



Committee of the Regions

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**OUTLOOK OPINION
of the
Committee of the Regions
on
THE LISBON GROWTH AND JOBS STRATEGY**

THE COMMITTEE OF THE REGIONS:

- Reiterates the importance of a European strategy which can support economic growth and jobs, based on innovation, research and competitiveness, especially in view of the current crisis on financial markets and its likely impact on the real economy. The strategy must at the same time become increasingly sustainable by both safeguarding the principles of cohesion and mutual support and protecting the environment
- Notes that, despite its call for a European partnership, the Strategy for Growth and Jobs relaunched in 2005 by the Spring European Council has not succeeded in involving to the necessary extent the institutional players with a key role to play in its implementation; and points out that the Spring European Council recognised "the role of the local and regional level in delivering growth and jobs" and that "increased ownership of the growth and jobs agenda at all levels of government will lead to more coherent and effective policy-making"
- Notes that this deficit of the above-mentioned ownership of the growth and jobs strategy is at the root of failure to convert the Lisbon objectives into integrated policies at all levels of government, and that this has led to processes which are not always the most effective as regards use of the production, financial, human and social resources earmarked for the achievement of the objectives of economic growth and better jobs

Reference document

Rapporteur

Flavio Delbono (IT/ALDE), Regional councillor and vice-president of the Emilia Romagna Region

THE COMMITTEE OF THE REGIONS

1. Takes note of the growing disparity between European and world economic growth, particularly as a result of changing conditions brought about by globalisation of markets;
2. Reiterates the importance of a European strategy which can support economic growth and jobs, based on innovation, research and competitiveness, especially in view of the current crisis on financial markets and its likely impact on the real economy. The strategy must at the same time become increasingly sustainable by both safeguarding the principles of cohesion and mutual support and protecting the environment;
3. Notes that, despite its call for a European partnership, the Strategy for Growth and Jobs relaunched in 2005 by the Spring European Council has not succeeded in involving to the necessary extent the institutional players with a key role to play in its implementation; and points out that the Spring European council recognised "the role of the local and regional level in delivering growth and jobs" and that "increased ownership of the growth and jobs agenda at all levels of government will lead to more coherent and effective policy-making";
4. Points out in particular that the work of the Lisbon Monitoring Platform has revealed a "Lisbon paradox": local and regional authorities (LRAs) play a major role in the growth and jobs strategy (education, innovation, research at a local/regional level), but in many cases do not perceive this to be part of the Lisbon Strategy (lack of economies of scale/scope), nor do a majority of them feel that the Lisbon Strategy is really useful for them;
5. Assumes that efficient implementation of the Lisbon Strategy can only be achieved if local and regional areas have the robust capacity to generate, attract and harness human resources, flexible and multidimensional skills, trained researchers and high-level specialists; if they are governed by models for behaviour, values, trust-based relations and organisational ability facilitating interaction and cooperation between officials and businesses, an effectively operating market and quality of life; if they are properly and sufficiently equipped with tangible and intangible infrastructure; and if they have credible and efficient institutions;
6. Notes that this deficit of the above-mentioned ownership of the growth and jobs strategy is at the root of failure to convert the Lisbon objectives into integrated policies at all levels of government, and that this has led to processes which are not always the most effective as regards use of the production, financial, human and social resources earmarked for the achievement of the objectives of economic growth and better jobs;

7. Reiterates the statements recently made by the Committee of the Regions in a number of opinions on the Lisbon Strategy, as regards:

