

# NEWSLETTER

January – June 2005

*'The Lisbon Council has achieved an astonishing amount in its short history, and has acted as an important forum of ideas and fresh thinking. Its whole raison d'être is to keep the spirit of the Lisbon Agenda alive and burning brightly.'*

- José Manuel Barroso, president of the European Commission

## The 2005 Young Leaders for Lisbon Congress

On 14 March, the Lisbon Council launched its biggest event to date: **The 2005 Young Leaders for Lisbon Congress**. Only days before the Mid-term Review of the Lisbon Agenda and the traditional spring economic summit of EU leaders, the Lisbon Council sent an important and timely signal: young people across Europe are coming together to support economic reform and social renewal. **José Manuel Barroso**, president of the European Commission, kicked off the event with **The 2005 Robert Schuman Lecture**. In a well-argued and passionate address, the European Commission president laid out his vision for an economically vibrant Europe, called for the Lisbon Agenda to be re-energized and sketched out a roadmap for the completion of the internal market, including in services. His remarks, which were featured prominently in print media and TV throughout Europe, were met with enthusiastic approval and standing ovations.



President Barroso and the Young Leaders for Lisbon

In the afternoon, the Lisbon Council convened a working group for the **Board of Economists**, one of three advisory groups offering top-level advice to Lisbon Council campaigns. **Jean-Philippe Cotis**, chief economist of the Organisation for Economic Co-Operation and Development (OECD), led the meeting with a stirring presentation on the outlook for structural reform in Europe. In the evening, participants and other friends were invited to a **Celebration of the Lisbon Agenda**. Dutch DJs and video artists **Urbi et Orbi** threw a party with lots of fun and dancing.



Jean-Philippe Cotis, OECD chief economist, leads a structural reform working group



CNBC interviews Allianz Group Chief Economist Michael Heise



Nokia CEO Jorma Ollila joins Celebration of Lisbon Agenda



Czech Deputy Prime Minister Jahn, left, and Murat Sarayli

## Taking the Agenda Forward: Debates and Briefings

*'Eventually there comes a time when additional government spending no longer generates increased prosperity; on the contrary, in fact, prosperity begins to decline as further government growth saps the meagre resources of the private sector where they could be more productively used.'*

- Prime Minister Guy Verhofstadt in a working paper discussed at the Board of Economists meeting

Having established itself as a trusted sounding board for policy makers and senior economists, the Lisbon Council convened two top-level events aimed at furthering the Lisbon Agenda and deepening our understanding of economic reform. On 8 March, Belgian Prime Minister **Guy Verhofstadt** invited the **Board of Economists** to a pre-summit pow-wow in the Lambermont, the Prime Minister's official residence, on the eve of the European Council Spring Summit. On 23 June, **André Sapir**, author of the influential report *An Agenda for a Growing Europe* and senior fellow at think tank BRUEGEL, briefed the Lisbon Council on his proposals for an EU budget overhaul. He spoke just days after British Prime Minister Tony Blair praised Dr. Sapir's vision in a landmark speech to the European Parliament.



Prime Minister Verhofstadt hosts the Board of Economists



André Sapir lays out his vision of an EU that promotes knowledge

## Modernizing the European Social Model

*'[The European social model's] function is not to maintain the status quo in a sort of vacuum. And it cannot be allowed to become a museum in which we indulge in nostalgia for the good old days.'*

- Vladimir Špidla, Social Affairs Commissioner, in The 2005 Jean Jacques Rousseau Lecture

Continuing its landmark work on modernizing the European social model, the Lisbon Council and its network of pro-reform groups published – in the run-up to the Midterm-Review of the Lisbon Agenda – an **Open Letter to the European Council**. Calling on European leaders to centre the European social model on three pillars, inclusion, opportunity and sustainability, the Open Letter was widely read and published as a full-page ad in the weekly policy magazine *European Voice*.



Vladimir Špidla, Social Affairs Commissioner

**theLisbonCouncil**  
making Europe fit for the future

**Open Letter to the European Council**

**Reform Leaders Demand:  
Make Europe Social Again!**

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**European Council  
Spring Summit  
Brussels, 22-23 March 2005**



Executive Director Ann Mettler at the Meeting of OECD Social Affairs Ministers in Paris. At left, Hans van Ewijk, president Europe, International Council on Social Welfare and Elaine Henry, director, The Smith Family NGO, Australia

On 31 March, the Lisbon Council was invited to present its **Social Contract for the 21<sup>st</sup> Century** at the **Meeting of OECD Social Affairs Ministers** in Paris. Executive Director Ann Mettler called on the assembled Ministers from 30 countries to prepare more for the demographic challenge and apply the principle of sustainability to public finances and social security systems. On 20 June, EU Social Affairs Commissioner **Vladimir Špidla** joined the Modernizing the European Social Model Initiative, laying out his vision of a more contemporary and effective social model in **The 2005 Jean Jacques Rousseau Lecture**.



