

## **Summary. Findings. Joint Think Tanks meeting.**

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(Draft 1)

EPE expresses its deepest gratitude to the speakers at the joint think tanks meeting. Their presentation are available on EPE's website. The summary below tries to capture the main "messages" in an integrated manner.

### **The Perfect Storm**

The appetite for a truly strong Europe 2020 strategy:

- Signs are not good.
- No political leadership so far
- No real business leadership seem to be expected
- No real appetite for review of mechanisms in place
- No sense of urgency or of the size of the challenge
- Leading to a Perfect Storm which should be expected, within the current strategy governance system, due to the lack of political will
- The concept of a Post-Lisbon strategy as co-ordinating strategy with a Sustainability strategy is still alive though both have to address a long term vision and global issues and both should address similar issues.

### **Assessments**

Lisbon strategy assessment: improved employment and resilience of our economy but

- Delivery gap at Member State level
- National reforms strategy cannot stand alone
- Ownership gap. Need more involvement of business, civil society and regions
- Mobilisation gap. All actors on board.
- Underperformance vis à vis 3% R&D Objective

Economic Recovery action plans assessment

- Europe and Member states recovery action plans less "eco-efficient" that recovery action plans of key competitors including Korea, China, Japan
- Some Member States are discussing a national Green New deal

Beyond GDP Indicators (assessment of needs based on Commission communication and Stiglitz report):

- Little impact on recovery action plans
- Need more civil society involvement
- Energy input/output is missing
- Decoupling in absolute terms is not secured



## **Vision**

Our approach needs to take into account:

- Emergence of a new world
- Low growth and structural high unemployment
- Talent crisis: no talent input, no social output
- Need of a societal and intergenerational pact for a Well-being society for all.
- Financial crisis and its impact on public budgets
- Lesson of the financial crisis: Europe is ill equipped to deal with crisis
- Long term orientation are key to recovery (reinforce the importance of Lisbon strategy)
- Sustainable production and consumption patterns and resource efficiency
- Long term investment planning is needed (2050 for major infrastructures)
- Global Sustainable New Deal should be on the agenda

Knowledge:

- Globalisation of knowledge economy
- From a socialisation of debt to a socialisation of knowledge
- From the rate of technical change to the direction of technical change
- Recognise societal change<sup>1</sup>

We should be looking for:

- An Economy based on skills and less on carbon
- Tackling the Talent challenge
- Making structural reforms at all levels
- Involving Regions (see the Lisbon strategy Belgian governance model sharing implementation between Federal Government, Regions and Cities)
- Efficiency of public spending and public services improved
- Addressing social and environmental aspirations as source of innovation and competitiveness, new products, new services opportunities
- Europe's ability to shape globalisation according to our values.
- Strengthening European system resilience in case of crisis
- Contribute to a Global Sustainable New Deal as proposed in the UN-Survey 2009. Drivers of Transformation" are Climate Change (Mitigation, Adaptation and Finance), Biodiversity: "ecological credit crunch" both linking economies globally and inextricably and inseparable from development

## **An Integrated Strategy Europe 2020**

The whole process should lead to "system innovation", new governance schemes, new goals, new attitudes, new behavior, new business models, new jobs,

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<sup>1</sup> Recommendations by a Business Panel on future EU innovation policy "We propose to base EU action around compelling social challenges, to finance venture and social innovation funds, to incentivise large scale community level innovations, to transform the public sector and to unlock the potential of new infrastructure and new types of partnerships "



products and services.

A "Post Lisbon" strategy should be:

- An integrated strategy
- with a strong external dimension (with standards setting)
- not focused on marginal changes but change of lifestyles and values,
- governance reform (differentiated objectives by type of countries)
- strong resource productivity action plan for the 10 new Member States to increase the competitiveness of EU as a whole
- greater political ownership, at the level of European Parliament as European Regions and Cities(Transition Towns, Covenant of Mayors)

New strategy 2010-2020:

- Leadership and Willingness of Political Authorities and Business
- Upgrade Lisbon strategy into Europe Strategy for Globalisation
- Focused agenda
- Stronger governance
- External component based on common external policies (energy, environmental diplomacy)
- Address planet & people: promote green and quality jobs, assume global responsibility, improve democracy, preserve and restore ecosystems, establish inclusive societies.