- coordination between Structural Funds and other relevant European programmes, such as the Competitiveness and Innovation Programme (CIP), the 7th Research Framework Programme and the Lifelong-Learning Programmes (LLL), to maximise European added value and involve regional and local authorities (Resolution of 7 February 2008 to be submitted to the 2008 Spring European Council);
- new types of links between public administrations, universities, research centres and businesses (Opinion of 18-19 June 2008 on Clusters and cluster policy);
- improving SME access to funding and participation in Community programmes (Opinion of 13-14 February 2007 on Financing SME growth);
- integrated implementation of active inclusion policy measures at local, regional, national and EU levels (Opinion of 18-19 June 2008 on Active inclusion);
- improvement and enhancement of education and training systems, which are key factors in developing the long-term competitiveness of the EU (Opinion of 9-10 April 2008 on Full involvement of young people in society);
- the role of local and regional authorities in implementing flexicurity policy (Opinion of 6-7 February 2008 on Flexicurity);
- the role of social services of general interest (SSGI) and their contribution to implementing the Lisbon objectives (Opinion of 6 December 2006 on the Communication from the Commission - Implementing the Community Lisbon programme - Social services of general interest in the European Union);
- a more integrated Single Market as a dynamic instrument for European social and economic growth (Opinion of 23 March 2007 on The future of the single market and stocktaking of European society);
- reforming the budget, changing Europe (own-initiative opinion of 10 April 2008, CdR 16/2008 fin);
- new prospects for creating and consolidating a European Research Area (CdR 83/2007 fin);
- support for research and innovation in the EU's regions (CdR 263/2007);

8. Therefore stresses the need for:

- better coordination of growth and jobs policies at different levels of governance;
- integrated growth and jobs policy at all levels (integrated into all policy activities);
- multi-level governance agreements: written agreements, regular consultation and coordination of policy agendas between the different levels of governance;

RECOMMENDATIONS FOR THE GOVERNANCE CYCLE 2008-2010

Having regard to the current partnership between the European Commission and Member State governments on implementing the Lisbon Strategy, the Committee of the Regions:

9. Advises that, if the Strategy is to succeed, the different levels of government need to put into practice their decisions laid down in the Spring European Council's guidelines, coordinating their agendas in the relevant policy areas to achieve a more integrated approach and make policy-making more effective. In this context, multi-level governance agreements should be encouraged;
10. Encourages EU LRAs and associations and networks thereof (e.g. Lisbon Regions Network) to step outside their formal remits and, in the context of the Strategy, launch tangible policies and initiatives to give direction to economic and social operators and support them in pursuing the objectives of growth and jobs;
11. Calls upon the national governments of the EU 27 to involve their country's regional and local authorities in the implementation of the Lisbon Strategy more effectively from the beginning to its final period. This could be achieved by:
 - making national "Mr Lisbons" responsible for holding a series of "country audits" at national level in cooperation with regional and local governments and their associations, to review the state of play, exchange good practices and assess the need for further policy measures; they would also identify areas for action and instruments in the area of governance to further enhance participation by local and regional authorities in implementation of the Lisbon strategy. Results from these audits should be included in the National Reform Programmes (NRPs) to be submitted to the Commission;
 - viewing the National Progress Reports that each Member State is to submit to the European Commission by mid-October as an opportunity to assess the involvement of local and regional authorities in the implementation of the Lisbon Strategy. In this connection, the analysis of the national reports carried out each year by the Committee of the Regions has thus far revealed that involvement of local and regional authorities has been sporadic. This situation therefore needs to be stressed in the Commission's annual report;
12. Calls on the Commission to review more exhaustively the state of play in its annual report to be published in December 2008, carrying out a systematic, country-by-country analysis of the role and participation of LRAs in governance of the Strategy;
13. Calls on the 2009 Spring European Council to encourage the widest possible dissemination of integrated policy-making and multi-level governance tools as a permanent policy-making feature throughout the EU, from now to 2010 and beyond;

14. Renews its commitment to contribute to the success of the Strategy both by monitoring its implementation at regional and local level and by actively supporting national audits, not least through its national delegations;
15. Moreover, calls on the Commission and the institutions at all levels to step up communication endeavours, both to inform local and regional authorities about policies and programmes developed, not least with the aim of funding initiatives and programmes which are in line with the Lisbon objectives, and to inform the public about the impact that the Strategy for Growth and Jobs can have on daily life, raising awareness of what European initiatives can do;

PERSPECTIVES POST-2010

16. Ongoing international change and the fact that the Lisbon Strategy has not been fully implemented call for a broad reflection on the approach that future Community initiatives for more growth and better jobs should take;
17. Views prompt and coordinated action by the European Union to safeguard and regulate financial markets as a key prerequisite for growth and employment.

