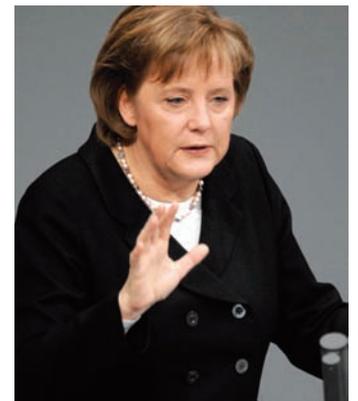


‘We have – and that should be mentioned for once – made progress. A recent study by Allianz and the think tank Lisbon Council has shown that Sweden, Belgium, Germany and Great Britain have caught up with the United States in productivity growth. We all know of the relativity of such studies. But I believe this result gives us courage to pursue further reform steps.’

Angela Merkel, chancellor of Germany, speaking in the Bundestag



Angela Merkel

Photo: Bundesregierung/Bergmann

## Lisbon Council and Allianz Launch European Growth and Jobs Monitor



On 26 February, the Lisbon Council and Allianz SE launched the **European Growth and Jobs Monitor: Indicators for Success in the Knowledge Economy**. Using newly developed criteria to analyse the economy, the study found that – thanks to improved job creation and better economic performance – Europe is making faster progress on the economic and social front than many people realise. Compiled under the guidance of Prof. Dr. Michael Heise, chief economist at Allianz, the study found that Sweden ranked No. 1 in meeting the so-called Lisbon criteria. Germany also scored high. Belgium weighed in at No. 2, having shown the most improvement in the last year, while France and Italy lagged behind. Released on the eve of the European Council’s annual spring summit on economic reform, the study generated wide press coverage in major media outlets, including *Financial Times*, *Le Monde*, *Handelsblatt*, *Neue Zürcher Zeitung* and many others. Speaking in the German Bundestag, German Chancellor Angela Merkel said the study “gives us courage to pursue further reform steps.” EU Economic and Monetary Affairs Commissioner Joaquín Almunia also praised the report, noting that “it provides encouragement to continue on the path of reforms which is the only way to deliver a better and brighter future for Europe.” The study is available for downloading on the Lisbon Council website at [www.lisboncouncil.net](http://www.lisboncouncil.net).

## The 2007 Growth and Jobs Summit: A Resounding Success

On 27 February, the Lisbon Council convened its fourth annual **Growth and Jobs Summit**. Held in the week leading up to the spring European Council when EU leaders take stock of the Lisbon process, top speakers included Michael Glos, minister of economy and technology and chairman of the Competitiveness Council during the German EU Presidency and Angel Gurría, secretary-general of the Organisation for Economic Co-Operation and Development (OECD), who delivered a landmark address on human capital. In addition, newly appointed Commissioner for Consumer Affairs Meglena Kuneva outlined her vision of how robust



Michael Heise,  
chief economist of Allianz



Angel Gurría, Meglena Kuneva and Michael Glos

consumer policy can create jobs and drive forward prosperity in her first major policy address to a Brussels think tank. In attendance were over 150 high-level guests, who used the occasion to get up to speed on the latest thinking on the Lisbon Agenda. As at previous Lisbon Council events, we were pleased to be joined by College of Europe students, who contributed greatly to the meeting with their dynamism, curiosity and intense interest in EU affairs.

**'Ageing will not only put pressure on public finances by driving up ageing-related expenditure, but will also bring down the potential growth rate of Europe if no reforms take place.'**

Jean-Claude Trichet, president of the European Central Bank, in The 2007 Jean Monnet Lecture

## Jean-Claude Trichet Address at Sustainability Initiative



Jean-Claude Trichet

On 04 June, the Lisbon Council hosted Jean-Claude Trichet, president of the European Central Bank, who delivered **The 2007 Jean Monnet Lecture**. Taking part in the Lisbon Council's ongoing **Sustainability Initiative**, President Trichet called on member states to use the economic recovery to consolidate public finances and prepare for an ageing population. Looking ahead, he pointed to four particularly important challenges: raising the employment rate, increasing competition, unlocking business potential and supporting an innovative environment. At the same time, President Trichet highlighted how monetary union has helped Europe increase its competitiveness and prosperity, and delivered a vigorous defence of price stability and fiscal discipline. The speech is available for downloading on the Lisbon Council website at [www.lisboncouncil.net](http://www.lisboncouncil.net).

