

# European and External Affairs Committee

**EUR(3) 11-09-paper 1 : 29 September 2009**

**Outlook Opinion on the Future of the Lisbon Strategy: Update by Christine Chapman, Assembly Member and Representative on the Committee of the Regions**

## **Introduction**

1. This paper has been prepared as an update for the European and External Affairs Committee's (EEAC) meeting on 29 September 2009, and follows on from Christine's presentation to EEAC on 28 April 2009.

## **Rapporteurship on future of the Lisbon Strategy**

2. On 19 February 2009 Christine Chapman was selected as rapporteur for an own-initiative report by the Committee of the Regions (CoR) on the future of the Lisbon Strategy post 2010. Christine nominated Gregg Jones, Head of EU Office, as her "expert"<sup>1</sup> for the opinion.

3. The own-initiative report goes through a two-stage process of approval. The first stage is adoption of the report in committee, in other words the Economic and Social Affairs (ECOS) Commission. The second stage is adoption at full plenary of the CoR.

4. Christine's draft opinion (see Annex 1) was discussed and agreed at ECOS Commission in Wraclow, Poland on 14 September, with six minor amendments adopted. The report will be considered at the CoR Plenary taking place in Brussels on 2-3 December.

## **Preparation of the draft opinion**

5. The draft opinion was prepared following an active research phase from March to beginning of July, including meetings in Brussels, London and Wales.

6. Christine's report to the EEAC meeting on 29 April provided details on the research carried out at that stage, including the Roundtable at the CoR held on 28 April.

7. Christine subsequently visited Brussels on 1-2 July for further meeting with Commission officials, representatives from EU regions and local authorities, and a number of EU networks. Christine also attended a stakeholder meeting on the future of the Strategy organised by the UK Government in London on 21 June, as well as

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<sup>1</sup> Under Committee of the Regions rules rapporteurs are allowed to nominate an expert to assist with preparation of the opinion. The expert is eligible to be refunded travel and other relevant costs associated with preparing the opinion, including accompanying the rapporteur to Committee of the Regions meetings in Brussels and elsewhere.

speaking to the UK delegation meeting of the CoR in London on the same date about the strategy.

8. During May, June and July Christine had a series of meetings in Wales, including WLGA, WCVA, Higher Education Wales, the University of Glamorgan, the Federation of Small Businesses Wales, Chwarae Teg and the Wales Co-operative Centre. She also met with First Minister Rhodri Morgan and the Minister for the Environment, Sustainability and Housing, Jane Davdison.

### **Content of the draft opinion**

9. The primary thrust of the opinion is that the Lisbon Strategy should continue, however, it should be rebalanced to give much stronger emphasis to sustainable development, in terms of developing a Europe which operates within the ecological limits of a finite planet, and tackling social exclusion, unemployment and poverty.

10. The opinion calls for the new Strategy to focus on developing Europe's competitiveness in the green economy, prioritising investments in green technologies and R&D. It calls for a European Green Skills and Green Jobs strategy to provide a framework for investing in the skills and knowledge that will develop a sustainable economy.

11. The opinion argues that the economic downturn, and the social inequalities, including high levels of poverty and social exclusion that existed before the economic crisis, requires a much stronger effort at EU level in terms of prioritising social cohesion. This includes greater recognition of the contribution of all members of society, including women, as well as putting in place measures to tackle the growing spectre of unemployment amongst young people.

12. Finally, the opinion calls for a much clearer recognition of the regional and local level in implementing and communicating the future Strategy, and suggests using the existing partnership structures that are in place to implement the EU Cohesion Policy on the ground to achieve this.

