

# THE LISBON STRATEGY FOR GROWTH AND JOBS

*mariajrodrigues@iscte.pt*

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## CHALLENGES

- Globalisation
- Demographic trends

## CHOICES

A/ To sacrifice competitiveness to social model

B/ To sacrifice social model to competitiveness

C/ To renew competitiveness and social model

## The Lisbon Strategy

In the year 2000, with a European Council taking place in Lisbon, the European Union adopted an overall strategy to build a **competitive knowledge economy**, capable of sustainable economic **growth with more and better jobs**, greater **social cohesion** and respect for the **environment**.

The central idea of this strategy is that **knowledge** is now the key resource of nations, companies and people and that new competitive factors should be build based on knowledge and innovation in order to sustain the European social model. This one should also be reformed and put more in line with a knowledge-based society.

## SHORT STORY OF THE LISBON AGENDA

- 1999 Preparing a new European strategy
  - 2000 Defining the Lisbon Strategy and Governance
  - 2001 Developing the Lisbon Agenda
  - 2002 Implementing the Lisbon Agenda
  - 2003 Bridging with the Constitutional Treaty
  - 2004 Adapting the financial means
  - Developing the international dimension
  - 2005 Implementing the Lisbon Agenda after the mid-term review  
National Reform Programmes  
Lisbon Community Programme
- 2006-2007 Focus on implementation

# Tacking stock of the Lisbon Agenda

## **POSITIVE**

- 6 millions jobs created
- Dissemination of information and communication technologies
- European research networks
- One stop shops for SMEs
- Single market for telecommunications and for energy
- Galileo
- Integration of the national financial markets
- Launch of the EUROPASS for European mobility in training and employment
- Modernization of the active labour market policies
- Action plan for social inclusion
- National strategies for sustainable development

## **NEGATIVE**

- 22 million jobs still missing
- Networks for innovation
- Community patent
- Red tape for business
- Lifelong-learning
- Single market for services
- Social protection reforms
- Dissemination of eco-technologies

# MID-TERM REVIEW

## The strategic priorities

Against this background, the priorities of the Lisbon strategy are threefold, after the mid-term review during the Luxembourg Presidency:

1. Fostering **knowledge for growth** by ambitious policies of research, innovation, education and training;
2. Improving the **attractiveness of the European economy** to invest and to work, by deepening the single market, improving the business environment and expanding the European infrastructure;
3. Creating **more and better jobs**, investing in people, modernising the European social model and combating social exclusion;
4. **Macroeconomic policies for growth and jobs.**

# Lisbon Strategy

## The Integrated Guidelines for Growth and Jobs

### Knowledge and innovation – engines of sustainable growth

- To increase and improve investment in **R&D**, in particular by private business;
- To facilitate all forms of **innovation**;
- To facilitate the spread and effective use of **ICT** and build a fully inclusive information society;
- To strengthen the competitive advantages of its **industrial base**;
- To encourage the sustainable use of resources and strengthen the synergies between **environmental protection** and growth.

*Source: Council of the European Union, 10667/05 and 10205/05*

# The Lisbon Strategy

## The Integrated Guidelines for Growth and Jobs

### Making Europe a more attractive place to invest and work

- To extend and deepen the **Internal Market**;
- To ensure **open and competitive markets inside and outside Europe** and to reap the benefits of globalisation;
- To create a more **competitive business environment** and encourage private initiative through better regulation;
- To promote a more entrepreneurial culture and create a supportive environment for **SMEs**;
- To expand and improve European **infrastructure** and complete priority cross-border projects.

# Lisbon strategy

## The Integrated Guidelines for Growth and Jobs

### More and better jobs

- To implement employment policies aimed at achieving **full employment**, improving **quality and productivity at work**, and strengthening social and territorial cohesion;
- To promote **a lifecycle approach** to work;
- To ensure **inclusive labour markets**, enhance work attractiveness and make work pay for job-seekers, including disadvantaged people, and the inactive;
- To improve matching of **labour market needs**;
- To promote **flexibility** combined with employment **security** and reduce labour market segmentation, having due regard to the role of the social partners;
- To ensure employment-friendly **labour cost developments** and wage-setting mechanisms
- To expand and improve **investment in human capital**;
- To adapt education and training systems in response to **new competence requirements**.

# Lisbon strategy

## The Integrated Guidelines for Growth and Jobs

### Macroeconomic policies for growth and jobs

- To secure **economic stability** for sustainable growth;
- To safeguard economic and fiscal **sustainability** as a basis for increased employment;
- To promote a **growth-and employment-orientated** and efficient allocation of resources;
- To ensure that **wage developments** contribute to macroeconomic stability and growth;
- To promote greater **coherence** between macroeconomic, structural and employment policies;
- To contribute to a dynamic and well-functioning **EMU**.

