

Oliver Treidler:

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## Why Europe 2020 is Likely to Be as Unsuccessful as the Lisbon Strategy

*Oliver Treidler*

### Abstract

*In March 2010, the European Commission (2010, preface) introduced Europe 2020 as marking “a new beginning” and having “new tools and [...] new ambition”. The research questions guiding my paper are the following: Does Europe 2020 constitute a new beginning? Does Europe 2020 address the shortcomings of the Lisbon Strategy? Is Europe 2020 likely to succeed? The recent crisis illustrates that the EU needs to decide on how to address multiple and pressing challenges. As the member states are faced by similar challenges, adopting a common economic strategy appears to be sensible. However, in 2000 the Lisbon Strategy was also launched as an ambitious common strategy. Despite the substantial effort and resources which were invested, the Lisbon Strategy was a failure. The success of Europe 2020 will in large part depend on whether the lessons have been learned.*

*I conducted a comparative analysis of two strategies. The analysis of key-documents and publications showed that policy content and implementation mechanism of Europe 2020 closely resemble those of the Lisbon Strategy. Further, I identified the main shortcomings of the Lisbon Strategy and analyzed whether Europe 2020 constitutes an adequate remedy. Here, I particularly focused on the open method of coordination (OMC) and found that many shortcomings of the Lisbon Strategy are likely to persist. Based on my findings, I argue that Europe 2020 is unlikely to succeed, unless significant amendments are made. The paper is of relevance for everyone who is interested in engaging in a critical and informed dialogue regarding European economic strategy.*

*Keywords: Lisbon Strategy, Community Lisbon Programme, Europe 2020, Open method of coordination, benchmarking*

## Introduction

Stating that the Lisbon Strategy was a failure is unlikely to raise many eyebrows. In order to support this statement, one can refer to prominent evaluations (CER, 2010; World Economic Forum, 2010; ECB, 2008). There is conclusive evidence for the fact that the targets stipulated for the Lisbon Strategy have been missed. Unfortunately, as I have demonstrated elsewhere (Treidler, 2011), these evaluations suffer from a variety of shortcomings. Aside from several methodological inconsistencies, they exhibit an inadequately narrow scope; not accounting for the implementation mechanism and the so-called Community Lisbon Programme (CLP). In sum, these evaluations do not suffice to refute the evaluation presented by the European Commission (2010b).

Despite acknowledging that the targets have been missed, the Commission concludes that the Lisbon Strategy has not failed, but rather that it resembles a mixed picture. According to the Commission, the strategy has focused on the right structural reforms and yielded a positive impact. The substantial gap, by which the targets were missed, is downplayed. A central argument underlying the Commission's conclusion is that most of the shortcomings of the Lisbon Strategy are attributable to an implementation deficit. While it is relatively easy to expose the weaknesses of the evaluation document presented by the Commission, it has received surprisingly little attention and criticism. As a consequence, the extent of the failure of the Lisbon Strategy is generally underestimated (Treidler, 2011).

Even though the true extent of the failure was not recognized, it should have been evident that a successor strategy would require a meticulous overhaul. All stakeholders should have made it a priority to learn from past mistakes. In other words, it would have been prudent to adopt a distinctly critical mindset. In this context, it is revealing to note that the initial proposal for Europe 2020, the so-called consultation paper "on the Future 'EU 2020' strategy" (European Commission, 2009), was actually published prior to the evaluation document of the Lisbon Strategy. In other words, the conception of Europe 2020 was hastened, hardly reflecting a critical mindset. The subsequent consultation process, in which all interested parties were invited to submit comments and suggestions, had little effect. In total, the Commission received 1.400 contributions, of which it published a representa-

tive overview (European Commission, 2010c). While recognizing some nuances and critical points, the Commission stressed the existence of a broad consensus. Unsurprisingly, the thrust of Europe 2020 remained unaltered from the outline of the consultation paper. To be sure, some stakeholders voiced concerns. As acknowledged by the Commission, there were “calls for postponing adoption of Europe 2020 until early 2011 to allow for a full consultation exercise” (2010c, p.22). Similar concerns were voiced in the respective debates in the European Parliament (European Parliament, 2010; European Parliament, 2010b). However, most of the concerns were rather timid. The important point is that the rationale of pursuing a comprehensive common economic strategy was never seriously questioned. Thus, continuing with the Lisbon Strategy was essentially a foregone conclusion.