The Committee of the Regions

18. Calls for a broad reflection and debate to be opened involving in a practical way all stakeholders, whose contribution is decisive for the achievement of the objectives, on:
 - the priorities of the Strategy, which is currently too wide-ranging and therefore too vague as regards its objectives: the large number of objectives requires clear prioritisation. How many objectives should there be?
 - the most effective and efficient procedures, initiatives and measures for achieving these objectives, given the current remits of the various levels of government, including methods used for other programmes (e.g. the Structural Funds and the research and development framework programme). How to pursue them successfully?
 - the Strategy's costs and how to optimise use of environmental and economic resources, thus protecting the environment and the climate. How to deal with trade-offs?
 - the need to reconcile more competitiveness initiatives with the European project's fundamental objective of supporting economic, social and territorial cohesion, which is a winning factor. How to achieve both competitiveness and cohesion?

For its part, the CoR:

19. Notes the need to focus implementation of the European Strategy for Growth and Jobs on research- and innovation-based competitiveness, which is the key to making the EU economic and trade area genuinely competitive internationally and to redefining the internal job market

in terms of quantity and quality of work. At the same time, measures to promote SME competitiveness and achieve better lawmaking must be continued. The social and environmental, in addition to economic, sustainability of growth must remain the main parameter in establishing arrangements for pursuing the competitiveness objective;

20. Suggests developing the Community approach no longer as a broad strategy but as a structured set of coordinated, integrated policies, which would give it greater, further-reaching impact;
21. Stresses the need for more effective Community decision-making, as regards drawing up, coordinating and implementing the policies and programmes that will make up the new competitiveness agenda. At the same time, national competences must be preserved, in compliance with the subsidiarity principle. In this connection, it is to be hoped that the review of the Community budget will include major decisions that will facilitate competitiveness policies, both looking at the amounts earmarked and ensuring close coordination between the policies themselves. Where this would fall within Member States' remits, the European Union and its Member States must introduce effective tools for decision-making and coordination between different levels of governance to ensure the success of the policies;

In this connection, in particular:

22. Points out the need for assiduous measures to increase and enhance investment in applied research. All levels of government must work together to stimulate and support the myriad of SMEs in their quest for investment procedures which, while safeguarding the competitiveness of businesses in the internal market, will springboard them onto international markets. Public investment in basic research must go hand in hand with substantial private investment in applied research into product and process innovation;
23. Aware of the importance of the single market as a pre-requisite for a genuine, effective competitiveness strategy, calls for renewed efforts to implement all measures aimed at completing the single market; moreover, calls for the local and regional dimension to be highlighted with a view to giving SMEs greater competitive capacity through competitive harnessing of local and regional diversity;
24. In implementing a genuine, effective competitiveness strategy, particular efforts must be made to reduce the number of work accidents;
25. Stresses the need for an active European energy policy in the areas of production, consumption and supply by gradually reducing energy dependence on third countries; this is essential to support the competitiveness of Europe's businesses, especially SMEs, and to maintain an appropriate quality of life for its people;

26. Highlights the need to be proactive and use a variety of methods to promote new jobs for women, bearing in mind that the measures adopted in this area must be shaped by the Member States or by local and regional authorities, in accordance with their responsibilities. Empirical evidence suggests that female labour is more sensitive to net salary than male labour and that in some circumstances some form of incentives for new jobs for women might help to bridge the substantial gap that persists in many countries with regard to the Lisbon objectives;
27. Warns that, in addition to combating the impact of population decline in many regions, action is urgently needed to address the demographic problem caused by the ageing population in the EU, which requires a new welfare deal for families as well as a careful immigration policy which also takes into account human and social needs. Immigration policies are required which encourage immigration not just of executives and professional and managerial staff but also, where necessary, of unskilled workers who can support SME production, depending on the needs of individual Member States and/or of local and regional authorities. Social and economic globalisation leaves no room for the sort of attitudes that have often led to unlawful practices in the labour market;
28. Points out the importance of high-level scientific education, but also of primary, secondary, vocational and further education, which is essential for opening paths to subsequent high-level training and creates the conditions and opportunities for increased participation, also for women, in working and productive life. To this end, efforts should be stepped up to bring about real reductions in early school-leaving;
29. In view of the above, stresses the need for the fundamental values of the European project to remain a point of reference;
30. Therefore draws attention to the importance of the European social model and the European Social Agenda, together with the Bologna Process and the Copenhagen Process in the field of education and training. Despite their diversity, the national systems share common foundations and principles which shape a shared understanding of social progress, and within this shared notion of social progress the social actors, local communities, groups, local and regional authorities and civil organisations play an increasingly important role;
31. Recalls the commitment to environmental protection, through both local measures and global initiatives, particularly in connection with the Kyoto Protocol on climate change; in this regard, stresses the importance for local and regional stakeholders of the Commission's "sustainability package", and in particular the Communication on the sustainable industrial policy action plan as an integrated strategy to help the EU economy become not only more competitive but also more environmentally sustainable;

