

theLisboncouncil

think tank for the 21st century

2012

Annual Report

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Dear friends,

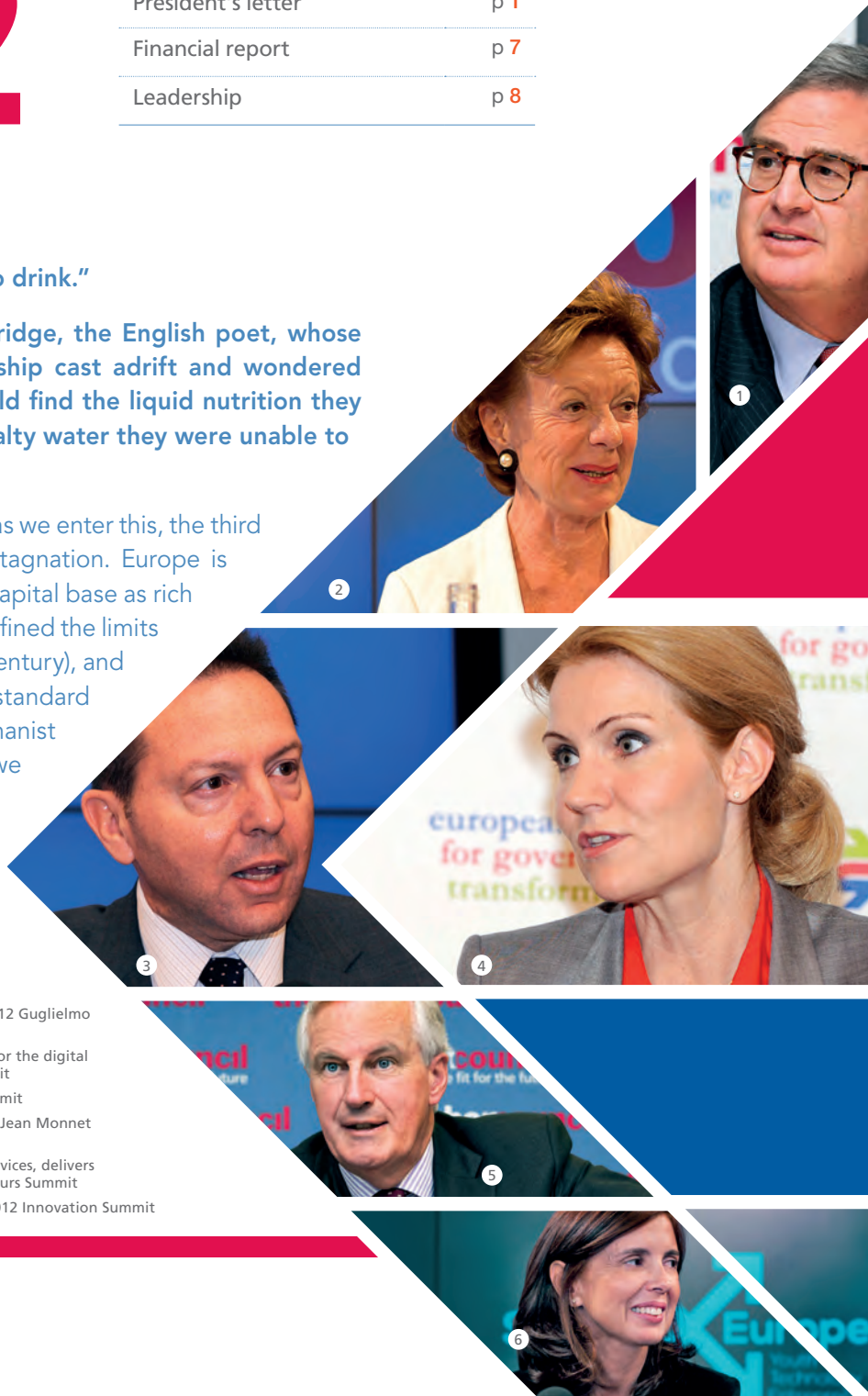
"Water, water everywhere, and not a drop to drink."

Those are the words of Samuel Taylor Coleridge, the English poet, whose ancient mariner surveyed the seas from a ship cast adrift and wondered where, when and how his fellow sailors would find the liquid nutrition they so badly needed – surreally surrounded by salty water they were unable to drink.

This description might apply to Europe as well, as we enter this, the third year, of rising unemployment and economic stagnation. Europe is indeed a wealthy continent. It boasts a human capital base as rich as any, a tradition of innovation that has often defined the limits of human achievement (particularly in the 19th century), and a cultural foundation that continues to set the standard for much of what is progressive, modern and humanist in the world. And yet, like the ancient mariner, we are unable to turn these points of vast wealth into the prosperity we need.