## Board of Economists Summit

As part of its annual gathering, the Lisbon Council **Board of Economists** convened for a high-level working group led by Dr. Martin Baily, senior fellow at the Brookings Institution and former chairman of the Council of Economic Advisers under US President Bill Clinton. Dr. Baily delivered a presentation on **Sustaining the Eurozone Recovery: Strategies for Reform and Renewal**, which included new research on European growth prospects and labour market performance. Copies of Dr. Baily's presentation can be downloaded on the Lisbon Council website at [www.lisboncouncil.net](http://www.lisboncouncil.net).



Martin Baily



From left: Joachim Fels, managing director at Morgan Stanley; Steven Fries, chief economist at Shell; Mike Hume, chief European economist at Lehman Brothers, and Hans-Ulrich Maerki, chairman of IBM Europe

## Flexicurity at Zukunftssalon: Forum for the Future



Marina Hoffmann, adviser at Dansk Metal trade union, explaining the nuts and bolts of flexicurity



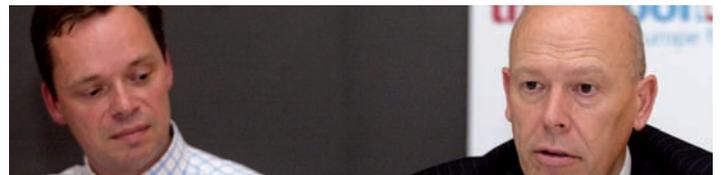
Poul Nyrup Rasmussen, president of the Party of European Socialists, former prime minister of Denmark

Co-hosted by Poul Nyrup Rasmussen, president of the Party of European Socialists, former prime minister of Denmark and architect of the original flexicurity reforms, the Lisbon Council's **Zukunftssalon: Forum for the Future** brought together key stakeholders in the current policy debate. Participants from the EU institutions were joined by Dr. Martin Baily, senior fellow at the Brookings Institution and member of the Lisbon Council Board of

Economists, and Marina Hoffmann, senior adviser at Dansk Metal trade union. Much of the debate focused on the upcoming European Commission communication on flexicurity, and the need to ensure that more and better jobs are created, in line with the goals laid out in the Lisbon Agenda. There was broad consensus that flexicurity must be accompanied by active labour market policies, as well as a concerted investment strategy in life-long learning.

## Climate Change Action Group Convenes

Following on the heels of our landmark event with Al Gore last October, the Lisbon Council officially launched its **Climate Change Action Group** on 07 June. Jos Delbeke, director for climate change at the European Commission's DG Environment, kicked off the debate with a presentation of the European Commission's priorities and plans in the field of climate change. Fridtjof Unander, deputy executive director at Enova, a leading Norwegian agency in the area of environmental innovation and technology, weighed in with an advance look at his forthcoming policy brief: **An Action Plan for Curbing Global Climate Change**. Among the discussants were senior climate change experts from Allianz, ArcelorMittal, IBM, Philips, Progressio Foundation, Schlumberger Carbon Services, Statoil and Veolia.



Jos Delbeke lays out EU plans to fight climate change. At left, Harry Verhaar, senior director of climate change at Philips Lighting



Claude Roulet, senior adviser at Schlumberger Carbon Services, and Martijn Quinn of the cabinet of Commissioner Dimas

## Skills for the Future

Following the successful **Jobs of the Future** study, this report, published together with Accenture, examined the imperative of



Mark Spelman

bringing government, business and individuals together to develop the skills and human capital Europe needs to excel in a fast-moving global economy. The analysis explained the implications of the rise of the knowledge economy, and examined the responsibilities of different stakeholders – from the individual level, to the organisational and policy levels. Particular emphasis was placed on how to facilitate the necessary change and accompany the process of upgrading skills sets. On 24 April, the report's principal author, Mark Spelman, chief strategist for Europe at Accenture, led a high-level working group on skills and human capital development. Given its timely focus on skills, the report has received significant attention and press coverage, including two articles in *Financial Times* as well as a feature in Belgian business magazine *Trends Tendances*. The study is available for downloading on the Lisbon Council website at [www.lisboncouncil.net](http://www.lisboncouncil.net).

