increase in the qualification level figures as the only way to make European citizens as a whole more employable. The Strategy should cover all factors that put constraints on sustainable job creation; hence, it should bring coherence to the set of instruments that stimulate the **productivity, employability and competitiveness** in the EU.

The participants made their positions extremely clear with regard the doubts the current macroeconomic management model raises. While on one hand it is a policy that overrates the risks of inflation so that it becomes a social policy based on low inflation regimes, on the other hand, this same policy of low inflation does not favor growth and job creation. Old issues, yet to be resolved, were also raised with regard the necessary fiscal harmonization in the European space. A reminder was given of the fact that the salary policies are essentially indexed to different models of social agreement at the national level, and that there is not (and indeed it is hard to imagine that there could be) a community policy to harmonize salaries. These are essential aspects in any economic growth policy and yet ones which are addressed little in the framework of the Lisbon Strategy. The same goes for the competition policy which essentially continues to have enormous asymmetries and specificities in the different Member States.

The environment, as a constraint on competitiveness, was also discussed and considered a fundamental pillar.

Greater attention was also recommended at the micro level to the intangible aspects associated to organizational innovation, considered much more pertinent to productivity than technological innovation *strictu sensus*. On the other hand, it was also remembered that unlike the USA, Europe pledges heavily in R&D but in sectors that do not have much room for progression. Innovation in conjunction with the new crisis context was considered an essential aspect. However, it is the systemic aspects of innovation (networking innovation), interactions between actors, more action in the areas of mobility, transport, health, etc. that stand out as most relevant. Moreover, the inadequacy of the current framework for the registering of patents at the European level and the growing substitution of R&D activities with the registration of national and European patents contrasts with the new models of open and networking innovation which are partly at the root of the current business successes that most easily resist the crisis.

A discussion on the various domains of the Lisbon Strategy

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The areas of growing relevance highlighted by the participants were energy, education and training. But sectors like tourism, information and communication technologies, health and transport (the industries with innovation potential) also warranted their own place in the Strategy, insofar as it is important to stimulate their productivity, competitiveness and job creation capacity. Innovation, entrepreneurship and risk taking were among the key factors for boosting productivity and competitiveness underlined by the participants. The importance of territorial cohesion was also stressed.

There should be greater coherence among the various policies that form the Lisbon Strategy (cohesion/competitiveness, sustainability etc.) not only from the moment of conception but also when they are being implemented.

Thought should be given to having innovation and competitiveness policies with social concerns and, on the other hand, cohesion policies with economic concerns. The two domains operate in harmony, one compensating and complementing the other.

Areas should also be sought where integration is possible. For example, structural and cohesion funds (in particular in the management of incentive systems) should take employability and education and training into account. At present, the integration of instruments that simultaneously favor competitiveness and employment is complicated or even impeded by the fact there is a single-fund decision for operational programs. Another example is that there is no integration between the policy for the rail transport of freight and other domains serving it, particularly the green economy, employability and territorial cohesion. The cities policy, in its various aspects, is an example of non-integration with competitiveness and territorial cohesion policies.

Greater coherence should be guaranteed between policies (macro, micro and for the labor market) covered by the Strategy and other EU policies. Emphasis goes, for example, to the case of the policy for immigration which, like the policies for the family, should be consistent with the concerns about the ageing of the populations and the need to guarantee a growing activity rate (rate of participation in the labor market) in the EU.

Another important aspect is the coherence of “internal” policies with the external dimension. Increasing the focus on competitiveness is in fact an appeal for the Union’s growth strategy to give due consideration to the EU’s trading (and investment) partners; at the same time, the priorities of the Lisbon Strategy should be transmitted in the economic relations with these partners. This is embodied in the fostering of the standards followed by the EU (on social, environmental and other matters) in the context of those relations.

It is crucial that the “competitiveness” part of the Strategy interacts with its more “social” part, even putting the employability of European citizens as its central objective. The quality of the labor market is a domain where economic and social concerns intersect and where productivity, employability and competitiveness are simultaneously promoted: strengthening the effective participation in the labor market – that is, guaranteeing that workers are employable throughout their active life – is essential to boost productivity and innovation, and simultaneously foster inclusion and the fight against social inequalities.

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A strategy based on a post-crisis vision

The reflection also addressed to a certain extent what the economy would be like post-crisis. There was consensus among the participants that there was a lapse of vision and leadership. It was not clear what the new post crisis drivers would be. While on one hand the energy environment interface certainly seems to be one axis, the knowledge based economy also needs to be furthered.