Strengthening Open Method of Coordination:

- Better benchmarking/targets: taking countries' starting points into account, aiming for continuous improvement
- Self-commitment by member states –coupled with naming & shaming

Strengthening governance:

- Build structural reform into ECOFIN Councils –broad economic guidelines
- Euro group –direct interdependence
- Revise Stability & Growth Pact, building in structural reform

New Tools:

- Role of procurement (pre-commercialisation phase)
- From a EU Research Territory to a Research without Borders (insights from the Non EU countries)
- Sustainable Trade and Innovation (standards, supply chain guidelines and capacity building)
- Performance review with name and shame system
- Have binding targets (as Maastricht criteria)
- Have a targets review done externally

A "new" process or only cosmetic changes?

- Open and system innovation require a new approach
- A European Convention "Europe 2020"?



- A new name " Transformation strategy – Europe 2020"?<sup>2</sup>

Output of a European Convention 2010-2011 "Europe's Transformation":

- Well-Being Indicators + Guidelines
- Finance, lever for change:
  - (i) Revise Stability & Growth Pact
  - (ii) Economic Guidelines
  - (iii) Review Fiscal Incentives and harmful subsidies, the ecological subprimes<sup>3</sup>
  - (iv) Banks Guidelines (E.S.G. and 5 years agreement Objectives 2020)
- Participatory democracy, lever for innovation
- Inclusiveness. Societal and Intergenerational Pact
- Smart Eco-Efficient and Low-Carbon Economy: Scaling Front Runners Bottom Up Leading Initiatives.

### **Opening a new Era for Global Europe": Conference 2011"Europe's Global Agenda for Partnership"**

The European Global agenda for Partnerships will require a fundamental review of current EU-arrangements and agreements with (groups) of third countries. "Policy Coherence for Development" (PCD) represents a current EU-policy area of great relevance to the global agenda and global partnerships. An international conference preparing the 2012 UN Conference "Green Economy" should be based on:

- the EU PCD
- the EU neighbourhood policy review
- the international debate on Global Public Goods.

The following issues (all with a strong impact on the MDGs) are proposed for the International Conference 2011, under Polish EU Presidency, Europe's Global Agenda for Partnership":

- Combating Climate change: ensuring the developmental component of EU policies
- Ensuring global food security: taking account of the international dimension, including developing countries' needs in EU policies
- Making migration work for development
- Seeking opportunities to use intellectual property rights for development
- Leading Sustainable Consumption and Production
- Promoting security and building peace for development

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<sup>2</sup> Solutions are urgent and feasible across a wide range of relevant issues and require an economic transformation and a series of policies and measures -"governance"- commensurate with the challenges, as a matter of great urgency.

<sup>3</sup> "Dirty" subsidies have been estimated at \$250 billion or (0.5 per cent of world gross product) in 2005. Redirecting these to clean energy sources—but not at the expense of access to energy services in developing countries—would boost the transition to low-emissions high growth.



## **Annex**

### **European Economic and Social Committee Pre-Summit Conference**

"The Post-2010 (Lisbon) Strategy - A way out of the crisis"

Thursday 29 October 2009

#### **Mario Sepi (President of the EESC)**

- its clear now: the 2010 goals of the Lisbon Strategy won't be reached
- but: we are continuing with the basic idea → the creation of synergies between the economy, the environment and social responsibility
- if the Lisbon Treaty will be signed we will have a new background and institutional changes
- good about financial crisis: it has led to a greater facility of coordination
- but we are not yet experiencing a real recovery of this crisis (in financial, social,... respects)
- the question: do we also need a new fiscal policy for Europe?
- what we definitely need is strong participation from the civil society → without those actors we cant achieve our goals
- OMC in many ways was not sufficiently powerful in the past (monitoring and peer-pressure is not enough)
- Do we also need more direct democracy? (i.e. stronger involvement of the EP)

