

Brussels, 2 February 2005

Commission launches ambitious Growth and Jobs strategy for the EU

The European Commission today presented a new strategy for the EU to create more growth and jobs. The strategy aims to revitalize the so-called Lisbon Agenda - the EU's economic reform agenda from 2000. The actions proposed today by the European Commission could boost GDP by 3% by 2010 and create over 6 million jobs. There is a compelling case for urgent action. Five years after its launch, the Lisbon Strategy is not on track to deliver the expected results. To preserve the EU's model of sustainable development for the future, the competitiveness of the Union must be strengthened, its economy must be dynamised. The Commission sets out a concrete action programme for the EU and its Member States to generate sustained economic growth and more and better jobs. It calls on Member States to launch a new EU partnership for growth and jobs at the Spring European Council (22/23 March).

Commission President Barroso said: "Europe must do better. What we are proposing today is to release Europe's tremendous economic potential. This is needed to maintain the European model of society we value so much. This is the foundation for social justice and opportunity for all. Our ambition is undiminished. The overall Lisbon goals were right, but the implementation was poor. The lesson from the last five years is that we must re-focus this agenda to deliver results. With this new strategy, I believe we have the right tools to achieve our goals. The real issue is not about facts and figures on paper. It is about their impact on people's lives: how we pay for our education, pensions, social services and health care. With these proposals, we have made tough choices and tough judgements. Our vision is, and remains, sustainable development. The Commission will be undeterred in its push for economic renewal."

Vice-President Günter Verheugen added: "This time we have to get it right, join forces and deliver on what our citizens care most about: jobs. Today's message is: There are no miracle solutions. We have to get down to work in a spirit of partnership and set the political framework to boost growth and jobs. The Commission will do its part that business can get on with business."

The European Commission today presented its policy recommendations for the Mid-Term Review of the so-called Lisbon agenda. To move from words to action, the Commission believes a renewed drive and focus on fewer, achievable objectives are necessary. Lisbon has been blown off course by a combination of economic conditions, international uncertainty, slow progress in the Member States and a gradual loss of political focus.

Faced with the challenge of ageing societies in Europe and intensifying international competition from countries such as India and China, Europe needs to raise its productivity growth and employ more people.

The Commission has put forward a concrete action programme which focuses on :

Making Europe a more attractive place to invest and work

- Completing the Single Market in areas which can deliver a real growth and job dividend and are of immediate relevance for consumers (a balanced agreement on services, regulated professions, energy, public procurement and financial services, a balanced agreement on REACH, the new framework for chemicals, which takes into account the impact of the competitiveness and innovation and SMEs).
- Ensure open and competitive markets inside and outside Europe : redirect State aids towards sectors with high growth potential, create a SME friendly business environment, create access to third markets, simplify European and national regulation.
- Improve European and national regulation to reduce the burden of administrative costs.
- Expand and improve European infrastructure.
- Continue to push for a Community patent and to move forward on a consolidated corporate tax base.

Knowledge and innovation for growth

- Reach a 3% GDP target for R and D expenditure.
- Promote the uptake of Information and Communication Technologies (ICT).
- Promote the development of innovation poles linking regional centres, universities and businesses.
- Boost European Technology Initiatives through public-private partnerships.
- Promote energy efficient and low emission eco-innovations.
- Contribute to a strong European industrial base through mobilising public and private partnerships.
- The Commission is proposing the creation of a European Institute for Technology to attract the best minds, ideas and businesses to Europe.

Creating more and better jobs

- Attract more people into employment in particular through action to reduce youth unemployment (European Youth initiative) and modernise social protection systems.
- Increase the adaptability of workers and enterprises and the flexibility of labour markets through removing obstacles to labour mobility.
- Invest more in human capital through better education and skills by reforming the EU Structural Fund and Cohesion Fund.

Partnership: Responsibility for the broad policy areas of employment, macroeconomic policy and structural reforms is shared between the Union and the Member States: therefore a partnership is needed. The Action Programme makes a clear distinction between actions at Member States and European Union level: building on the experience of the Internal Market Programme – it identifies responsibilities, sets deadlines and measures progress. Governments should appoint a “Mr or Ms Lisbon” to take charge of implementation.

It simplifies the delivery mechanisms: there will be – after wide consultation - one single national action programme and one single national implementation report.

Ambition has a cost: The Union will only be able to deliver on its investment and social cohesion objectives if the Member States are prepared to grant the EU a budget that reflects its key economic and social priorities and joint commitments.