



## EPHA Briefing for members

<b>Subject</b>	<b>An introduction to the Lisbon Strategy</b>
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The **Lisbon Strategy** is a commitment by EU governments to concentrate their efforts on a single overarching goal - to bring about economic, social and environmental renewal in the EU. The Lisbon Strategy means that growth should be created on an ecologically, economically and socially sustainable basis. (See [http://europa.eu.int/comm/lisbon\\_strategy/index\\_en.html](http://europa.eu.int/comm/lisbon_strategy/index_en.html))

In March 2000, the European Council in Lisbon set out a ten-year strategy to make the Union “**the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion**”. During the Swedish Presidency, in March 2001 the European Council added **sustainable development** to **economic and social** policy as a third area for coordination through the Lisbon strategy.

Under the strategy, a stronger economy will drive job creation alongside social and environmental policies that ensure sustainable development and social inclusion. (See the document “An agenda of economic and social renewal for Europe” [http://europa.eu.int/comm/lisbon\\_strategy/pdf/lisbon\\_en.pdf](http://europa.eu.int/comm/lisbon_strategy/pdf/lisbon_en.pdf))

To this end, the European Council also endorsed the use of the “**open method of co-ordination**” (OMC) as a new technique of governance. The OMC circumnavigates traditional forms of EU policy formulation, this approach calls for setting targets and benchmarking progress, primarily through the EU Council. Instead of deciding on binding rules, common targets are set for the whole of the EU, while leaving each country free to decide how best to reach these goals. The countries exchange experience, compare progress and work out suitable guidelines to follow. This is the procedure used for cooperation on economic policy, employment policy, social issues, pensions issues, and some other areas.

There are about 40 key Lisbon goals which include:

- 70 per cent of the labour force to be in work in 2010
- 60 per cent of the female labour force to be in work in 2010
- 55 per cent of the labour force aged 55-64 to be in work in 2010
- Investments in research and development to be 3 per cent of GDP in 2010
- 90 per cent of children over the age of three to have access to childcare in 2010
- Mainstream the promotion of inclusion in Member States' employment, education and training, health and housing policies;
- Develop priority actions addressed to specific target groups such as minority groups, children, the elderly and the disabled.

This gives the countries that perform best a chance of recognition and those lagging behind an incentive to put in a better showing next year. In addition to the EU countries comparing themselves with one another, comparing Europe with its foremost competitors, the United States and Japan, is just as much part of the process. Another important part of the Lisbon Strategy is for the EU countries to exchange experience and share good examples and successful methods to provide mutual inspiration in their endeavours. The Lisbon process also includes institutionalises an annual **Spring European Council** meeting - to be held in March



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each year - which would monitor implementation and formulate the various guidelines for future policy co-ordination.

Every year the European Commission documents how far the Member States have progressed towards about forty key goals in a **Spring report** (which is published each January to coincide with the publication of the Implementation Package) and is the input for the European Council .

TIMING	EVENT	
JANUARY	<b>IMPLEMENTATION PACKAGE</b> The implementation package consists of : - The Joint Employment Report (Joint Council and Commission assessment of the implementation of the Employment Guidelines. - Report on the implementation of the Broad Economic Policy Guidelines (BEPGs). - Implementation Report on the Internal Market Strategy.	<b>COMMISSION SPRING REPORT</b> This documents how far the Member States have progressed towards about forty key goals and is the Commission's strategic input to the Spring European Council meeting and covers all aspects of the Lisbon Strategy.
MARCH	<b>SPRING EUROPEAN COUNCIL MEETING</b>	
APRIL	<b>GUIDELINES</b>	<b>PACKAGE</b>
	<b>ECONOMIC POLICY</b> Commission proposals for the Broad Economic Policy Guidelines containing both general and country-specific recommendations for the forthcoming planning period.	<b>EMPLOYMENT POLICY</b> Commission proposals for: Employment Guidelines for forthcoming planning period. Employment Recommendations which provide Member States with individualised guidance for implementation of the employment guidelines.
JUNE	<b>EUROPEAN COUNCIL MEETING</b> Following consideration by the European Parliament and the various Council formations the measures contained in the Guidelines Package (draft BEPGs, draft Employment Guidelines, and Draft Employment Recommendations) are considered by the June European Council meeting. In line with the Conclusions of the June European Council meeting, the three drafts are adopted by the relevant Council formations.	

