

## **POST- LISBON AGENDA: SOME INITIAL THOUGHTS**

### **BRAINSTORMING MEETING WITH THE ECONOMIC POLICY COMMITTEE**

**19 MAY 2008, BRUSSELS**

- Since BUSINESSEUROPE has only just started working on the priorities for a post-2010 reform agenda, what I will share with you today are some general considerations instead of concrete recommendations.
- First of all, we continue to need a Lisbon-type agenda after 2010 and one that will be the core project of the next Commission. This is vital to ensure consistency of actions and to have a proper impact assessment of policies against key EU objectives, such as competitiveness, innovation, job creation, skills and energy efficiency.
- This was pushed forward by the Barroso Commission in a number of areas (cohesion policy, EU budget, better regulation), but not systematically, including in prominent cases like the flagship energy and climate change strategy, where the impact on competitiveness, investment and growth is not sufficiently recognised. More efforts will be needed to ensure the overall coherence of Community actions.
- The second point to emphasise is that Lisbon II (2005-10) is unfinished business and a comprehensive review of existing projects is necessary before we move forward with new initiatives. For instance, an audit of networks and infrastructures, internal market enforcement, the Community patent system, better regulation and ongoing research projects is necessary. This is very important because new, more visible and politically appealing initiatives risk pushing unfinished or lower-key but perhaps not less important policies into the background.
- The third point is that the post-2010 strategy will only be successful if there is much more political ownership. This means that we have to clarify levels of responsibility, improve governance, reinforce monitoring instruments and communicate more at the national level.
- The rationale of the framework should be assessed against more objective criteria, such as the level of cross-border spillovers in various policy areas, the degree of interdependence between these policies and the amount of policy learning between Member States. Such evaluation, to be done by the Commission and the various policy committees, should give rise to a template against which the current system of governance will need to be assessed.

- This exercise could help identify a number of areas where actions should be reinforced at the Community level.
  1. the EU budget should focus much more than today on research, infrastructures and mobility (emphasised in our contribution to the ongoing EU budget review).
  2. the EU innovation strategy should be more encompassing (internal market, SME policies, flexicurity, education, research, clusters and networks) and better coordinated with Member States (need to look at the size and structure of the EU's shadow budget for innovation – the sum of national budgets);
  3. the EU should build up a capacity to better anticipate human capital and skills needs, with implication at EU level (immigration policy), at national level (labour market and education policies) and at regional level (cohesion policy).
- In terms of national coordination instruments, we find that Lisbon II procedures are still pertinent (integrated guidelines, national reform programmes, country-specific recommendations) and we don't see any major reason to change this framework.
- Where we find significant room for improvement is on the selection of policy recommendations and on the measurement of reform progress at the national level. The current method of evaluation is not sufficiently transparent, and this opens the entire process to criticism.
- In this regard, we expect a lot from the work of the Lisbon Methodology group. We would like to see coming out of this exercise both individual country fiches able to identify economic weaknesses and policy priorities at a detailed sectoral level, and country league tables to set benchmarks and help policy learning. This work should be made public in order to foster greater awareness and create more visibility of the strategy at the national level.
- Regarding the Commission, it seems to have deliberately adopted a low-key approach with Member States since 2005; but we think this should change gradually in the future. Backed by a more transparent method of scrutiny, the Commission must be able to exert its right of alert when policies are inconsistent with commitments (fully exploiting new provisions of the Lisbon treaty).
- We also think that Council's recommendations should be presented directly in European capitals, instead of being buried in Spring Council conclusions. The future President of the Council could also play a role, for instance by giving an annual address in national parliaments.
- Finally, there should be more regular meetings between higher-ranking Lisbon coordinators, and policies should be discussed ex-ante instead of exchanging views long after policy decisions have actually been taken. It is also crucial that social partners are better involved in the preparation of National Reform Programmes, and at an earlier stage.
- Thanks for your attention

\*\*\*\*\*