### **Open Days**

13. On 6 October, during the Committee of the Regions Open Days in Brussels, Christine will chair a seminar on the future of the Lisbon Strategy. The panel of experts that will speak during the seminar is: Cecilia Malmström, Swedish Minister for European Affairs; Paweł Samecki, European Commissioner for Regional Policy; Pervenche Berès, MEP, Chair of the EP Employment and Social Affairs Committee; Luc Van den Brande, President of the CoR; and Javier Vallés Liberal, Director of the Prime Minister of Spain's Economics Office

**18 September 2009**

EUROPEAN UNION



Committee of the Regions

ECOS-IV-032

20th Commission meeting

14 September 2009

**DRAFT OPINION**  
**of the**  
**Commission for Economic and Social Policy**  
**on**  
**THE FUTURE OF THE LISBON STRATEGY POST 2010**

Rapporteur: **Ms Christine Chapman (UK/PES)**  
Member of the National Assembly for Wales

This document will be discussed at the meeting of the **Commission for Economic and Social Policy** to be held from **9.30 a.m. to 5.30 p.m. on Monday 14 September 2009**. To allow time for translation, any amendments must be submitted by email to the commission secretariat **no later than Tuesday 1 September 2009** (email address: [ecos@cor.europa.eu](mailto:ecos@cor.europa.eu)).

Reference document

## THE COMMITTEE OF THE REGIONS

### *Key messages*

1. supports the development of a successor to the current Lisbon Strategy beyond 2010, however, believes there is a need to **re-balance the Strategy** and merge the European Sustainable Development Strategy and Lisbon Strategy;
2. underlines that the current Lisbon Strategy has failed to give sufficient recognition to the **essential role played by regional and local authorities** across the EU in implementing and communicating the strategy on the ground, and reiterates the call in the White Paper on Multi-Level Governance for this to be redressed in the new Strategy;
3. notes the widespread **uncertainty amongst regional and local authorities about the overall purpose of the current Lisbon Strategy**, which can be addressed by establishing clear objectives in the new Strategy, and communicating these effectively to people on the ground;
4. calls for the new Strategy to have an **explicit overarching objective** focused on a **high quality of life and well-being for all EU citizens**. Employment is a key element of this as is material wealth, however, there are other factors that must be taken into account in order to get a full picture of quality of life and well-being, including the wider societal and environmental contexts within which people live<sup>2</sup>;
5. asserts that this high quality of life must be achieved within the **ecological limits set by a finite planet**<sup>3</sup>, and premised on achieving a socially cohesive and just society, where the value and contribution of all individuals and groups is optimised, and where incentives and support measures are focused on tackling poverty and social exclusion and building a sustainable economy;
6. proposes the **new Strategy be given a new name** to avoid confusion with the “Treaty of Lisbon” to highlight the new approach of the Strategy. For example **“Quality of Life for All: Building a Sustainable Future for Europe in the World”** or in shortened version the **“Sustainable Europe Strategy”**;
7. calls for a **more effective communication strategy**, involving regional and local authorities, to raise awareness and promote the key messages of the new Strategy;

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<sup>2</sup> The New Economics Foundation (<http://www.neweconomics.org/gen/>) have developed “*National Accounts of Well-being*” described in terms of the factors that make up personal well-being and social well-being

<sup>3</sup> As argued in the report, “Prosperity without Growth: the transition to a sustainable economy” by the Sustainable Development Commission in the UK, published in March 2009. See <http://www.sd-commission.org.uk/pages/redefining-prosperity.html>

### *Current and new challenges*

8. asserts that the **current financial and economic crisis** has radically altered the context in which the debate about the future of the Lisbon Strategy takes place, which means “business as usual” is not the right option. It presents a number of **immediate challenges**, in particular tackling growing levels of unemployment across Europe, notably amongst young people, and addressing the spectre of protectionism. It has demonstrated structural weaknesses in the global economic model and highlighted the need for a new and sustainable approach, both in ecological and economic terms, and for tighter regulation of the banking and financial sector;
9. reiterates that before the economic crisis struck Europe, and when the economy was considered to be performing relatively well, **high levels of poverty continued to exist across Europe as well as growing levels of income inequality**. According to figures published by the European Commission in October 2008, 16% of the European population lives below the poverty line, one in ten people live in a household where nobody works, and 19% of children live under the threat of poverty<sup>4</sup>. Tackling poverty and the growing wealth inequalities in Europe must be one of the core aims of the future Strategy. This requires a **territorial approach** across all policies, which takes account of the specific characteristics that exist at the regional and local level across Europe;
10. notes that there are a number of **longer-term challenges** facing Europe, including demographic change, climate change, energy security, globalisation<sup>5</sup>, and achieving territorial cohesion across the EU, which the new strategy must address;
11. notes that as a legacy of the crisis, there will be **significant pressure on public finances** over the coming years as a result of the social, financial and economic crisis, it is essential that there is an effective alignment of resources and funding at the local, regional, national and European level, to ensure that the right investments are made that will deliver the broad goals of the new Strategy;
12. proposes that the **new Strategy prioritises** investing in a green economy, addresses social cohesion, ensuring a multi-level governance approach, as well as taking a fresh look at how we measure the impact of the new Strategy;