**'Today, intangible assets such as knowledge and skills account for 70% of the total value of companies in the S&P 500. This trend is having a fundamental impact on both new and existing business models as well as the skills required by those businesses.'**

From Skills for the Future study

## Lisbon Council Receives 2007 Operating Grant from European Commission

The Lisbon Council received an operating grant for 2007 from the European Commission's Education, Audiovisual and Culture Executive Agency. Part of the citizenship programme, the funding line was earmarked for "structural support for European public policy research organisations and for civil society organisations at European level." The Lisbon Council extends its deepest gratitude to the Education, Audiovisual and Culture Executive Agency for its support, which will be vital in expanding our activities and growing the organisation.



## Young Leaders for Lisbon Meet for Strategy Session

Meeting in the margins of the **Growth and Jobs Summit**, the **Young Leaders for Lisbon** network convened for its annual strategy session. Members exchanged views and experiences, and laid out their vision for how civil society can best contribute to the Lisbon process. Among the people taking part were leaders of the Aspen Institute (France), demosEUROPA (Poland), Deutschland Denken! (Germany), En Temps Réel (France), Foundation for the Rights of Future Generations (Germany), Kennisland (Netherlands) and Progressio Foundation (Netherlands).



## Outreach

In January, Dr. Peer Ederer, director of the Lisbon Council's **European Human Capital Project**, was invited to present the **European Human Capital Index** at the centre d'analyse stratégique, the think tank of the French prime minister.



Vice President Al Gore and Paul Hofheinz, president of the Lisbon Council, in Brussels

In February, EU Commissioner Meglena Kuneva invited Lisbon Council principals and William W. Lewis, founding director of the McKinsey Global Institute, to a working session on consumer policy and productivity. In March, Paul Hofheinz, president of the Lisbon Council, accompanied Al Gore during a visit to Brussels which included, inter alia, a meeting with Prime Minister Guy Verhofstadt. In May, Ann Mettler, executive director of the Lisbon Council, met with Alan Johnson, then UK secretary of state for education and skills, for a discussion on human capital development.

Lisbon Council principals also took an active part in numerous events, among them the OECD World Forum in Istanbul, the International Benchmarking Forum in Basel, a Policy Network workshop in collaboration with the Portuguese Presidency in Lisbon, the EBN Annual Congress in Canterbury, the Centre for European Reform Lisbon Scorecard launch in London and the College of Europe's Intensive Seminar series in Bruges.

'In Italy, more than 50% of the work force falls into the category "low skilled," while a mere 10% boast a tertiary education. How much longer can such a country have a rightful place in the G-8 group of leading economies, particularly at a time when India is graduating 600,000 engineering students a year and China is in the process of building 100 world-class universities?'

Ann Mettler, executive director of the Lisbon Council, in Wall Street Journal Europe editorial

## New Members and Managers

### Miroslav Beblavy, executive director and co-founder, Slovak Governance Institute, Slovakia

Between 2002 and 2006, Miroslav was state secretary of the Ministry of Labour, Social Affairs and Family of Slovakia. He focuses on issues of employment and social policy, public finance and monetary policy, education policy and governance. His graduate education, including a PhD in economics, was done at the University of St Andrews in Scotland. He is the author of numerous papers and books. His most recent publication is *Monetary Policy in Central Europe*, published by Routledge in the UK and US in 2007.



Miroslav Beblavy



Ben Butters

### Ben Butters, director, entrepreneurs programme

A member of the Lisbon Council since 2005, Ben Butters, one of Europe's most respected SME experts and entrepreneurship advocates, has been appointed director, entrepreneurs programme. In his new capacity, Ben will develop content for – and build a network of – entrepreneurs across Europe. The efforts will culminate in an annual **Innovation and Entrepreneurship Day** and a dedicated website for **Entrepreneurs in Europe**. Ben is the founder of **smallbusinesseurope**, one of the most effective information services for the SME community.