Using the **energy sector** as the main bridge between the economic and environmental sides of the Lisbon Strategy was considered fundamental. Emphasis was given to questions of the importance of guaranteeing the security and stability of the energy supply to the Union, and to the role of renewable energies as drivers, of biofuels and industrial innovation in the transition to a low carbon paradigm which is vital if we are to effectively combat climate change.

It is important to acknowledge **the role of education and life long training** to both the abovementioned employability of workers and for the creation of more companies and hence more work posts. If education for active life is based on “technical literacy”, it will enable workers to hold on to their employability. At the same time, the increased integration of education for entrepreneurship and for risk taking and creativity is urgent. This would lead to a rise in the levels of “initiative” and “innovation” in the Union. The participants placed strong emphasis on generalized and high quality basic education and the importance of integrating these concerns in the curricula of children in Europe from an early age.

Governance, instruments and accountability

There was also consensus among the participants that the challenges set by Kok in 2004 remain and, whatever the post 2010 strategy in the new context, it will be necessary to rethink the multi-level governance model, the portfolio of instruments serving it and accountability. Participants mentioned, for example, the advance made by the creation of Lisbon Strategy Coordinators.

Reference was made to the lack of application of guidelines, notably those that are the most particular or specific. For example, the assertiveness of the Obama Plan for the recovery of the American economy contrasts with the generality of the Lisbon Strategy guidelines. There continues to be a marked disconnection between policy conception and its implementation.

The need to close the information gap was also underlined. Indeed, it was felt that the European citizen wanted to be “involved” in the Strategy more than just informed about it.

The Lisbon Strategy cannot be one that is communicated only to the Union’s “elites”. Although more innovative and technologically advanced companies, or more highly qualified workers warrant their own area within the strategy, it should also be remembered that if the potential growth and productivity of the set of the Union countries is to be effectively increased, the Strategy must target the productive base of the EU and citizens as a whole.

It is vital that the set of priorities of the New Lisbon Strategy is endorsed at the highest political level and it is also necessary to raise the accountability and political appropriation of the national plans implementing the Strategy’s guidelines, as well as to inform and involve

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institutions, associations and the most diverse sectors of society. It is also important to increase the appropriation of the Strategy by all key actors in its implementation.

The monitoring of the Strategy's implementation was also believed to be important which involves ensuring that monitoring is based on indicators. These should essentially be context indicators but should also be able to reflect additionality and the results that are directly imputable to the implementation of the Strategy. Indicators must be selected with great care and priority given to those that provide a dynamic and relative (comparative) perspective of the results. Given that the Lisbon Strategy has a strong base of structural reforms, it is naturally oriented to the medium/long term and monitoring should therefore be coherent with the structural nature of a significant part of the policies, initiatives and instruments covered by it. Nevertheless, participants also underlined the importance of fostering (at least some) visible results within a shorter time frame.

If the Lisbon Strategy is to be effective it is fundamental that it continues to exploit the methodology at its disposal to the maximum, from the initiatives of the community Institutions found in the Lisbon Community Program, to the "transmission" of common guidelines to the national reform plans, as well as the application of the open coordination method and the exchange of good practices in the domains of the competence of the Member States. However, better articulation is required between the exclusively community instruments in the scope of the Lisbon Community Program and the exclusively national instruments so as to further complementarities and avoid overlapping.

As for the instrumentation, the participants clearly indicated that the instruments should take the specificity of the various beneficiaries and activity sectors into account. They also underlined that the "Lisbonization" of the community funds by earmarking was not enough to assure that the strategy's objectives were completely reflected in these instruments and the use Member States make of them. It was suggested that projects competing for the use of these funds should comply with "Lisbonization" criteria e.g. taking the employability potential into account when evaluating an investment project.

Rapporteurs of the session

Manuel Laranja

Paulo Eurico Variz

Workshop 2: "European Social Model"

The session on the topic "European Social Model" was based on a work document by Pedro Adão e Silva, the conclusions of which are transcribed in the first part of this document. The second part reports on the main contributions from participants in the working session on this theme.

Summary of the document presented for discussion: *“The future of European social policy: between effectiveness and normativity”*, by Pedro Adão e Silva

- Distinct opinions are held about the existence of the European Social Model. On one hand, some people say there is no ESM but that there are various social policies related with the circumstances found in each MS; others say that it is precisely the ESM that distinguishes the European space from other economic and political spaces.
- Alternative pathways have been appearing for the integration of European social policies, though a more or less explicit option has been noted to get around barriers rather than confront or remove them. Coalitions with a varied geometry between the various MS are used for example for this purpose.
- The Lisbon Strategy is the most ambitious example to overcome some of the main obstacles because it involves the integration of social policies without confronting them, opting in favor of going around them. The revision of the LS in 2005 marks the reduction of the social angle (becoming an autonomous pillar, problems linked to the enlargement of the EU and some changes are made to the actual political ideology).
- Advocates of suave coordination (Open Coordination Method - OCM): assert that this “Europeanization” of domestic policies is effective and produces real change.