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1. Samuel J. Palmisano, chairman and former CEO of IBM, delivers The 2012 Guglielmo Marconi Lecture
2. Neelie Kroes, vice-president of the European Commission responsible for the digital agenda, keynotes The 2012 Intellectual Property and Innovation Summit
3. Yannis Stournaras, finance minister of Greece, at The Europe 2020 Summit
4. Helle Thorning-Schmidt, prime minister of Denmark, delivers The 2012 Jean Monnet Lecture at The 2012 European Summit for Government Transformation
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1. Ann Mettler, executive director, speaks at the Innovation Convention, hosted by the European Commission
2. José Manuel Barroso, president of the European Commission, keynotes The Europe 2020 Summit
3. Máire Geoghegan-Quinn, European commissioner for research, innovation and science, joins a high-level roundtable at The 2012 Innovation Summit
4. Alessandro Leipold, chief economist, the Lisbon Council, launches his latest policy brief
5. Ian Hargreaves, co-editor of *Intellectual Property and Innovation*, a Lisbon Council publication launched in 2012
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Letter from the President

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Annual Report 2012



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And yet, 2012 was a very good year for the Lisbon Council. The organisation grew in size, scope and stature, convening an unprecedented 16 roundtables and summits, hosting seven commissioners, four director-generals and one head of state, and producing six highly regarded publications. We also expanded into new areas, extending the work of our three “centres of excellence,” which are multi-year collaborations devoted to exploring topics of immense importance to Europe’s future renewal. **The Single Market Entrepreneurs Centre** (a collaboration with Google) hosted two well-attended, high-level workshops, and convened **The 2012 Single Market Entrepreneurs Summit**, where Michel Barnier, European commissioner for internal market and services, delivered **The 2012 Ludwig Erhard Lecture** and contributed a foreword to **SMEs in the Single Market: A Growth Agenda for the 21st Century** (a collection of essays reflecting on the role of small business in driving forward the single market and the potential of the single market for empowering small business), which was launched at the Summit. **The European**

Centre for Government Transformation, a collaboration with the College of Europe and Accenture, convened three high-level roundtables on digital government, employment and sustainable public finances – and hosted **The European Summit for Government Transformation**, where Helle Thorning-Schmidt, prime minister of Denmark, delivered **The 2012 Jean Monnet Lecture** and awarded **The 2012 Public Service Innovation Award** to a team of College of Europe students for their study of the *Bundesagentur für Arbeit* in Germany (four teams took part in the competition, which were judged by a jury of government executives and state-transformation experts led by former European Commissioner Meglena Kuneva). And the **Gan Zhao Li Centre** – the centre of excellence devoted to Sino-European dialogue in the area of education, social transformation and innovation – took its first steps at a high-level roundtable on China’s new executive elite (the guest speaker, John Quelch, distinguished professor of international



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management, vice-president and dean of the China-Europe International Business School [CEIBS] in Shanghai, gave a fascinating presentation on China's emerging business education system).

We also launched a new centre of excellence – **StartUp Europe** – at **The 2012 Innovation Summit**. At that Summit, Máire Geoghegan-Quinn, European commissioner for research, innovation and science, delivered **The 2012 Robert Schuman Lecture** – a sign that the Lisbon Council views research and innovation as a core part of Europe's economic mission. Andreas Schleicher, special adviser on education policy to the secretary general and director of the Programme for International Student Assessment (PISA) at the OECD, and Enrico Giovannini, then president of the Italian National Institute of Statistics (ISTAT), delivered important addresses on the role of skills and education in economic renewal and the power of statistics to drive social change. A few months later, Mr. Giovannini was named minister of labour and social policies in the government of Italian Prime Minister Enrico Letta. Together with Eva Castillo Sanz, chairwoman and CEO of Telefónica Europe, the three helped launch StartUp Europe, a multi-year collaboration between the Lisbon Council and Telefónica. The initiative is dedicated to raising digital literacy, web entrepreneurship and youth empowerment. StartUp Europe forms part of a pledge to the European Commission's Startup Europe initiative.

1. Enrico Giovannini, minister of labour and social policies of Italy, joins The 2012 Innovation Summit
2. Michel Vivant, full professor and academic director of the intellectual property programme in the master's in Droit économique at Sciences Po, and Cédric Manara, associate professor of Internet and intellectual property law at EDHEC Business School, meet at The 2012 Intellectual Property and Innovation Summit
3. Major publications in 2012.
Visit www.lisboncouncil.net/publications