The European Council of March 2003 established a **Employment Taskforce** chaired by former Dutch Prime Minister, Mr Wim Kok in response to concerns that Member States were failing to tackle effectively the significant employment challenges Europe faces. The Taskforce was invited to identify practical reform measures for Member States to implement the revised European Employment Strategy. The Taskforce started work in April 2003 and delivered a report entitled ‘Jobs, jobs, jobs : Creating more employment in Europe’ to the Commission in November with the message that success in creating more employment will depend on four key requirements:

- making workers and enterprises more adaptable;
- attracting more people to the labour market;
- investing more and more effectively in human capital;

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- ensuring effective implementation of reforms through better governance.

The report notes that the challenge for Europe is not just to respond to the current slowdown, but also to address the structural challenges of globalisation and economic integration, and the rapid ageing of its population. To sustain employment and economic growth in the longer term, the EU needs more workers, working more productively.

([http://europa.eu.int/comm/employment\\_social/publications/2004/ke5703265\\_en.html](http://europa.eu.int/comm/employment_social/publications/2004/ke5703265_en.html))

The Commission and the Council integrated the findings of the report in producing their **Joint Employment Report** for the Spring Council of 2004, which confirmed the need for decisive action by Member States along the lines suggested by the Taskforce.

[http://europa.eu.int/comm/employment\\_social/employment\\_strategy/employ\\_en.htm](http://europa.eu.int/comm/employment_social/employment_strategy/employ_en.htm)

On January 2004, the Commission issued the report "Delivering Lisbon - Reforms for the enlarged Union" ([http://europa.eu.int/comm/lisbon\\_strategy/pdf/COM2004\\_029\\_en.pdf](http://europa.eu.int/comm/lisbon_strategy/pdf/COM2004_029_en.pdf)) which admitted that after four years of implementation of the Lisbon strategy, the Union's **progress was still insufficient to achieve the objectives it had set itself**. (See related article on EPHA website on the Report on Lisbon process, Spring Council 2004, <http://www.epha.org/a/1035>)

In January 2004, the **Four Presidency initiative** was launched by the Competitiveness Council uniting the Irish, Dutch, Luxembourg and UK governments in pursuit of measures designed to ease the administrative and regulatory burden on business over the next two years. The objective is to release the growth potential locked up by harmful regulation. The actions relate to regulating better both at national and EU level.

They include better assessment of the potential impact on competitiveness of proposed regulation, simplification of existing regulation, and looking at ways for reducing the administrative burdens on business. This Ministers made 4 key commitments:

- First, we will work towards enhancing integration and competition within the internal market.
- Second, in our effort to improve the climate for entrepreneurship, we will make regulation better.
- Third, we will promote reforms making labour markets more responsive and efficient, while providing workers with appropriate levels of security.
- Fourth, we will promote research excellence.

The Spring 2004 Council mandated Mr Kok to set up a **High-Level Group of Independent Experts** who would meet monthly and report to the Commission by 1st November 2004. The thirteen individuals representing a range of stakeholders have been mandated to look into ways of injecting fresh stimulus into the Lisbon strategy, in particular by improving delivery of the objectives set and by involving Member States and stakeholders more closely. The Group will also be assessing the instruments and methods used so far. (More on the expert group [http://europa.eu.int/comm/lisbon\\_strategy/group/index\\_en.html](http://europa.eu.int/comm/lisbon_strategy/group/index_en.html))

This group is open to contributions from different stakeholders, as the Strategy touches upon many issues, such as health. Contributions can be sent to the Secretariat of the Group <mailto:SG-KOK-GROUP/LISBON@cec.eu.int>.

In April 2004, the **European Parliament Resolution** on the outcome of the Spring Summit was critical of the progress towards the Lisbon goals and stated that high level groups cannot replace real implementation. Specifically the Parliament resolution

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- welcomes the environmental dimension of the Council conclusions and insists that the Kyoto protocol is only a first step in a global strategy to tackle climate change - further emission reduction targets might be considered;
- notes that Europe needs an increase of 22 million jobs by 2010 to reach the target of 70 per cent employment. This must be met through structural reforms, by making work pay, opening new ways into work for more people and ensuring a labour market better adapted to new challenges;
- notes that it is essential to tackle the financial implications of an ageing population by reducing public debt and strengthening employment, **health** and pension reforms;

In August 2004, incoming Commission President José Manuel Barroso announced the portfolios for his team of Commissioners and that he would chair a group of Commissioners working on the Lisbon Strategy and he has appointed a Vice-President, Mr Gunter Verheugen to represent a coherent Commission view in the Competitiveness Council.

The major challenge for the health community will be to ensure that the drive towards less regulation, reducing red tape for business and competitiveness does not come at the expense of public health concerns.