### **Does Europe 2020 Constitute a New Beginning?**

Europe 2020 was introduced as marking “a new beginning” and having “new tools and [...] new ambition” (European Commission, 2010). My introductory observations suggest that this is mere rhetoric. I have basically claimed that Europe 2020 does not differ significantly from the Lisbon Strategy, but that it is rather just a new label applied to an old strategy. Am I being unduly sarcastic, or is there substance to my claim?

Comparing the ultimate objectives (mission statements) of the strategies reveals only minor differences. While the objective of the Lisbon Strategy was to turn the EU into “the most dynamic and competitive knowledge economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion and respect for the environment” (Kok et al., 2004, p.6), the objective of Europe 2020 is to realize the vision of Europe’s social market economy by “turning the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion” (European Commission, 2010, p.8). The only significant difference is to be seen in the fact that Europe 2020 is not immediately focused on competitiveness. Aside from this initial indication of a shift in prioritization, the objectives are strikingly similar; sharing two main features, namely being vague and comprehensive.

Comparing the policy framework of Europe 2020 (for an illustration see Figure 1), with that of the Lisbon Strategy also reveals only minor differences. The headline targets of Europe 2020 can be grouped into five broad policy

areas: Knowledge, Education, Employment, Social Cohesion and Environment. The headline targets of the Lisbon Strategy were grouped into almost identical policy areas (compare Kok et al., 2004, p.48ff). The only difference is that Europe 2020 does not contain the policy area Economic Reform (which contained policies for enhancing the functioning of the internal market). Instead, the policy area Education is now stipulated as a headline target, while for the Lisbon Strategy it had merely been a sub-target within the policy area Knowledge. Consequently, the bulk of the quantitative targets and indicators, including many of the so-called 14 key-indicators, also remained unchanged or were only slightly modified. To name an example, one of the most prominent quantitative targets of the Lisbon Strategy, increasing gross domestic expenditure on R&D to 3%, was adopted as a headline target for Europe 2020 without any modification. Some scholars have argued that the Lisbon Strategy was almost exclusively focused on jobs and growth, particularly after the Kok Report (Büchs, 2009; Kröger, 2009). I consider this argument to be an exaggeration. It underestimates two aspects, namely the comprehensive nature of agenda and that the priority attached to other policy areas (notably Environment) increased significantly during the lifetime of the strategy. However, there is some merit in the argument, as evidenced by the methodology applied by some of the aforementioned evaluations. In conducting their benchmark analysis, both the CER (2010) as well as the World Economic Forum (2010), allocated (significantly) higher weight to the policy areas of Employment, Knowledge and Economic Reform. Similar evidence can be found in the Commissions evaluation document (2010b, pp.7-8) as well as in the annual progress reports (APRs), in which only two indicators (the employment rate and gross domestic expenditure on R&D) were benchmarked against the specified targets (European Commission, 2006, country chapters). The explanation for allocating a (somewhat) higher priority to jobs and growth is to be seen as reflecting the ultimate objective of the Lisbon Strategy, that is enhancing competitiveness. For Europe 2020 it is no longer feasible to allocate different weights to the headline targets, thus the initial indication of a shift in prioritization is confirmed.