Also noteworthy were **The Europe 2020 Summit** and **The 2012 Euro Summit**, where we hosted a wealth of high-level dignitaries for a series of hard-hitting roundtables and panels which – while they clearly failed to solve the euro crisis – nonetheless produced several fascinating rounds of solution-driven debate. José Manuel Barroso, keynoted The Europe 2020 Summit, marking his seventh appearance at the Lisbon Council as president of the European Commission. We were delighted to host three Europe ministers that day, including Nicolai Wammen (Denmark), Enzo Moavero Milanesi (Italy) and David Liddington (UK), where the latter two presented their governments' joint growth initiative for Europe. Yannis Stournaras, general director of the Foundation for Economic and Industrial Research in Greece, also joined the debate, and presented a fascinating account of the Greek reform path just weeks before he was appointed finance minister in a major reshuffle (as of this writing, he remains in that position, and continues to perform admirably in what must be one of the world's toughest assignments). The Europe 2020 Summit was convened in collaboration with the Government of Denmark, which then held the rotating Presidency of the Council of the European Union, and took place on the eve of the vital European Council Spring Summit, where key economic decisions were taken.

We also hosted important high-level roundtables on delivering smarter cities and using technology to improve mobility and public safety, where Danuta Hübner (chair of the committee



on regional development in the European Parliament and former European commissioner for regional policy) and Cecilia Malmström (European commissioner for home affairs) spoke, respectively. And we hosted Samuel J. Palmisano, then chairman of IBM, for an important speech on “Global Integration, Act II.” And Taylor Reynolds, senior economist for the information economy at the OECD, launched the OECD’s Internet Economy Outlook 2012 at a special briefing.

It was a good year in terms of publications and thought leadership, as well. Along with our College of Europe student case studies on state transformation and the collection of essays on SMEs in Europe (both described above), we launched four additional publications during the course of the year. In **Intellectual Property and Innovation: A Framework for 21st Century Growth and Jobs**, co-edited with Ian Hargreaves, professor of digital economy at the University of Cardiff and author of *Digital Opportunity: A Review of Intellectual Property and Growth* (a high-level review prepared for UK Prime Minister David Cameron), we brought together 10 leading European intellectuals and industry practitioners for a fascinating discussion of Europe’s intellectual-property challenges (Neelie Kroes, vice-president of the European Commission and commissioner for the digital agenda, joined us for **The 2012 Intellectual Property and Innovation Summit**, where the publication was launched, and praised the work as an important contribution to Europe’s digital

agenda). In **Wired for Growth and Innovation: How Digital Technologies are Reshaping Small- and Medium-Sized Businesses and Empowering Entrepreneurs**, Ann Mettler and Anthony D. Williams, executive director and senior fellow at the Lisbon Council respectively, looked deeply at the way technology has empowered small business and stood traditional economic reality on its head – empowering a generation of small organisations to take on global reach and better define the cutting edge of innovation (the publication was a follow-up to 2011’s highly successful *The Rise of the Micro-Multinational: How Freelancers and Technology-Savvy Start-Ups are Driving Growth, Jobs and Innovation* by the same authors). In **The 2012 Euro Plus Monitor: The Rocky Road to Balanced Growth**, economist Holger Schmieding led a team of researchers from Berenberg Bank to benchmark leading European countries on a host of indicators, including long-term competitiveness and the speed with which they are improving their economies. And Alessandro Leipold weighed in with a well-regarded contribution on **Lessons in Crisis Management: Making the European Stability Mechanism Work**, drawing on his years of experience at the International Monetary Fund, where he led frequent missions to Europe and held the post of acting director of the European department before joining the Lisbon Council as chief economist in 2010. These publications and more can be downloaded on the Lisbon Council website at www.lisboncouncil.net/publications.

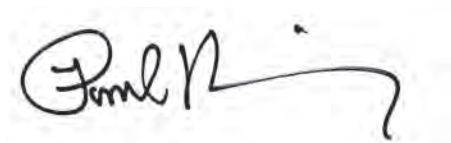
In addition, we added to and strengthened the team in the course of the year. Following the success of *Intellectual Property and Innovation* and The 2012 Intellectual Property and Innovation Summit, Ian Hargreaves joined as senior fellow, where he will continue to set the standard for leading-edge research in these fields and help us look more closely at contemporary challenges in media and the creative industries. We also beefed up the central secretariat in Brussels, adding staff and promoting internally to allow us better to communicate and keep track of our ever-growing community.

Financially, we raised €864,292.56 – a record amount for the Lisbon Council in a single year and a sign that our work continues to generate trust, support and engagement. We continued to control costs effectively, though expenses went up in line with the overall expansion. In the course of the year, we spent €880,282.45 – which, combined with a depreciation charge of €18,904.81, gave an operating loss of €34,894.70.

