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EU COUNCIL SECRETARIAT

~FACTSHEET N° 2~

THE EU'S LISBON STRATEGY

GROWTH AND JOBS

1. What is the Lisbon strategy?

The strategy was launched in March 2000 by the European Council, meeting in Lisbon.

It set out to modernise and speed-up Europe's economy by establishing common guidelines for member states' economic and employment policies. After initially modest results, the strategy was simplified and re-launched in 2005 and the focus clearly placed on growth and employment on the basis of two texts: the broad guidelines for the economic policies (BEPGs) of the member states and the Community and the guidelines for the employment policies of the member states, which together form the "**Integrated guidelines for growth and jobs**". Member states were invited to elaborate **national reform programmes** to implement those guidelines. The European Council also invited the Commission to present, as a counterpart to the national programmes, a "**Community Lisbon programme**" covering all actions at Community level that could complement, facilitate and strengthen policy action at member state level in four priority areas:

- I. Knowledge and innovation
- II. Unlocking business potential, especially for small and medium-sized enterprises (SMEs)
- III. Investing in people and modernising labour markets
- IV. Energy and climate change

For further details, see Factsheets 3 and 4.

P R E S S

The Lisbon strategy has played an important role in Europe's economy: growth picked up to almost 3 % in 2007, the unemployment rate declined to below 7% and the employment rate approached 65%, with particular relevance amongst women and older workers. Job creation and productivity improvements occurred simultaneously for the first time in a decade, although recent financial turbulence and the slowdown of the US economy have increased the risks of a deceleration in growth for 2008-2009.

2. Launching the new cycle of the renewed Lisbon Strategy for growth and jobs (2008-2010)

The European Council will launch the second three-year cycle of the strategy (2008-2010) by:

- *confirming that the current integrated guidelines (BEPGs and employment guidelines) remain valid and should serve for the period 2008-2010. The Council (ECOFIN and EPSCO) will be invited to formally adopt the integrated guidelines in accordance with the treaty;*
- *endorsing the country specific recommendations for the economic and employment policies of the member states and the euro area, as drawn up by the Council on the basis of the Commission's proposals. The Council will be invited to formally adopt them;*

The new 2008-2010 cycle of the strategy will focus mainly on implementation and development rather than setting new targets, as well as on continuing to provide the adequate framework for reform. A close partnership between member states and the Community is essential to the success of the renewed Lisbon strategy.

On one hand, member states are invited to update their national reform programmes with detailed and concrete actions in response to the integrated guidelines and country-specific recommendations, on the other hand, the new Community Lisbon programme sets out the key Community-level measures to be achieved for the period 2008-2010.

The European Council is expected to:

- *reconfirm the four priority areas agreed at its spring 2006 meeting as the cornerstones of the renewed Lisbon strategy, and at the same time call for synergies among them to be exploited to a greater degree;*
- *invite the Commission and member states in the context of multilateral surveillance to step up the exchange of best practices, in particular by making full use of existing methods of open coordination, efficient coordination within the euro-area being of particular importance;*
- *invite the Commission and member states to strengthen the involvement of relevant stakeholders in the Lisbon process;*

- *recognise the role of the local and regional level in delivering growth and jobs. Increased ownership of the growth and jobs agenda at all levels of government will lead to more coherent and effective policymaking;*
 - *emphasise that economic, social and territorial cohesion also contribute to fulfilling the objectives of the renewed Lisbon strategy, and welcome the progress made in targeting cohesion funds in support of national reform programmes and implementation of the integrated guidelines;*
 - *underline the importance of macro-economic stability in addressing longer-term challenges ahead. The EU budgetary framework, as defined by the revised stability and growth pact, provides the appropriate tools in this regard;*
 - *reconfirm the importance of further developing the social dimension of the EU as an integral part of the Lisbon strategy, and in particular stress the need to further integrate economic, employment and social policies.*
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