32. Points out, moreover, that local knowledge is crucial for adapting the Lisbon objectives for local and regional implementation, and that a shared statistics system and a facility for interpreting indicators must therefore be developed at local and regional level as well;
33. Suggests that the Strategy be implemented post-2010 on the basis of improved governance which can give European endeavours to promote economic growth and jobs fresh impetus and vigour. This governance must be able to surmount the difficulties of current mechanisms (open method of coordination, agreement of benchmarks, structural indicators and additional technical improvements);
34. This governance should be based on:
 - better evaluated, better differentiated, clearly worded and better targeted objectives;
 - a timetable synchronised with that of the next European legislature (2009-2014);
 - clearer and more sustainable mobilisation of EC legal and financial tools;
 - more vigorous incentives for Member States to act, and greater involvement of national political leaders;
 - an active role for LRAs in all phases of the policy cycle (identification of needs, plans, implementation, monitoring and evaluation), whereby they can ensure integration and adaptation between local and regional bodies, different local and regional policies and European Union objectives;
35. The Committee of the Regions will make further contributions to the debate with a view to the decisions that will have to be taken regarding future European growth and jobs policy after 2010. To this end, the Committee of the Regions will also look into the possibility of setting up a CoR working group to exchange views with the Community institutions on these matters.

Brussels, 26 November 2008.

The President
of the Committee of the Regions

Luc Van den Brande

The Secretary-General
of the Committee of the Regions

Gerhard Stahl

III. PROCEDURE

Title	Outlook opinion on the Lisbon Growth and Jobs Strategy
Reference(s)	-
Legal basis	Article 265, 1st para. of the TEU
Procedural basis	
Date of Commission letter	Letter from the European Commission of 11 June 2008 requesting an Outlook opinion
Date of Bureau/President's decision	
Commission responsible	Commission for Economic and Social Policy (ECOS)
Rapporteur	Flavio Delbono (IT/ALDE), Regional councillor and vice-president of the Emilia Romagna Region
Analysis	18 July 2008
Discussed in commission	29 September 2008
Date adopted by commission	29 September 2008
Result of the vote in commission	By majority
Date adopted in plenary	26 November 2008
Previous Committee opinions	<p>CdR 39/2006, Opinion of the CoR on A policy framework to strengthen manufacturing – towards a more integrated approach to industrial policy</p> <p>CdR 40/2006, Opinion of the CoR on A modern SME strategy for growth and employment</p> <p>CdR 181/2006, Opinion of the CoR on Social Services of General Interest</p> <p>CdR 338/2006, Opinion of the CoR on Financing SME growth</p> <p>CdR 339/2006, Outlook Opinion of the CoR on The future of the Single Market and stocktaking of European society</p> <p>CdR 255/2007, Opinion on the European Commission Communication Promoting young people's full participation in education, employment and society</p> <p>CdR 274/2007, Opinion on the Communication from the European Commission Towards Common Principles of Flexicurity: More and better jobs through flexibility and security</p> <p>CdR 344/2007, Opinion on Active inclusion</p> <p>CdR 70/2008, Outlook opinion on Clusters</p> <p>CdR 331/2007, CoR Resolution of 7 February 2008 to the European Spring Council</p>