### *Investing in the Green Economy*

13. calls for the **EU’s Climate Change targets and commitments** to be incorporated into the new Strategy, to create a low emissions economy across Europe;

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<sup>4</sup>DG Employment MEMO/08/625 Brussels, 16 October 2008. See: <http://ec.europa.eu/social/main.jsp?langId=en&catId=637>

<sup>5</sup>See the [Regions 2020 Report](#) published by the European Commission in December 2008.

14. calls for EU leaders to establish, as a core priority, **to develop Europe's competitiveness in the green economy**, to enable the EU to take a leading role in the transformation of the global economy to a sound and sustainable basis. In particular this means leading by example, prioritising investments in new green technologies, R&D, including renewable energy production, energy efficiency, sustainable methods of production and consumption, ICT and broadband infrastructures in remote communities, as well as promoting ecological protection and preservation. Europe's universities, research centres, and SMEs have a key role to play in driving this agenda forward<sup>6</sup>. This requires structural changes in the European economy, including co-ordination of macro economic policy and active labour market policies in order to support the move to a green economy;
15. calls for a **European Green Skills and Green Jobs Strategy**, to provide a framework for investing in the skills and knowledge to support the development of a sustainable economy. Future EU funding programmes, including the Life Long Learning Programme and European Social Fund, should be focused on supporting investments in “green jobs” and “green skills”, with a particular emphasis on new, dynamic and innovative SMEs<sup>7</sup>;
16. calls for the EU to adopt a **consistent framework of incentives and support mechanisms (Green Better Regulation)** to support development of a sustainable economy across Europe;
17. calls for priority to be given to **sharing best practice** on innovative approaches that create incentives in individual Member States that encourage and reward EU citizens, businesses and public authorities, to adopt green behaviour and penalize “non-sustainable” behaviour;
18. reiterates that a **green approach can create a virtual circle**, tackling economic and societal problems. For example recent changes to Structural Funds regulations make it possible to support energy efficiency measures in low-income households;
19. emphasises the **importance of bottom-up initiatives** by local communities to deliver change on the ground<sup>8</sup>;
20. underlines the **crucial role of education and training** in raising awareness of sustainability issues and developing the creative and entrepreneurial talents of Europe's citizens, and the necessity of building a **lifelong learning culture**;

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<sup>6</sup>An example of this is “[The Wave Hub](#)”, which is being built off the coast of Cornwall in 2010. With financial support from the ERDF this will create the UK's first offshore facility for demonstration in situ of the operation of arrays of wave energy generation devices. The project is a collaboration involving public, private and research sectors.

<sup>7</sup>Examples include: '[Capturing the Potential - A Green Jobs Strategy for Wales](#)', published by the Welsh Assembly Government on 9 July 2009; '[Going for green growth: a green jobs strategy for Scotland](#)', published by the Scottish Government in June 2005

<sup>8</sup>The Thisted Municipality in Denmark is an exemplar, where community led action to address climate change has resulted in over 100% of power consumption and more than 80% of heat consumption without the use of fossil fuels. See [www.climate.thisted.dk](http://www.climate.thisted.dk)