*Source: Council of the European Union, 10667/05 and 10205/05*

# The Lisbon Strategy for Growth and Jobs

## New European Instruments

1. The Lisbon Community Programme
  - The 7th Framework Programme for RTD
  - The Community Programme for Competitiveness and Innovation
  - The Community Programme for Lifelong Learning
2. New Strategic Guidelines for Cohesion Policy
3. State Aids – New Regulations
4. European Investment Bank and European Investment Fund – Initiative 2010
5. Reform of the Stability and Growth Pact

# VISION

- New jobs for Europe
- Innovation in products and services
- More opportunities for young people
- More skilled and mobile workers
- More reward to entrepreneurship
- More support to research
- More family friendly services
- Trans-European networks
- Stronger competitive European global networks
- More environmental technologies
- Sustainable social protection

# GOVERNANCE FOR THE LISBON STRATEGY

## European Level

- Internal coordination of the European Commission
- Strategic commitment by the European Council
- Formations of the Council of Ministers in charge
- Active follow-up by the European Parliament, the European Economic and Social Committee and the Committee of Regions
- Active participation by the organised civil society
- New networks connecting the European entities with their counterparts at national level
- Communication and debate

# GOVERNANCE FOR THE LISBON STRATEGY

## National Level

- Internal coordination of the Government
- Lisbon coordinator and Lisbon team
- Management by objectives: projects and teams
- Benchmarking at national, European and international level
- Partnerships with civil society
- Reforms: timing, sequencing, mixing
- Communication and debate

# **THE LISBON AGENDA FOR GROWTH AND JOBS - A TOOL BOX FOR THE MAIN STAKEHOLDERS-**

## **Innovators**

- **innovation support services, dissemination and technology transfer**
- **innovation poles, networks and incubators bringing together universities, research institution and enterprises**
- **public procurement of innovative products and services**
- **networks of regional or local clusters across the EU with greater involvement of SMEs**
- **reduce the administrative burden that bears upon enterprises, particularly on SMEs and start-ups**
- **improve access to finance, in particular micro-loans and other forms of risk capital**
- **support for transitions in occupational status, including training, self-employment, business creation and geographic mobility**
- **responding to new occupational needs, key competences and future skill requirements, their effective recognition and the validation of non-formal and informal learning**

# **THE LISBON AGENDA FOR GROWTH AND JOBS - A TOOL BOX FOR THE MAIN STAKEHOLDERS-**

## **Enterprises**

- **better use of incentives to leverage private R&D**
- **innovation support services, in particular for dissemination and technology transfer**
- **innovation poles, networks and incubators bringing together universities, research institution and enterprises**
- **public procurement of innovative products and services**
- **access to domestic and international finance**
- **new technological initiatives based on public-private partnerships**
- **networks of regional or local clusters across the EU with greater involvement of SMEs**
- **energy efficiency and co-generation, and the rapid spread of environmentally friendly and eco-efficient technologies**
- **speed up the transposition of Internal Market directives**
- **eliminate remaining obstacles to cross-border activity**
- **apply EU public procurement rules effectively**
- **promote a fully operational internal market of services, while preserving the European social model**
- **implementation and enforcement of the Financial Services Action Plan**
- **removal of regulatory, trade and other barriers that unduly hinder competition**
- **redeployment of state aids in favour of support for certain horizontal objectives such as research, innovation and the optimisation of human capital**
- **reduce the administrative burden that bears upon enterprises, particularly on SMEs and start-ups**
- **improve the quality of existing and new regulations**
- **encourage enterprises in developing their corporate social responsibility**
- **strengthen economic incentives, including by simplifying tax systems and reducing non-wage labour costs**
- **creation of one-stop contact points and the stimulation of national support networks for enterprises**
- **reinforce entrepreneurship education and training for SMEs**
- **facilitate the transfer of ownership, modernise where necessary their bankruptcy laws, and improve their rescue and restructuring proceedings**
- **the promotion and dissemination of innovative and adaptable forms of work organisation**

# **THE LISBON AGENDA FOR GROWTH AND JOBS - A TOOL BOX FOR THE MAIN STAKEHOLDERS-**

## **Universities**

- **more effective and efficient public expenditure on R&D**
- **developing and strengthening centres of excellence of educational and research institutions improving the cooperation and transfer of technologies between public research institute and private enterprises**
- **modernising the management of research institutions and universities**
- **ensuring a sufficient supply of qualified researchers by attracting more students into scientific, technical and engineering disciplines and enhancing the career development and the European, international as well as intersectoral mobility of researchers**
- **innovation poles, networks and incubators bringing together universities, research institution and enterprises**
- **better anticipation of skill needs, labour market shortages and bottlenecks**
- **efficient lifelong learning strategies open to all in schools**
- **ensuring the attractiveness, openness and quality standards of education and training and ensuring flexible learning pathways**
- **responding to new occupational needs, key competences and future skill requirements by improving the definition and transparency of qualifications**