While finding hard evidence for a shift in prioritization, let alone quantifying it, is difficult, there are strong indications for a rather nuanced character of the shift. In this context, the integrated guidelines (IGs) are particularly noteworthy. The IGs are a vital component of the implementation mechanism, on the basis of which member states are expected to translate

the headline targets into national targets and policies. In an effort to streamline the agenda, which had repeatedly been criticized as being overloaded, the Commission reduced the number of IGs from 24 to 10. However, comparing the Europe 2020 IGs (European Commission, 2010d) with those of the Lisbon Strategy (European Commission, 2007), shows that neither the content nor the scope has been significantly changed (see Table 1). Thus, the numerical reduction is to be seen as reflecting a minor architectural adjustment rather than a pronounced shift in prioritization. Further indication for the fact that Europe 2020 is to be seen as a continuation of the Lisbon Strategy rather than marking a new beginning, can be found in the flagship initiatives. In contrast to the Lisbon Strategy, Europe 2020 does not utilize the CLP for implementing reforms at the EU level. Instead of deriving the CLP on the basis of the IGs, Europe 2020 focuses on directly translating the seven flagship initiatives into EU level policy actions. While, the introduction of the flagship initiative ostensibly seems to constitute a significant modification, closer examination (again) reveals the change to be of rather minor significance. In fact, the bulk of objectives contained in the flagship initiatives were focal points of the earlier CLPs (compare European Commission, 2006b). Many flagship initiatives can be traced back to 2005. Two prominent cases are the "Innovation Union" and the "Youth on the Move" initiatives which have their predecessors in the "European Technology Initiative" and the "European Youth Initiative" (compare European Commission, 2005, pp.23ff). The "Innovation Union", is a particularly illustrative example. It contains the sub-objectives of improving framework conditions for innovation by improving the IPR system (e.g. creating the single EU Patent) as well as promoting knowledge partnerships (e.g. the EIT), both of which had been focal points of the CLP. In sum, the introduction of the flagship initiatives mainly constitutes an architectural adjustment.

Despite having identified the "implementation deficit" as one of the most serious shortcomings of the Lisbon Strategy, the Commission refrained from introducing new instruments for implementing Europe 2020 (for a concise evaluation of the instruments, see European Commission, 2010b, pp.18-21). As shown above, the IGs were only subjected to minor adjustments. Analogous to the Lisbon Strategy, the member states will still have to compile and implement their respective national reform programs (NRPs) based on the IGs, which in turn will be subjected to the APRs. However, the most intriguing component of the implementation mechanism is

the so-called open method of coordination (OMC). The introduction of the OMC was one of the most characteristic features of the Lisbon Strategy. The defining trait of the OMC is that the corresponding instruments such as 'objectives', 'guidelines' and 'targets' are not legally binding. The ultimate decisions and implementation are reserved for the member states (hence the OMC is regarded as "soft law"). The idea of the OMC is to rely on benchmarking, best practices and peer pressure in order to facilitate mutual learning (for an illustration of an ideal-typical OMC process, see Figure 2). This basic idea continues to be applied for Europe 2020. The Commission stated that "Europe 2020 strategy will need more focus and transparent benchmarks for assessing progress" and that the "Commission will monitor annually the situation on the basis of a set of indicators showing overall progress" (European Commission, 2010, p.25 and p.27). The most substantial change in the implementation mechanism can arguably be seen in the Commission's aim to sharpening the policy recommendations by increasing their precision and level of detail of (e.g. by outlining specific measures and stipulating timeframes). Most notably, the Commission intends to issue a "policy warning" in case a member state should fail to adequately respond to a recommendation (European Commission, 2010, p.26). Without addressing the legal background, it is evident that this adjustment is designed to equip the Commission with additional power. The introduction of policy warnings may be interpreted as a shift away from a coordination based strictly on voluntary ("soft") implementation towards a coordination based on more compulsory ("hard") means. In general, however, the Commission remained unspecific and devoted surprisingly little attention to the nuts and bolts of the implementation mechanism.

