



**COUNCIL OF
THE EUROPEAN UNION**



Council conclusions on the Lisbon Strategy post-2010

*2981st ECONOMIC and FINANCIAL AFFAIRS
Brussels, 2 December 2009*

The Council adopted the following conclusions:

- "1 In view of the preparation of the EU post 2010 Lisbon Strategy, the Council WELCOMES the EPC report on "the Lisbon strategy post-2010".
2. The Council UNDERLINES that the EU economy is facing important structural challenges. High unemployment and weak productivity developments together with the impact of aging and the crisis-related impact on public finances pose long-term challenges. In the aftermath of the crisis it will therefore be important to focus policies away from crisis management towards a strategy of actions that aim to raise the EU growth potential, employment and ensure sustainable public finances.

P R E S S

3. Against this background, the EU post 2010 Lisbon Strategy should aim at raising the EU's growth potential and ensuring sustainable public finances in line with the Stability and Growth Pact. With a view to increase the growth potential, the Council **UNDERLINES** the need to increase employment in particular through higher labour participation rates and to enhance productivity through well-functioning product and service markets, fostering entrepreneurship; promoting human capital formation, innovation and open markets. In particular reforms that contribute to increasing long-term employment have the dual advantage of both boosting the growth potential and improving long-term public finances. To further improve sustainability, reforms of social security systems, such as pension systems and credible national fiscal frameworks that contribute to budget discipline will be necessary. The new strategy should also allow to better take account of the interaction between policies at EU and national levels. Consideration should also be given to strengthening the EU dimension and harnessing EU instruments to make the most of the potential at EU level in order to provide for a genuine, concrete and coordinated policy agenda, including the Internal Market, as well as promoting the external dimension. Greater consideration could also be given to aligning the priorities of the EU budget and the European Investment Bank lending priorities with the new strategy, without pre-empting the forthcoming discussions on the new financial perspective.
4. The Council **LOOKS FORWARD** to the Commission proposal on a new strategy for growth and employment covering these aspects.
5. The Council **EXPRESSES ITS CONVICTION** that better integrating the social dimension and climate change policies into a new strategy should be done in a manner that maintains and reinforces the clear focus on growth and jobs. New elements should be integrated in an economically sound manner, i.e. new policies should be designed cost-effectively and assessed according to their implications for growth and jobs.
6. The Council **UNDERLINES** that the objectives of the new strategy should be set and owned at the highest political level. The Council **AGREES** that a limited number of properly framed targets could play a vital role, both as a communication device on key political priorities and as a tool for directing policy makers towards concrete actions. In this regard, the Council **CONSIDERS** that appropriate steps should be taken to streamline the use of targets. In order to increase country ownership, consideration could also be given to setting targets while taking into account starting positions and structural differences and maintaining the partnership approach, e.g. by fully respecting responsibilities of the Member States in economic, employment and social policies. The Council **INVITES** the Commission, to further work together with the EPC and other relevant committees on this.

7. The Council RECOGNISES that, while policy learning appears to have been reasonably successful, there is scope for improvement of the governance framework of the strategy and in particularly CONSIDERS that there is a need to further strengthen the effectiveness of policy coordination and multilateral surveillance of structural reforms, and to improve the evaluation and follow-up of the EU elements of the strategy. The Council therefore INVITES the Commission to consider the EPC report and to come forward with concrete proposals to improve existing surveillance mechanisms of structural reforms and monitoring of the EU level actions in time before the adoption of the new strategy. The renewed governance framework should provide for efficient arrangements for the surveillance of structural reforms at both Member States and EU level, making use of all available Treaty instruments. It should provide for a clear allocation of responsibilities and avoid blurring and overlaps between different strands of EU monitoring instruments in line with the Treaty.
8. The Council ACKNOWLEDGES that public awareness and support is crucial for the successful implementation of structural reforms and therefore INVITES the Commission, together with the EPC, to consider communication aspects further in the new strategy possibly by developing appropriate, simple and transparent reporting on country performance in relation to agreed targets and benchmarks, including vis-à-vis third countries. The Council also ENCOURAGES the Commission and Member States to consider ways to engage further in a dialogue with citizens and stakeholders to better communicate the benefits of reforms at the national and local levels."