#### **Vladimir Špidla (Commissioner for Employment, Social Affairs and Equal Opportunities)**

- the major topics for us must be the fight against unemployment and the protection of our social systems
- we have to stimulate labor market movement (get rid of the rigidity) and reduce barriers for entering the labor market
- in addition: fighting climate change gives as many opportunities to create employment
- but remember: the transition is not just a technical one → in the future we will experience a social transition

#### **Cecilia Malmström (Swedish Minister for European Affairs)**

- the current economic crisis can't be an excuse for dealing less with the climate crisis



- for a new Lisbon strategy we should find a name which tells the people a little bit more (not i.e. "Madrid-Strategy") → something with content
- we need a joint European framework
- we need a long term agenda instead of a short term crisis management (financial crisis can't overshadow that)
- we further have to exploit the great opportunities of the service sector (service directive comes soon)
- we must overcome labor market exclusion and we must create equal opportunities for men and women
- from my point of view the main weakness of the Lisbon Strategy is the lack of implementation

### **Wolfgang Greif (EESC Rapporteur on the Lisbon Strategy)**

- a certain lack of implementation is definitely true
- in many MS the incorporation of social/civil society partners is just missing
- we have to ask ourselves: is the overall direction/development of the EU given to implement something like the Lisbon Strategy in a proper way
- what I want to say: it's not just the MS which are to blame
- for the future: 3% expenditure for R&D is a must
- we need new qualitative and quantitative goals for those areas which proved to be most problematic
- stronger commitments combined with more realistic goals are desirable

### **Questions and Answers**

- Lisbon is happening in an extreme economic crisis → if fully employed, would it have reduced the impact for Europe?
- remember: the crisis ad international roots
- at the same time: solutions could have been more European in nature
- also: no Lisbon Strategy without Lisbon Treaty
- improvement in human capital leads to improvement in employment and this leads to improvements in sustainability on the labor market
- now its clear: there has been a deficit of involvement of the civil society in the drawing up of the Lisbon Strategy
- we have to ensure that many national partners will participate in drawing up a new strategy
- synergies will be crucial on a EU-level and together with the MS
- Spain is already working with Belgium and Hungary to ensure continuity for the future
- a good long term strategy should also help us to prevent another future crisis
- education must be a core-element of the new strategy → a big threat is unemployment, especially for young people
- we need goals with substance, that can be measured and will have clear benefits → all three points were often missing until now
- sustainable development (a transformational shift) must be much more in the centre of the new strategy



- some of our future growth will not be seen in growth of GDP but in growth of well-being of the whole society
- social cohesion (control of equal opportunities, wages, inequalities) + the creation of level-playing fields (for competition) + to revalue the pace of the market (we were often to sure that there are no market failures) → that's should be the future

## CONTACT



**European  
Partners for the  
Environment**

EPE is a multi-stakeholder forum bringing together Public Authorities, Companies

large and small, Trade Unions, Research Institutes, Environmental Organisations, Consumer and Ethical NGOs and Civil Society Groups. Its mission is to improve cross-sectoral collaboration and joint initiatives to align business, capital, markets and society more closely with the sustainability agenda. EPE builds the ground for consensus on sustainability and serves as a catalyst, in Europe and around the world, to achieve into the future a better balance between the environmental, social and economic elements of life.

EPE hosts laboratories and produces insightful action plans aimed at giving a different perspective to revitalise on-going policy debates on major issues affecting the EU sustainability outlook. The laboratories provide practical guidance on how co-operation among partners produces results that improve the environmental performance of products and processes encouraging their uptake by business and consumers. Through these laboratories, EPE engineers new forms of partnerships among champions to stimulate the demand for eco-innovation and to seek combined environmental and economic benefits

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