In sum, our initial question can be answered in the negative. Some adjustments have been made, but the changes can be characterized as reflecting minor structural adjustments. As a consequence, Europe 2020 does not constitute a new beginning, but is more or less a continuation of the Lisbon Strategy. Due to its high relevance for the later discussion, it should be emphasized that irrespective of the shift in prioritization, the basic rationale of Europe 2020 remained unchanged. As correctly observed by Vilpisauskas (2011, p.5), "Europe 2020 represents a continuation of a paradigm which tries to combine different economic and social visions of Europe and different 'models of capitalism'".

### **Does Europe 2020 Address the Shortcomings of the Lisbon Strategy?**

While casting doubts on its chances for success, the single fact that Europe 2020 does not mark a new beginning must not necessarily condemn it to fail. In case the adjustments address the most important shortcomings of the Lisbon Strategy and provide adequate remedies, success could be possible.

I consider it to be one of the most vital lessons to be learned from the Lisbon Strategy, that failing to stipulate a clear objective diminishes the quality of a strategy and constitutes the root cause of many subsequent deficiencies. A vague ultimate objective precludes a consistent target-setting process, which translates into severe obstacles in the implementation and evaluation of the strategy (Treidler, 2011). The overloaded agenda and the corresponding lack of prioritization can be interpreted as manifestations of the vague ultimate objective. In order to avoid repeating past mistakes, considerable attention should have been devoted to defining a clear objective, setting consistent targets and establishing a sensible measuring rod. As seen above, the vision of Europe's social market economy outlined by Europe 2020 is extremely vague. While the Lisbon Strategy was focused on enhancing competitiveness, thus arguably prioritizing jobs and growth, it is not feasible to allocate different weights to the Europe 2020 headline targets. Furthermore, the notion of a European social market economy can be seen as problematic, since it neglects the considerable heterogeneity of social models existing within the EU. The typology in the relevant literature distinguishes between four distinct regimes, which differ significantly in the role assigned to the government in providing social security (Berthold & Brunner, 2009). According to Sapir (2005, p.1), the difference between the respective regimes is significant and "the notion of 'European social model' is misleading [...] in reality [there are] different European social models, with different features and different performance in terms of efficiency and equity". Considering that the differences have strong historical and cultural roots, it is questionable whether a common European vision of a social market economy can ever be established. In addition to failing to stipulate a clear ultimate objective, I consider it problematic that the prioritization shifted away from competitiveness. The evaluation of the Lisbon Strategy illustrates that the competitive position of the EU developed unfavorably. The EU was unable to

significantly close the gap on the USA and lost further ground to the more dynamic East Asian economies. Hence, it would have been sensible to renew and even strengthen the focus on enhancing competitiveness.

According to the Commission, the CLP should have reflected EU-level partnership, fostering a collective sense of ownership. However, it acknowledged that the attempt failed, "since the CLP failed to generate momentum and ownership in Council and Parliament, as well as in member states" (European Commission, 2010b, p.20). As seen above, the introduction of the flagship initiatives mainly constitutes an architectural adjustment. Substituting the flagship initiatives for the complementary but separate CLP agenda appears sensible, as it streamlines the agenda. A further positive aspect is that the responsibility is now explicitly assigned to the Commission. However, irrespective of these structural changes, at least four important shortcomings in the implementation of Community-Level reforms remain unsolved. First, the flagship initiatives are extremely complex, including a multitude of separate sub-objectives. Second, success is neither defined for the flagship initiatives as a whole nor for the sub-objectives. Corresponding impotence to evaluate the progress of flagship initiatives will likely contribute to a poor and slow implementation. Third, the monitoring process is not sufficiently specified. While the CLP was subjected to a detailed assessment in the context of the "Technical Implementation Report", no equivalent process is established for the flagship initiatives. Fourth, the flagship initiatives include a national level for which the member states are responsible. Inclusion of the national level blurs the ownership of the flagship initiatives. Furthermore, many actions outlined for the national level are already stipulated in the IGs (word-by-word) and are thus redundant.