## The Services Directive: Building Support and Understanding

*'All OECD countries have experienced a strong shift to services over the past decade. Manufacturing employment has declined in most countries, in absolute as well as relative terms, but this has been more than compensated by a strong growth in service employment.'*

- OECD working Paper on 'The Impact of Structural Policies on Trade-Related Adjustment and the Shift to Services'

The Lisbon Council weighed in heavily on the debate on the Services Directive, the European Commission's plan to complete the internal market in services. President Paul Hofheinz and Executive Director Ann Mettler publicly campaigned in support of this vital directive, which would create hundreds of thousands of jobs and boast economic growth across the EU. Their comments were featured, *inter alia*, in The Economist and Financial Times, as well as on BBC TV and radio France Culture. On 25 April, **Berglind Asgeirsdottir**, deputy secretary-general of the Organisation for Economic Co-Operation and Development (OECD), joined the Lisbon Council for a fascinating debate on the economic benefits of opening the economy to free trade in services – and the need for an active social policy to accompany it. Two key European Parliament representatives – **Malcolm Harbour**, shadow rapporteur for the services directive from the EPP and **Anneli Jäättenmäki**, former prime minister of Finland and shadow rapporteur for ALDE – joined the dinner debate, which focused on the benefits and challenges of opening up the services sector.



MEP Jäättenmäki with Rolf Gustavsson, Svenska Dagbladet



Andrew Fielding, President Barroso's social policy adviser



Berglind Asgeirsdottir, making the case for trade in services

## Innovation Forum

*'If we want to remain at the forefront of global economic developments, if we want a society prosperous enough to support the social system in which we take such pride, we must learn to embrace meritocracy and change, and their twin sister, competition.'*

- Excerpt from the Lisbon Council Innovation Manifesto

On 2 March, the Lisbon Council continued its ongoing speaker series on innovation with a breakfast presentation by **Vasumathi Briquez**, senior director of strategy and innovation and chairperson of the Innovation Board EMEA of Oracle. An internationally renowned expert on innovation, Vasu explained how governments and companies can promote innovation and foster economic growth. Shortly thereafter, the Lisbon Council launched its own **Innovation Manifesto**, a hard-hitting call for Europe to once again push societal and scientific boundaries.



Vasumathi Briquez, senior director of Innovation at Oracle, explaining how innovation increases productivity and growth

## Energy Initiative



Mark Spelman

On 2 February, the Lisbon Council launched its **Energy Initiative** with a lunchtime debate on Europe's long-term energy challenges – and the solutions at our disposal. **Mark Spelman**, global managing partner for business growth and strategy and a member of the energy advisory board at Accenture, kicked off the discussion with an insightful assessment of Europe's future energy needs. The Lisbon Council plans to continue this initiative in coming weeks and months, as energy and rising energy prices touch on so many elements of social and economic development.

## New Members

The Board of Directors elected five new members to the association at its Board Meetings on 13 March and 25 August, 2005. The Lisbon Council now boasts 18 members – all of them recognized leaders in the European reform movement.



**Alja Brglez, founder and director, Institute for Civilization and Culture, Slovenia**  
Alja is founder of the Institute for Civilization and Culture, a Ljubljana-based think tank devoted to democratic development, economic transition and EU integration. Previously, she was government spokesperson and head of Prime Minister Janez Drnovšek's office. From 1995 to 1997, Alja was director of the George Soros Foundation of the Open Society Institute in Slovenia.



**Ben Butters, director, smallbusiness|europe, United Kingdom**  
In June 2001, Ben created smallbusiness|europe, a not-for-profit organization that provides Brussels-based consulting and information services to public- and private-sector clients. The group's aim is to ensure that representatives of the UK small- and medium-sized enterprises are fully informed about significant EU policy developments and able to follow the decision-making process.



**Isaac Getz, professor, idea, involvement and innovation management, ESCP-EAP European School of Management, France**  
Isaac is a renowned expert in creativity and idea management and organisational behaviour. Author of the book *Vos Idées Changent Tout! Le Secret de la Réussite Durable*, Isaac advises companies and regional governments on how to foster innovation in business and government.



**Jean-Pierre Lehmann, founding director, Evian Group, France; director, Open World Initiative**  
In 1994, Jean-Pierre founded the Evian Group, a policy network committed to responsible free trade and economic development. In 2003, he launched the Open World Initiative, a movement of young professionals who work towards an open world economy, sustainable economic growth and human development. Jean-Pierre is also professor of international political economy at IMD International Institute for Management Development in Lausanne, Switzerland.



**Jörg Tremmel, founder and director, Foundation for the Rights of Future Generations, Germany**  
In 1997, Jörg founded the Foundation for the Rights of Future Generations, a non-profit and non-partisan think tank. Over the years, FRFG has become one of Europe's most authoritative voices of sustainability and generational justice. It currently works with a cross-party coalition of young members of the Bundestag on amending the German constitution to include a clause on generational justice and fiscal sustainability.

## Upcoming

**The 2005 Guglielmo Marconi Lecture : Innovation Initiative**  
Günter Verheugen, vice-president of the European Commission, kicks off the fall Innovation Forum meeting.

**The 2005 Ludwig Erhard Lecture: Structural Reform Initiative**  
Raghuram Rajan, chief economist of the International Monetary Fund, joins the Board of Economists for the fall meeting.

*'The world is a dangerous place, not because of those who do evil, but because of those who look on and do nothing.'*

- Albert Einstein

**TOGETHER, WE CAN AND WILL MAKE A DIFFERENCE**