## *Social Cohesion and Inclusion*

21. underlines the value and importance of **social insurance and social protection systems** that protect the most vulnerable in society, and the need to preserve a strong European Social Model<sup>9</sup>;
22. calls for actions to tackle **child poverty and cross-generational poverty** in families, and underlines the need to maintain the Barcelona targets on child care services<sup>10</sup>;
23. underlines the need for a **well-financed, EU-wide Cohesion policy**, to support delivery of the new Strategy, and calls for a commitment to make more effective use of existing knowledge and best practice to the benefit of the poorest regions in the EU;
24. calls for EU leaders use the 2010 European Year for Combating Poverty and Social Exclusion, to make a commitment to **prioritising social cohesion and social inclusion**, aimed at tackling growing unemployment, disparities in regional economic performance, social exclusion, worklessness, and economic inactivity. The CoR agrees with the Barca Report that EU Structural Funds Programmes are a key tool for tackling social exclusion;
25. calls for action to address the growing spectre of **unemployment among young people**, by prioritising investments in education, training and skills development, including schemes that encourage mobility of young people. We welcome the Council Recommendation on the Mobility of Young Volunteers adopted in November 2008, and support the Commission's proposal for 2011 to be designated the European Year of Volunteering;
26. calls for greater recognition to the **key contribution of women** in the workforce and women as entrepreneurs and innovators. Europe has a long way to go on gender equality as a recent report by the European Commission demonstrates which highlights in particular the gender pay gap as a persistent problem, as well as difficulties in addressing work-life balance and gender stereotypes<sup>11 12</sup>;
27. calls for **greater recognition of the value and contribution of all members of society**. The new Strategy should place a value on the importance of "civil society", in particular the contribution of the third sector, carers and volunteers to the well-being of others, which often

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<sup>9</sup>A good discussion of this is set out in "The Spirit Level: Why More Equal Societies Almost Always Do Better" by Professor Richard Wilkinson and Dr Kate Pickett, (Allen Lane, March 2009). The [Social Platform](#) is calling for a European minimum wage system, and there have also been calls for the EU to make a commitment to respecting International Labour Organisation-standards on decent work.

<sup>10</sup>"...to provide childcare by 2010 to at least 90% of all children between 3 years old and the mandatory school age and at least 33% of all children under 3 years of age". See [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/71025.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/71025.pdf)

<sup>11</sup>COM(2009)77: Equality between women and men — 2009

<sup>12</sup>The [Global Economics Paper No: 164 "Women Hold Up Half the Sky"](#) by Goldman Sachs published in 2007 argues that the reduction of gender inequality would increase economic growth. The [Norwegian Government](#) introduced a quota to ensure that a minimum of 40% of the membership boards of all private companies should be women, arguing that quotas make sound economic sense. The World Bank in its [Issues Brief "The World Bank and Gender Equality"](#) (April 2009) argues that poverty cannot be eradicated unless parity of gender is achieved, and calls restricting economic opportunities for women "bad economics".



goes unrecognised. Equally the new Strategy should encourage **active ageing** policies and inter-generational initiatives;

28. argues that the future EU Cohesion Policy should include support for **local development initiatives**, targeted at specific urban and rural communities facing particular socio-economic challenges. This approach has been used successfully in the past through initiatives like EQUAL, LEADER, URBAN and within the mainstream Objective 1 and 2 programmes;
29. calls for a “common sense” approach to **state aid rules and procurement** making it possible to support **local and sustainable community based economic production** (e.g. through prioritising green procurement, access to broadband infrastructure in remote rural communities);

### *Multi-Level Governance*

30. underlines the need for the **involvement of regional and local authorities** in shaping, delivering and evaluating the new Strategy;
31. highlights the importance of regional and local authorities in taking a lead in **responding to the financial and economic crisis on the ground**, to address the immediate and short-term challenges<sup>13</sup>
32. calls for **better co-ordination and cooperation** between the different levels of government in Europe, and for a much stronger regional dimension to the new Strategy;
33. calls on EU leaders to **ensure future EU spending** is aligned towards delivering the key objectives of the new Strategy, applying the success of Lisbon earmarking in Structural Funds across all relevant areas of the EU budget;
34. calls for **stronger incentives for national governments** to commit themselves to delivering the new Strategy’s objectives, including as appropriate binding targets, to ensure effective implementation on the ground;
35. welcomes consideration of linking the Strategy to the **mandate of the European Commission and the European Parliament**. There should be a more clearly defined role for the European Parliament as the democratically elected body of Europe in the new