Considering that the "implementation deficit" was identified as one of the most serious shortcomings by the Commission, improving the implementation mechanism and particularly the OMC should have been a priority in designing Europe 2020. However, as briefly illustrated above, the attention devoted to this issue was not impressive. According to the Commission, the implementation deficit was mainly attributable to a lack of commitment by the member states. The Commission (2010b) found that the member states have utilized the OMC as a low level reporting tool rather than one of policy development. The introduction of policy warnings must be seen as an attempt to strengthen the OMC. As this adjustment is conceived as a remedy for a main shortcoming of the Lisbon Strategy, it ostensibly constitutes



an example of a lesson that has been learned. However, I would like to argue that the diagnosis of the Commission is inaccurate and that the proposed changes constitute a perversion of the OMC.

My argument is based on *four* (non-exclusive) points. *First*, the fact that the OMC was not efficiently utilized is neither the fault of the member states nor is it attributable to the “soft” character of the OMC. Despite the vehement recommendations of the Kok Report to focus on more adequate benchmarking processes and to publish corresponding results, ideally in the form of rankings (Kok et al., 2004, pp.42ff), the Commission shied away from designing and applying a rigorous benchmarking process. In respect to the APR country chapter, the ECB (2008, p.20) criticized the Commission for “[...] toning down somewhat the cross-country comparison element and arguably reducing the already limited role of quantitative benchmarking in its assessments”. Neglect to act upon the recommendations of the Kok Report was criticized by Pisani-Ferry and Sapir (2006, p.6), who emphasized that “the Commission strongly rejected the proposal to ‘name and shame’ and nearly abandoned benchmarking altogether”.

*Second*, the Commission failed to address the lack of participation and transparency which plagued the OMC. Failure to involve sub-national actors constitutes an obstacle for adapting reforms to specific regional conditions (downloading) and limits the opportunity to learn from regional expertise (uploading). Further, limited transparency will inevitably diminish political ownership and inhibit mutual learning. In this context, Zeitlin (2005, p.8) concluded his extensive analysis of the OMC by stating that the OMC “is widely regarded as a narrow, opaque, and technocratic process involving high domestic civil servants and EU officials in a closed policy network, rather than a broad, transparent process of public deliberation and decision-making, open to the participation of all those with a stake in the outcome”. Similar conclusions were drawn by Kröger (2009) as well as by Pisani-Ferry and Sapir (2006).

*Third*, the Commission failed to acknowledge the limits inherent in the logic of the OMC. Zeitlin (2005, pp.4ff.) identified various manifestations of ideational convergence which have been facilitated by the OMC. One example is the prolific dissemination of various key concepts included in the Lisbon Strategy which moved to prominent positions of national policy agendas, notably ‘lifelong learning’, ‘active ageing’, ‘gender mainstreaming’, ‘flexicurity’ and ‘inclusive labor markets’. The Commission fails to appreciate

that neither the quantity nor the selectivity exercised by member states in downloading policies constitutes an acceptable yardstick for assessing the performance of the OMC. Whether Member States decide to engage in downloading must be a strictly voluntary decision, as variations in interpretation and implementation are an inherent part of the logic on which the OMC is based. As pointed out by Zeitlin (2005, p.7), the OMC processes “should be viewed less than as mechanisms for producing ‘cognitive harmonization’ [...] than for a creation of a common language and categorical framework to discuss and evaluate different solutions to similar problems”.