The Lisbon Council sees the challenges Europe faces not as a mark of shame but as an opportunity to work even harder to deliver crisp new thinking to the on-going debate. And we believe that, in the end, we know exactly where to find solutions to Europe's problems – they reside with you, the vast community, now numbering several thousand, of people who have joined one of our events or read one of our publications. We believe the work of a think tank is not simply to study society and generate new ideas – though we have certainly done that these last nine years. It is also to serve as an important convening point, where the power

and creativity of citizens themselves can intersect with policymaking at the highest level, bringing new energy and insight to the tests we face and ultimately forming a vibrant community out of which Europe's recovery will eventually come.

2013 is an important year for the Lisbon Council, one where we will celebrate our tenth anniversary and (hopefully) see the first shoots of recovery in Europe's economy. But 2014 will be important as well. In that year, European people will elect a new parliament and, together with the member states, they will choose a new European Commission. This offers a huge opportunity, a chance to focus on Europe's renewal, and move beyond the stagnation of recent years to a new plane. The Lisbon Council will be working throughout this transition, seeking to build a foundation for better policies and policymaking in the years to come. We thank you for the trust you have shown and the support you have given. And we look forward to continuing to work with you in the weeks, months and years ahead.



Paul Hofheinz
President and co-founder
The Lisbon Council asbl

Financial Report

Income and Expenditure*

	2012	2011
Income	€864,292.56	€801,296.07
Donations	€693,000.00	€547,487.69
Grants	€171,292.56	€253,808.38
Expenditure	€899,187.26	€835,006.17
Office	€56,998.33	€68,885.05
Administration	€563,758.43	€435,121.39
Travel	€23,432.95	€29,257.57
Events	€167,463.01	€228,160.29
Publications	€68,629.73	€57,119.05
Depreciation	€18,904.81	€16,462.82

*covering the 12-month period ending 31 December 2012

Balance Sheet**

	2012	2011
Assets	€72,278.96	€68,034.02
Fixed Assets	€31,708.44	€26,002.59
Net equipment	€30,547.56	€21,173.98
Net furniture	€1,160.88	€4,828.61
Current Assets	€40,570.52	€42,031.43
Accounts receivable	€40,000.00	€40,000.00
Cash or equivalents	0.00	0.00
Deferrals and accruals	€570.52	€2,031.43
Liabilities	€72,278.96	€68,034.02
Retained Earnings (Reserves)	(€39,934.54)	(€5,039.84)
Current Liabilities	€112,213.50	€73,073.86
Accounts payable	€72,942.15	€34,743.18
Salaries payable	€5,584.88	€3,495.64
Bank	€33,556.97	€29,256.75
Current account	€129.50	€5,578.29

**as of 31 December 2012

Acknowledgements

The Lisbon Council is sustained by a diversified funding base with three pillars: an operating grant from the European Commission, research grants won in competitive tenders, and donations from corporations and foundations. The Lisbon Council would like to thank the European Commission's **Education, Audiovisual and Culture Executive Agency** for an operating grant in 2012 under its programme "support for organisations active at the European level in the field of active European citizenship," without which much of this work would not have been possible.

Thanks as well to **Accenture, EU Representation of Navarra, Berenberg Bank, Permanent Representation of Denmark to the European Union, Google, HP, IBM, KAPP Netherlands, Oracle, Philips** and **Telefónica** for their support in 2012. Thanks as well to **Salesforce.com** for database support through Salesforce.com Foundation's non-profit assistance programme. The Lisbon Council is an independent, non-partisan association. Financial or other support for the Lisbon Council does not imply acceptance or endorsement of any view, opinion or statement expressed by the Lisbon Council or any of its associates.

Leadership

Paul Hofheinz (president and co-founder)

Ann Mettler (executive director and co-founder)

Tjark de Lange (treasurer and co-founder)

Senior fellows and managers

Ian Hargreaves (senior fellow, the Lisbon Council; professor of digital economy, University of Cardiff), **Alessandro Leipold** (chief economist, the Lisbon Council; former acting director, European Department, International Monetary Fund), **Stéphanie Lepczynski**, (associate director), **Chrysoula Mitta** (community manager), **Martin Schuurmans** (senior adviser for innovation and entrepreneurship, the Lisbon Council; founding chairman, European Institute for Innovation and Technology [EIT]), **Anthony D. Williams** (senior fellow for innovation; director and co-founder, Centre for Digital Entrepreneurship and Economic Performance, Canada)



The 2012 Intellectual Property and Innovation Summit

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Holger Schmieding, chief economist, Berenberg Bank; principal author, The 2012 Euro Plus Monitor



Marco Buti, director-general, DG economic and financial affairs, European Commission

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The Lisbon Council for Economic Competitiveness and Social Renewal asbl is a Brussels-based think tank and policy network. Established in 2003 in Belgium as a non-profit, non-partisan association, the group is dedicated to making a positive contribution through cutting-edge research and by engaging politicians and the public at large in a constructive exchange about the economic and social challenges of the 21st century.

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