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<sup>13</sup> In Wales for example [six Economic Summits](#) have been held since October 2008 bringing together all key stakeholders to plan a response to the crisis. The Welsh Government has also used ESF to finance a combination of wage subsidies and training subsidies aimed at employers taking on workers recently made redundant ([REACT](#)) or maintaining workers threatened with redundancy ([PROACT](#)). The Conference of Peripheral and Maritime Region adopted on 15 July 2009 a manifesto, “[Emerging stronger from the crisis: a European Territorial Pact](#)”, which gives recognition of the regional responses to the crisis across Europe, and calls for a special meeting of the European Commission, Member States and regional authorities (including the Committee of the Regions) to discuss the longer term responses to the crisis.

Strategy, working in partnership with the Committee of the Regions and the European Economic and Social Committee;

36. notes that EU Cohesion Policy has an established **multi-level governance structure** for implementing the Structural Funds programmes, and **asserts that the new Strategy should use these existing partnership structures** to address the current weaknesses in the governance structures. An explicit alignment of governance structures with the Regional Programmes in the EU Cohesion Policy, provides a far more effective way of ensuring joined up policy making;
37. proposes that these existing partnerships take an **active role in the preparation of the National Reform Programmes (NRPs)**, with the Structural Funds Programmes providing a *regional chapter* to delivery of the overarching goals of the NRPs;

### ***Measuring the impact of the Strategy***

38. notes a **growing level of dissatisfaction at the use of GDP** as the primary indicator to measure economic performance, and calls for new indicators to be developed that provide a more meaningful way of measuring prosperity, well-being and quality of life in Europe<sup>14</sup>;
39. calls for such measures to take account of **wider societal and environmental challenges**, including child poverty indicators, income distribution, levels of CO2 and other emissions, impact on biodiversity, and other elements that form part of a broad definition of well-being, and that reflect differences at sub-national level across Europe<sup>15</sup>;
40. calls for **regional and local authorities to be directly involved in determining targets and indicators** for the new Strategy. The Covenant of the Mayors signed in January 2009, demonstrates how regional and local authorities can drive forward key policy issues, and be more ambitious in their commitments than national and European levels of government;

### ***Evidence-based approach***

41. underlines that this opinion is **evidence-based**, drawing from the results of the CoR consultation on the future of the Strategy, launched in Prague in March 2009, as well as an active research phase in Brussels, Wales, and the UK. The **Lisbon Monitoring Platform** contributed a comprehensive analysis of the results of the consultation in a timely manner;

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<sup>14</sup>Of particular interest the [Commission on the Measurement of Economic Performance and Social Progress](#), set up by French President Nicolas Sarkozy, to establish new indicators to measure economic and social progress that go beyond GDP.

<sup>15</sup>The Welsh Government's new Sustainable Development Strategy, [One Planet: One Wales](#), establishes five high level indicators for Wales to address each of the core elements of the strategy: (i) ecological footprint (ii) biodiversity (iii) Gross Value Added (equivalent of GDP measure) (iv) low income households (v) well-being

42. considers it essential that the **CoR continues to monitor implementation of the new Strategy** on the ground through its networks, in particular the Lisbon Monitoring Platform.

Brussels

## II. PROCEDURE

<b>Title</b>	
<b>Reference(s)</b>	
<b>Legal basis</b>	
<b>Procedural basis</b>	
<b>Date of Commission letter</b>	
<b>Date of President's decision</b>	
<b>Commission responsible</b>	
<b>Rapporteur</b>	
<b>Analysis</b>	
<b>Discussed in commission</b>	
<b>Date adopted by commission</b>	
<b>Result of the vote in commission</b>	
<b>Date adopted in plenary</b>	
<b>Previous Committee opinions</b>	