*Fourth*, and most importantly, the Commission failed either to diagnose (or to acknowledge) that the implementation deficit was rooted in a persistent consensus deficit. To understand this argument, one must be aware of the reasons why the OMC was introduced as a vital part of the Lisbon Strategy. Throughout the 1990s, the main obstacle to designing and implementing a common EU strategy for enhancing competitiveness was “the lack of shared beliefs on what the European model of capitalism should be” (Radaelli, 2003, p.19). It was precisely the soft character of the OMC, that is relying on benchmarking and peer pressure (or information rather than authority), which appeared to offer a feasible compromise by promising “progress in politically sensitive areas by ‘avoiding’ politicization” (Radaelli, 2003, pp.20ff; Arrowsmith et al., 2004, pp.10ff.). During the course of the Lisbon Strategy it should have become evident, that avoiding politicization became increasingly difficult, as the lack of shared beliefs proved to be persistent. One particularly vivid example is to be seen in the so-called “LIME assessment framework (LAF)”. The LAF constitutes a complex GDP accounting approach (relying on over 200 indicators), designed to provide “[...] an analytical framework for identifying policy priorities for Member States” (DG ECFIN, 2008, p.6; for a concise analysis of the LAF see Treidler, 2011). However, despite investing considerable effort into establishing the LAF as an evaluation framework, the Commission refrained from utilizing it. One explanation for the fact that the LAF was not utilized is the lack of consensus among member states. While some member states regarded the LAF as a sensible evaluation framework, others remained opposed to the idea of publishing rankings based on the LAF. The argument of those opposing the LAF was based on the fact that it did not include the policy areas of Environment and Social Cohesion. Instead of adopting a GDP accounting approach, they favored a “beyond GDP” approach which would focus more on these policy areas (EU, 2011).

Interestingly, these opposing views were also expressed in the consultation process for Europe 2020 (European Commission, 2010c, pp.10ff). Another example for the lack of consensus is to be seen in the fact that in their NRPs for 2011 Denmark, Germany, Luxemburg, Sweden and the UK did not apply "reduction of population at risk of poverty" as an indicator (for the policy area of Social Cohesion) and refrained from stipulating a corresponding target (European Commission, 2011). The respective comment of the Commission (2011) suggests this to be a mere technical issue, namely that a "result cannot be calculated because of differences in national methodologies". However, it would be a serious mistake to dismiss the differences among the member states as mere technicalities. Only when the existence of a consensus deficit is acknowledged, it will be possible to address it. Even if the technical obstacles could be overcome, the fundamental problem remains that "[...] political consensus is still required to identify and implement benchmarking projects" (Arrowsmith et al., 2004, p.2). Hence, addressing the consensus deficit should be the starting-point of any strategy intending to rely on benchmarking, such as Europe 2020. The brief consultation process and the generally hastened conception of Europe 2020 did not allow for the intense public debate required to address the consensus deficit. Introducing policy warnings in order to enforce compliance with the benchmarking process is merely addressing the symptoms of the implementation deficit and constitutes a perversion rather than an improvement of the OMC.

In sum, I have to conclude that Europe 2020 does not address the main shortcomings of the Lisbon Strategy. Most of the adjustments are of merely architectural nature. Particularly in the context of the implementation mechanism many lessons remained unlearned.

### **Is Europe 2020 Likely to Succeed?**

An answer to this question must necessarily be speculative. However, the preceding analysis, despite being extremely concise, should have illustrated that failure is more likely than success. Despite all the rhetoric, introducing Europe 2020 as marking a new beginning, not much has changed. I find myself agreeing with Vilpisauskas (2011, p.28), who concluded that "(a)lthough Europe 2020 represents elements of instrumental learning which could be attributed to changes in environment as well as

previous experience, there is little basis to claim that the main elements of the strategy, its goals and core values underpinning them have been altered as a result of the experience of the last decade. Nor there is evidence to maintain that the economic downturn [...] led to a paradigm shift with regards to the main goals of the EU as presented in Europe 2020”.

Considering that the Lisbon Strategy was a failure and that vital lessons remained unlearned, I want to make *four* cautious statements relating to the likely success of Europe 2020. *First*, the ‘vision’ of a European social market economy is extremely vague, failing to provide a clear objective. *Second*, the competitive position of the EU may deteriorate. By increasing the priority of Environment and Social Cohesion, Europe 2020 potentially shifts resources away from competitiveness enhancing policies. *Third*, the implementation deficit is likely to persist. Insufficient transparency and participation will continue to constitute severe obstacles, inhibiting bottom-up learning and corresponding exchange and adoption of best practices. *Fourth*, the Community-Level reforms will continue to be inefficient, as the flagship initiatives are poorly defined, overly complex and not subject to a stringent monitoring process. These brief assumptions should be sufficient at this point. They are derived from the preceding analysis, and thus somewhat limit the degree of speculation. Furthermore, each assumption would potentially have a severe impact on the likelihood of success. When the cumulative impact is considered, Europe 2020 appears unlikely to succeed.