# **THE LISBON AGENDA FOR GROWTH AND JOBS - A TOOL BOX FOR THE MAIN STAKEHOLDERS-**

## **Schools**

- **encourage the widespread use of ICT in public schools**
- **reinforce entrepreneurship education**
- **better anticipation of skill needs, labour market shortages and bottlenecks**
- **inclusive education and training policies and action to facilitate significantly access to initial vocational, secondary and higher education, including apprenticeships and entrepreneurship training**
- **reducing the number of early school leavers**
- **efficient lifelong learning strategies open to all in schools**
- **raising and ensuring the attractiveness, openness and quality standards of education and training, broadening the supply of education and training opportunities and ensuring flexible learning pathways**
- **responding to new occupational needs, key competences and future skill requirements by improving the definition and transparency of qualifications**

# **THE LISBON AGENDA FOR GROWTH AND JOBS - A TOOL BOX FOR THE MAIN STAKEHOLDERS-**

## **Young people**

- **attracting more students into scientific, technical and engineering disciplines**
- **innovation support services, in particular for dissemination and technology transfer**
- **widespread use of ICT in public services, SMEs and households**
- **reinforce entrepreneurship education and training for SMEs**
- **build employment pathways for young people and reduce youth unemployment**
- **active and preventive labour market measures including early identification of needs, job search assistance, guidance and training as part of personalised action plans**
- **development of new sources of jobs in services for individuals and businesses, notably at local level**
- **removing obstacles to mobility for workers across Europe**
- **the promotion and dissemination of innovative and adaptable forms of work organisation**
- **support for transitions in occupational status, including training, self-employment, business creation and geographic mobility**
- **to facilitate significantly access to initial vocational, secondary and higher education, including apprenticeships and entrepreneurship training**
- **reducing the number of early school leavers**
- **broadening the supply of education and training opportunities and ensuring flexible learning pathways**
- **responding to new occupational needs, key competences and future skill requirements by improving the definition and transparency of qualifications**

# **THE LISBON AGENDA FOR GROWTH AND JOBS - A TOOL BOX FOR THE MAIN STAKEHOLDERS-**

## **Families**

- **widespread use of ICT in public services, SMEs and households**
- **encourage the deployment of broad band networks, including for the poorly served regions**
- **energy efficiency and co-generation, the development of sustainable, including renewable**
- **promotion of sustainable production and consumption patterns**
- **fully operational internal market of services, while preserving the European social model**
- **effective enforcement of competition policy**
- **delivery, at affordable prices, of effective services of general economic interest**
- **for resource efficient transport, energy and ICT infrastructures**
- **action to increase female participation and reduce gender gaps in employment, unemployment and pay**
- **better reconciliation of work and private life and the provision of accessible and affordable childcare facilities and care for other dependants**
- **support for active ageing, including appropriate working conditions, improved health status and adequate incentives to work and discouragement of early retirement**
- **modern social protection systems, including pensions and healthcare, so as to support participation and better retention in employment and longer working lives**
- **continual review of the incentives and disincentives resulting from the tax and benefit systems ensuring adequate levels of social protection**
- **development of new sources of jobs in services for individuals and businesses, notably at local level**
- **support for transitions in occupational status, including training, self-employment, business creation and geographic mobility**
- **significantly reducing the number of early school leavers**
- **easing and diversifying access for all to education and training and to knowledge by means of working time organisation, family support services**

# **THE LISBON AGENDA FOR GROWTH AND JOBS -A TOOL BOX FOR THE MAIN STAKEHOLDERS-**

## **Job seekers and people in social exclusion**

- policies should contribute to achieving an average employment rate for the European Union (EU) of 70% overall, of at least 60% for women and of 50% for older workers (55 to 64) by 2010
- encourage enterprises in developing their corporate social responsibility
- improve access to finance, in order to favour their creation and growth, in particular micro-loans and other forms of risk capital
- build employment pathways for young people and reduce youth unemployment
- increase female participation and reduce gender gaps in employment, unemployment and pay
- modern social protection systems, including pensions and healthcare, ensuring their social adequacy, financial sustainability and responsiveness to changing needs, so as to support participation and better retention in employment and longer working lives
- preventive labour market measures including early identification of needs, job search assistance, guidance and training as part of personalised action plans, provision of necessary social services to support the inclusion of those furthest away from the labour market and contribute to the eradication of poverty
- continual review of the incentives and disincentives resulting from the tax and benefit systems, including the management and conditionality of benefits and a significant reduction of high marginal effective tax rates, notably for those with low incomes, whilst ensuring adequate levels of social protection
- development of new sources of jobs in services for individuals and businesses, notably at local level
- the modernisation and strengthening of labour market institutions, notably employment services, also with a view to ensuring greater transparency of employment and training opportunities at national and European level
- better anticipation of skill needs, labour market shortages and bottlenecks
- appropriate management of economic migration
- reducing the number of early school leavers
- efficient lifelong learning strategies open to all in schools, businesses, public authorities and households, including appropriate incentives and cost-sharing mechanisms, with a view to enhancing participation in continuous and workplace training throughout the life-cycle, especially for the low-skilled and older workers