This method contrasts with the traditional “community method” – that produces binding and uniform solutions that have little sensitivity to national diversity – facilitating the development of policies where European powers are scanty and/or where regulation is not very visible. Its potential lies in its capacity to foster “social learning”, though empirical evidence undermines the direct impact of “social learning” mechanisms.

- The author also highlighted some current constraints on social integration and that should be taken into consideration in the proposal of priorities:
 - Economic and financial crisis – in addition to reducing the available resources necessary to a common strategy at the social level, the difficulties in reaching a consensus and providing political responses has been revealing
 - Successive enlargements – institutional diversity has increased in social matters, hindering integration in these areas, whilst the European political landscape has become increasingly fragmented
- These constraints have various effects:
 - Strengthening some traditional barriers to the development of a common social policy
 - Progressive deterioration of the political balances in the social areas
 - Growing fragmentation of the processes, to which an increasing national invisibility of European strategies has been associated
- Turning point, as an opportunity to change European policies: greater Europeanization of national policies or the start of re-nationalization processes.

Lessons learnt from the last 10 years and the 2020 panorama:

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- Trade-off between the broad objectives and ambitions of a normative nature and the capacity to Europeanize domestic policies;
- The EU continues to have a great capacity to structure national agendas and MS should therefore make every attempt to reflect on their domestic preferences at community level;
- Loss of political emphasis of the European processes linked to social policies – importance of *flexicurity* type “labels”;
- Autonomous and bipartite social dialog was “abandoned” as an idea but could be recovered. An intermediate level of social dialog could be sought that goes beyond the national level but that does not imply agreement of the 27. A realistic possibility would be one involving agreements with varied geometrics or progression by clusters;
- Another possibility retains the centrality of the “employment” theme and complements it with other social dimensions (training of the work force/ social cohesion; inequality/poverty levels).

Contribution of Participants in the Session on the “European Social Model”

This was a very lively session in which the contributions from the debate triggered on social policies were registered. One of the conclusions of this session was the need to face **social policies** not just from their perspective of “repairers” of less favorable or unfavorable situations, but as drivers of social development dynamics.

Method

With regard the **Method**, the need to improve the **OCM** was highlighted; this should be achieved through better cooperation among the MS and among social actors, complemented by improved *hard law* as well as strengthening the cooperation between the actors **within each Member State** horizontally and vertically. Focus also went to the importance of making the national preferences reflect as far as possible at community level, including their reflection on the EU budget.

Priorities

The priorities addressed included questions like the importance of **Social Innovation** (and not just technological innovation) linked to **social entrepreneurship**: new social problems require new and better social responses (for example: in criminal justice; in ageing; in climate change), without forgetting that social responses have a specific duration (lapsing with time), which also implies the pledge in R&D in the social area; need for new instruments for the qualification of social actors and the dissemination of good practices.

The inclusion of **immigration policies** in the Strategy should be more associated to the competitiveness dimension and the response to the questions of the ageing of the population, as well as to the issue of the cultural diversity and sustainability of the European Social Model.

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The questions of **social inequalities and poverty** were also addressed, notably among children, insofar as it increasingly demands that families should have equal opportunities in the access to living conditions. **Active social inclusion** policies also needed to be developed, bearing in mind three vital dimensions: minimum income, insertion in the labor market and access to quality social services.

Governance

The debate on this issue highlighted the need to develop common **governance** mechanisms **for the LS**, for example in the extent to which the statute of the coordinators is distinct from one MS to the other. It is therefore necessary to **strengthen the position of National Coordinators of the LS and give them more legitimacy** in each Member State – coordination at the highest level.

Focus was also given to the importance of more binding recommendations and of **greater and better involvement of actors**, right from the start of the process, as well as the **appropriation of the LS by the general public**, by its democratization that strives to go to the grass roots and cover the different groups of the population – identifying the initiatives with the LS so as to ensure greater appropriation.

The **importance of the updating of statistical data**, notably data on poverty, was also underlined with a view to stricter monitoring of the social policies, as decision taking requires updated statistics and common and robust indicators.