Considering the pessimistic outlook, it appears prudent to ask whether it would make sense to abandon Europe 2020. Ideally, the question should have been carefully addressed when evaluating the Lisbon Strategy, prior to designing and implementing Europe 2020. Instead, the transition from the Lisbon Strategy to Europe 2020 can be characterized as a process of “muddling through”. To be sure, my advocacy of abandoning Europe 2020 is not to be misinterpreted as generally opposing any European economic strategy. It is rather to be understood as a plea to politicians and citizens to deliberately think about the rationale to be applied in EU policymaking. The agenda remains overloaded and the notion of a European social model is misleading. Does Europe really need a comprehensive economic strategy? Would it be more promising to focus the strategy on those policy areas where there is consensus, where preferences among Europeans are relatively homogeneous?

The failure of the Lisbon Strategy and the pessimistic prospects of Europe 2020 should provide sufficient impetus to address these questions. It is my belief, that Europe deserves better than Europe 2020. We must go back to the drawing board.

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Table 1

## Comparison of the Integrated Guidelines of Europe 2020 and the Lisbon Strategy

Europe 2020 Integrated Guideline	Europe 2020 Headline Target	2005-2008 and 2008-2010 IGs
1.) Ensuring the quality and sustainability of public finances		1, 2
2.) Addressing macroeconomic imbalances		3, 4, 5
3.) Reducing imbalances in the euro area		6
4.) Optimizing support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy	Innovation	7, 8, 9
5.) Improving resource efficiency and reducing greenhouse gases emissions	Environment	11
6.) Improving the business and consumer environment and modernizing the industrial base		14, 15
7.) Increasing labor market participation and reducing structural unemployment	Employment	17, 21
8.) Developing a skilled workforce responding to labor market needs, promoting job quality and lifelong learning	Employment	18, 20
9.) Improving the performance of education and training systems at all levels and increasing participation in tertiary education	Education	23, 24
10.) Promoting social inclusion and combating poverty	Social Cohesion	

Note: The right column is based on a comparison of the documents European Commission, 2010d and European Commission, 2007; it shows which of the 2008-2010 IGs correspond to the new IGs. While the cross referenced IGs are not identical, a significant overlap in policy objectives was found to exist.

Table 2

## Lessons learned from the Lisbon Strategy

Lesson	Extent of Learning (0-4)
Avoiding an overloaded agenda	1
Stipulating a clear goal (prioritizing)	0
Establishing a measuring-rod (monitoring and evaluation process)	0
Accounting for differing starting positions of the Member States	3
EU-Level reforms (address shortcomings of CLP)	2
Policy Recommendations (sharpening the soft instruments)	4
OMC (establishing benchmarking process, political consensus)	0
OMC (improve mutual learning process, transparency and participation)	0
Ownership (overcome bureaucratic character, incentives for participation)	0
Communication (explain rationale to shareholders, facilitate support)	1

Note: The scale applied for evaluating the extent of learning is the following: 0 = 'lesson not learned', 1 = 'minor structural adjustments', 2 = 'significant structural adjustments', 3 = 'corrective measures', 4 = 'lesson learned (significant corrective measures)'