# THE LISBON AGENDA FOR GROWTH AND JOBS -A TOOL BOX FOR THE MAIN STAKEHOLDERS-

## Local Authorities

- ensuring that companies operate in a sufficiently competitive and attractive environment
- developing and strengthening centres of excellence of educational and research institutions
- innovation support services, in particular for dissemination and technology transfer
- creation and development of innovation poles, networks and incubators bringing together universities, research institution and enterprises, including at regional and local level, helping to bridge the technology gap between regions
- encourage the widespread use of ICT in public services, SMEs and households
- encourage the deployment of broad band networks, including for the poorly served regions, in order to develop the knowledge economy
- creation and development of networks of regional or local clusters across the EU with greater involvement of SMEs
- give priority to energy efficiency and co-generation, the development of sustainable, including renewable, energies and the rapid spread of environmentally friendly and eco-efficient technologies
- promotion of sustainable production and consumption patterns including the greening of public procurement
- halting the loss of biological diversity between now and 2010
- redeployment of aid in favour of support for certain horizontal objectives such as research, innovation and the optimisation of human delivery, at affordable prices, of effective services of general economic interest
- encourage enterprises in developing their corporate social responsibility
- relevant support services, like the creation of one-stop contact points and the stimulation of national support networks for enterprises
- develop adequate conditions for resource efficient transport, energy and ICT infrastructures
- build employment pathways for young people and reduce youth unemployment,
- better reconciliation of work and private life and the provision of accessible and affordable childcare facilities and care for other dependants
- support for active ageing
- development of new sources of jobs in services for individuals and businesses, notably at local level
- appropriate management of economic migration
- addressing the issue of undeclared work
- reducing the number of early school leavers
- raising and ensuring the attractiveness, openness and quality standards of education and training, broadening the supply of education and training

# THE LISBON AGENDA FOR GROWTH AND JOBS -A TOOL BOX FOR THE MAIN STAKEHOLDERS-

## Social Partners

- ensure that wage developments contribute to macroeconomic stability and growth and to increase adaptability Member States should encourage the right framework conditions for wage-bargaining systems, while fully respecting the role of the social partners, with a view to promote nominal wage and labour cost developments consistent with price stability and the trend in productivity over the medium term
- a fully operational internal market of services, while preserving the European social model
- encourage enterprises in developing their corporate social responsibility
- policies should contribute to achieving an average employment rate for the European Union (EU) of 70% overall, of at least 60% for women and of 50% for older workers (55 to 64) by 2010
- a renewed endeavour to build employment pathways for young people and reduce youth unemployment
- resolute action to increase female participation and reduce gender gaps in employment, unemployment and pay
- better reconciliation of work and private life and the provision of accessible and affordable childcare
- support for active ageing, including appropriate working conditions, improved (occupational) health status and adequate incentives to work and discouragement of early retirement
- modern social protection systems, including pensions and healthcare, ensuring their social adequacy, financial sustainability and responsiveness to changing needs, so as to support participation and better retention in employment and longer working lives
- continual review of the incentives and disincentives resulting from the tax and benefit systems, including the management and conditionality
- modernisation and strengthening of labour market institutions, notably employment services, also with a view to ensuring greater transparency of employment and training opportunities
- removing obstacles to mobility for workers across Europe
- better anticipation of skill needs, labour market shortages and bottlenecks
- appropriate management of economic migration
- adaptation of employment legislation, reviewing where necessary the different contractual and working time arrangements
- addressing the issue of undeclared work
- anticipation and positive management of change, including economic restructuring, notably changes linked
- the promotion and dissemination of innovative and adaptable forms of work organisation, with a view to improving quality and productivity at work, including health and safety
- encouraging social partners within their own areas of responsibility to set the right framework for wage bargaining in order to reflect productivity and labour market challenges at all relevant levels and to avoid gender pay gaps
- efficient lifelong learning strategies including appropriate incentives and cost-sharing mechanisms, with a view to enhancing participation in continuous and workplace training throughout the life-cycle, especially for the low-skilled and older workers
- easing and diversifying access for all to education and training and to knowledge by means of working time organisation, family support services, vocational guidance and, if appropriate, new forms of cost

# A framework to explore new areas of jobs creation and competence building