Rapporteurs of the session:

Cândida Soares

António Bob Santos

WORKSHOP 3: EXTERNAL DIMENSION OF THE LISBON STRATEGY. VISION, APPROPRIATION AND GOVERNANCE

The work in this session was organized around two broad topics which were addressed separately: governance and external dimension.

1. Governance

The debate revolved around the issue of the improving implementation mechanisms, boosting the horizontal coordination between the different policies and promoting the civil society's appropriation, thereby ensuring higher levels of participation.

Among the aspects about which there was consensus, we underline firstly the need to foster greater empowerment which should be expressed in a greater political commitment at all the Strategy's intervention levels.

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At the national level, greater empowerment can be achieved, notably, by incorporating the Lisbon Strategy more extensively in government programs, obviously without undermining the need to reach strategic consensus on the medium and long term perspective. This increased commitment necessarily implies greater involvement from the national parliaments.

In this ambit, it is also important to enhance the value citizens grant the structural reforms implemented internally and which result from or intersect with the LS but that are not always given due visibility and are often assumed only in the framework of public policies. This does not contribute to promoting the importance of the LS among civil society.

The debate also highlighted the role of national coordinators, as well as the need to harmonize their profiles which are still very diverse. On one hand, it is important to grant them with political decision making powers and proximity to the Prime Ministers due to the Strategy's transversal nature across sectors. On the other, it is vital that national coordinators have an effective executive capacity that makes their actions flexible and operational. This is approximately the model adopted in Portugal, Spain and Sweden.

At the European level, the appropriation of policies should be strengthened notably through the various formations of the Council and the coordinating role of the CAGRE and the European Council also valorizing the importance of common initiatives and ensuring that the currently inadequate framing and articulation of national coordinators is improved.

Emphasis also goes to the consensus on the need for the greater involvement of economic and social partners, in governance shared between the national governments and civil society.

In the context of improved governance, the importance was also underlined of giving the Strategy greater visibility at other intervention levels, e.g. regional, and the need to develop territorially based approaches (insofar as the territories have a role to play as the most suitable location for the articulation of public policies), fostering the participation and involvement of local development associations and other regionally or locally organized actors.

In relation to the issues of evaluation and monitoring, it is noted that despite the importance of maintaining common objectives, consideration must at the same time be given to the possibility of introducing targets and indicators that are more in line with each MS so that noteworthy national distinctions can be addressed.

The targets should be realistic but ambitious and the indicators should be constructed in such a way as to allow the relative progress of countries to be measured, in addition to the usual absolute but statistical characterizations, thus allowing unequal starting points to be contemplated.

2. External dimension

The debate on the external dimension focused essentially on the issue of how the European Union can influence the international context through a more coordinated position.

The first noteworthy general conclusion is that the external dimension of the Lisbon Strategy should play a fundamental role in the European Union's competitiveness in the world, and in enhancing its role in governance at a global level.

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The future of the EU's competitiveness could be based on a new international approach to markets and products based largely on the green economy – clean companies, environmental industries, among others – and information economy.

The first step in fostering the external dimension is to assure the EU's strong internal coordination, which is expressed in coherent and concerted action in all the channels available: bilateral relations of Member States, bilateral relations of the EU and multilateral relations. Boosting internal articulation is also essential to enhance the value of the EU's voice in international organizations given the growing importance of the emerging economies.

As a way of "exporting" the Lisbon Strategy and enabling the European values to be the inspiration of other large regions, it is also vital that the Union Summit agendas systematically include the concern to open the markets, with the convergence of rules and regulatory cooperation.

In this context, it is important to remain realistic and understand that it is not always easy to achieve the convergence of different national interests, which can make it difficult for the European Union to always "speak as one voice". However, it should not be forgotten that only with solidarity within the EU and overcoming national "egotisms" can the current status quo be changed.

The future of international trade will be centered not so much on the traditional cut in tariffs but on the relations and dialog between countries and non-tariff barriers (regulations, rules and behaviors) that complicate the exchange of products and above all of services. This new approach, which is more political and less technical, requires broad political compromise so that the opening of international trade contributes effectively to economic growth at world level.

Lastly, it is stressed that the Lisbon Treaty raises the EU's capacity to affirm itself externally, and allows for a quicker decision making process due to the increase in the number of decisions taken jointly and by a qualified majority, boosting the strategic and coordination role of the CAGRE, bestowing the EU with a greater capacity to act in other policies and developing an institutional framework that facilitates the coherence and effectiveness of external action.

Rapporteur:

Maria João Botelho
João Mateus