Figure 1

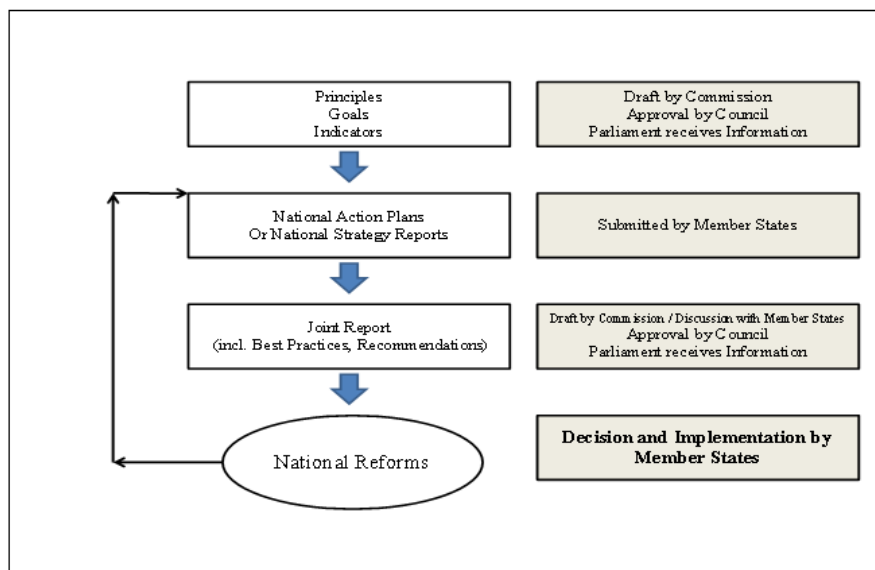
Europe 2020 policy framework – headline targets and flagship initiatives (European Commission, 2010, p.30)

Headline Targets		
<ul style="list-style-type: none"> <li>• Raise the employment rate of the population aged 20-64 from current 69% to at least 75%</li> <li>• Achieve the target of investing 3% of GDP in R&amp;D in particular by improving conditions for R&amp;D investment by the private sector, and develop a new indicator to track innovation.</li> <li>• Reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30% if the conditions are right, increase the share of renewable energy in our final energy consumption to 20% and achieve a 20% increase in energy efficiency.</li> <li>• Reduce the share of early school leavers to 10% from the current 15% and increase the share of the population aged 30-34 having completed tertiary education from 31% to at least 40%.</li> <li>• Reduce the number of Europeans living below national poverty lines by 25%, lifting 20 million people out of poverty</li> </ul>		
Smart Growth	Sustainable Growth	Inclusive Growth
<p>INNOVATION – EU flagship initiative “<b>Innovation Union</b>” to improve framework conditions and access to finance for research and innovation so as to strengthen the innovation chain and boost levels of investment throughout the Union.</p>	<p>CLIMATE, ENERGY AND MOBILITY – EU flagship initiative “<b>Resource efficient Europe</b>” to help decouple economic growth from the use of resources, by decarbonising our economy, increasing the use of renewable sources, modernizing our transport sector and promoting energy efficiency.</p>	<p>EMPLOYMENT AND SKILLS – EU flagship initiative “<b>An agenda for new skills and jobs</b>” to modernize labor markets by facilitating labor mobility and the development of skills throughout the lifecycle with a view to increase labor participation and better match labor supply and demand.</p>

<p>EDUCATION – EU flagship initiative “<b>Youth on the move</b>” to enhance the performance of education systems and reinforce the international attractiveness of Europe’s higher education</p>	<p>COMPETITIVENES – EU flagship initiative “<b>An industrial policy for the globalization era</b>” to improve the business environment especially for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.</p>	<p>FIGHTING POVERTY – EU flagship initiative “<b>European platform against poverty</b>” to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.</p>
<p>DIGITAL SOCIETY – EU flagship initiative “<b>A digital agenda for Europe</b>” to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.</p>		

Figure 2

Ideal-typical OMC process



Note: The figure is a translated and slightly modified version derived from Eckardt and Kerber, 2004, p.125. It must be noted that such a figure constitutes a “rather abstract template” by providing an illustration of the “ideal-typical sequence of ‘guidelines-indicators-national plans-evaluation’”, which in reality does not emerge in all relevant policy areas (as emphasized by Radaelli, 2003, p.2., p.9. and p.15).