### Marcello Palazzi, founder and president, Progressio Foundation, Netherlands

Marcello is a serial business and social entrepreneur operating as a generator, developer and engineer of new ventures with progressive partners in and across the domains of business, finance, civil society, philanthropy, government and leadership development. His main vehicle since 1989 has been Progressio Foundation, which he founded in Rotterdam. In pursuit of "progress through enterprise," the foundation has completed some 120 projects in 17 countries to date under his stewardship.



Marcello Palazzi



Pawel Swieboda

### Pawel Swieboda, founder and director, demosEUROPA – Centre for European Strategy, Poland

In July 2006, Pawel founded demosEUROPA – Centre for European Strategy. Previously, he worked as advisor to the president of Poland on EU issues in the years 1996-2000. He then headed the Office for European Integration in the chancellery of the president. In the years 2001-2006, he served as director of the Department of the European Union in the Ministry of Foreign Affairs where he was responsible for EU accession negotiations and subsequently institutional reform in the Union and negotiations on the financial perspective. Pawel is the author of numerous articles on issues of European integration and international relations.

## Upcoming Events

### The Social Dimension of the Lisbon Agenda – September 2007

In line with the priorities of the Portuguese EU Presidency, the Lisbon Council convenes a special seminar on **The Ageing Workforce: Managing the Challenge, Seizing the Opportunity**. Highlights include a special address from Vladimir Špidla, European commissioner for employment, social affairs and equal opportunities, and a presentation by Mark Pearson, director of the social policy division at the Organisation for Economic Co-Operation and Development (OECD).



Vladimir Špidla

### Skills and Human Capital Summit – October 2007

This top-level seminar will look at the skills and human capital challenges Europe faces. Participants will debate and discuss the latest findings of the OECD's Programme for the International Assessment of Adult Competencies (PIAAC), the European Human Capital Index and a new Lisbon Council – Siemens initiative on **A Curriculum for the 21<sup>st</sup> Century**.



Don Tapscott

### Innovation and Entrepreneurship Day – November 2007

A one-day seminar for entrepreneurs and SMEs, with presentations by Don Tapscott, author of best-seller *Wikinomics: How Mass Collaboration Changes Everything. Lessons for Your Business from Web 2.0*; Charlie McCreevy, European commissioner for the internal market, and Francis Carpenter, chief executive officer of the European Investment Fund. The seminar is organised in collaboration with KBC Group and Oracle.

### Innovation in Services – November 2007

A high-level working group with leading-edge thinkers and practitioners from the European Commission, the private sector and academia. Discussions will centre on the changing nature of innovation, as well as the educational and human capital dimension of a service economy.

### The Economics of Environmental Protection – November 2007

Days before the United Nations Framework Convention on Climate Change convenes in Bali, Stavros Dimas, European commissioner for the environment, will deliver a timely intervention on **The Economics of Environmental Protection**. The Lisbon Council's **Climate Change Action Group** will meet for the occasion, and discuss how to advance and deepen its activities.



Stavros Dimas

## Forthcoming Publications

### Consumers and Competition

William W. Lewis, founding director of the McKinsey Global Institute, and Ann Mettler, executive director of the Lisbon Council, will explain how consumer-oriented policy making increases productivity and economic prosperity.

### Living Longer – Living Better

Published jointly by the Lisbon Council and IBM, this study will examine the implications of an ageing workforce, and lay out policy options for active ageing and labour market inclusion.

### Investing in Education: Raising our Game

On the occasion of the **Skills and Human Capital Summit**, the Lisbon Council will publish a policy brief on efficiency in educational spending. The study will look at ways productivity and educational outcomes can be improved.

### European Human Capital Index, Volume II

Following the successful first volume of the **European Human Capital Index**, this follow-up study will focus on the new EU member states and lay out their specific human capital challenges.

[www.lisboncouncil.net](http://www.lisboncouncil.net)

The Lisbon Council for Economic Competitiveness and Social Renewal asbl  
IPC-Residence Palace, 155 rue de la Loi, 1040 Brussels, Belgium  
T. +32 2 647 9575 F. +32 2 640 9828  
[info@lisboncouncil.net](mailto:info@lisboncouncil.net)



With the support of the European Union:  
Support for bodies that are active at the European level  
in the field of active European citizenship



Printed on FSC recycled paper