

EDITORIAL

The 2000 European Council, held in Lisbon, adopted a strategy document for the coming decade, aimed at making Europe the most dynamic knowledge-based economy in the world. The Lisbon 'strategy' or 'process' had seen the light of day. Lisbon is scheduled for review in 2010, and new objectives are to be set for the decade ahead. Various analyses – most of them critical – have been carried out, devoted both to assessing past actions and to considering what new objectives should be set collectively. This issue of Transfer aims to feed into that critical debate on the eve of the European elections and in the run-up to the review of the Lisbon strategy. It has been produced in association with the Revue de l'IRES (France).

The issue opens with an introduction situating the Lisbon strategy in the context of European integration, particularly from an institutional point of view (the Constitutional Treaty). It highlights the reorientations which the Lisbon strategy has undergone, and most notably the tension between the cooperation process initiated by the open method of coordination (OMC) – judged potentially innovative – and the process pursued to draw up the Lisbon Treaty. The Lisbon process is then analysed in the light of the classic Community procedure, identifying elements of tension (e.g. subsidiarity in the social policy field under the Community method versus multi-level participation of stakeholders involved in the policy-making process; a sectoral approach under the Community method versus the integration of economic and social objectives, as well as of different social objectives among themselves). The OMC has in fact been extended to a number of areas and encourages participation not just by social dialogue participants but by civil society as a whole. The introduction ends with an assessment of the Lisbon strategy's social implications, analysed here primarily in terms of the European Employment Strategy (EES), whose goal – concerted action and cooperation among Member States to create a large number of quality jobs – proves not to have been achieved. Although the relevance of the Lisbon agenda guidelines is not called into question here, what does emerge clearly is that the OMC process has not become sufficiently embedded at Community level to ensure that good practice really is thoroughly assessed and transferred from country to country. Thus a 'soft' process has gradually taken hold, to such meagre effect that since 2004 the EES has had liberal economic leanings aimed at quantity (more jobs) to the detriment of quality (regardless of the nature and working conditions of those jobs). Any possibility that economic development might be based on an integration of the social and economic dimensions was therefore ruled out.

The contribution by Bruno Amable, Lilas Demmou and Ivan Ledezma subjects the Lisbon strategy to a critical analysis. They believe that it was doomed to failure from the outset purely on account of its orientation: a mix of economic liberalism, social democratic concerns and technological determinism of a neo-Schumpeterian bent. The authors present the

results of international comparisons of productivity and innovation, revealing that the wide disparities within the EU cannot be explained by simplistic pronouncements about the regulation of labour markets or product markets. They then turn their attention to the re-orientation introduced by the Council in 2005 (the 24 guidelines), which has tended to favour an economic environment that undermines the institutional basis of the continental model, hence standing in the way of a renewed European model. The authors' central argument is that the desire to bolster competition on product and services markets heightens the pressure for more flexibility on labour markets. In criticising the orthodox belief whereby structural unemployment is ascribed to labour market rigidity – through an analysis of the institutional and macroeconomic determinants of employment – they demonstrate that a reduction in unemployment should be sought by combining the deregulation of product markets with the preservation of employment protection. They show that a policy founded on enhanced competition is no replacement for one favouring research and education.

This same finding also shapes the contribution by Amparo Serrano Pascual, for whom the Lisbon strategy initiated a depoliticisation/deregulation of labour and employment issues, and a politicisation of subjectivity (promotion of 'self-governance'). The role of the European institutions under the OMC is thus to put forward ideas, policy representations and objectives to the detriment of a normative approach. The author regards multi-level governance as a means whereby the European institutions can face up to their loss of legitimacy and promote a method which favours self-regulation through the setting of numerical targets based on the construction of indicators, in the hope that a European model will emerge. Taking the example of flexicurity, she highlights the ambiguous nature of many concepts which are polysemic and paradoxical. She emphasises the fact that the notion of flexicurity is at odds with those of solidarity and collective responsibility. The Lisbon strategy seems to have suffused the EU with an atmosphere of individualisation and economic liberalism, obliging individuals to take responsibility for their own circumstances and condemning any hint of labour market regulation by politicians.

David Natali and Caroline de la Porte acknowledge in their article that the Lisbon strategy explicitly sets out to renew/overhaul the European social model by bringing together economic, social and employment policies. They likewise note the attempt to implement a new form of governance based on participation by a broader range of stakeholders. They compare these initial intentions, concerning governance and participation, with the way in which they have been put into practice with respect to the reform of pension systems. They recall that the original reason for including pensions in the OMC process derives from the failure of attempts to achieve harmonisation via a supranational approach. Like others, they identify two phases in the history of the Lisbon strategy, the first of which (1997-2002) – the 'social democratic moment' – stressed social protection as a factor of production and was an ideal point in time to put the EU's social dimension back on the agenda. The second phase, beginning in 2003, was marked by the integration of social cohesion targets with pensions targets, and their alignment with the Broad Economic Policy Guidelines (BEPGs) and the EES. This analysis leads the two authors to comment on the very limited role of the

social partners in the field of pensions reform. As far as outcomes are concerned, they state that, although there have been tangible results and some convergence, it would seem that each system has inbuilt dependency paths which the OMC has not managed to divert.

George Ross views the Lisbon strategy as part of a broader European historical context. He describes the transition from the Delors period – when the Commission was proactive, especially in respect of social affairs – to the Lisbon process, when initiative-taking was offloaded onto Member States. He analyses the White Paper on Growth, Competitiveness and Employment as an attempt to counter the inclination of countries to become inward-looking: it aimed to initiate a new form of governance whereby the Commission's input went from a centralised enactment of rules to promoting the establishment of rules both by the social partners and by encouraging Member States to be proactive and cooperate with one another. The purpose of the White Paper was to promote a European employment policy, even though social and labour market policies remain the prerogative of governments. It also sought to promote social dialogue. Ross joins Serrano Pascual in her belief that the Lisbon version of the OMC aims to depoliticise national level social policy debate, but he takes a more positive view of this, welcoming it as a process geared to reaching consensus on methods/solutions which are indispensable for all. Like the other authors, Ross attributes the shortcomings of this cooperation/coordination strategy to the changes in the political balance of power which occurred in the early 2000s and led to the refocusing of the Lisbon process in 2005: all hopes were then vested in growth unencumbered by rigidities, so as to create jobs en masse. Above all, growing emphasis was placed on initiatives – coordinated or not (and they were highly unlikely to be so) – taken by Member States. In sum, Ross takes issue not with the Lisbon objectives themselves but with the methods used (OMC, subsidiarity, the intergovernmental method, etc). The Westphalian system, with its preservation of Member States' prerogatives, remains a barrier to European integration. Indeed, any progress achieved despite everything has been slower than expected and has, significantly, occurred in countries where these developments were already underway and would have happened even without Lisbon. By contrast, key strategies for the EU's future – such as lifelong learning and heavy investment in R&D – have remained on the back burner, especially in countries where they were there already. All of this weakens the EU in the context of the present crisis.

The final contribution to this dossier consists of a survey of the (voluminous!) literature on the Lisbon process. David Natali divides his literature review into five sections, relating to each of the major disciplines concerned: first, studies conducted by economists (but also political scientists) on the economic and political background to the launch of the Lisbon strategy; second, analyses of the OMC carried out mainly by lawyers and sociologists; third, work on the Lisbon agenda by researchers seeking to clarify its cognitive dimension. The last two sections of this literature review draw attention to studies presenting all-round assessments of the Lisbon strategy. The literature survey dovetails very neatly with the other contributions to this edition of Transfer, as concerns both the economic background (insufficient competitiveness due to unwarranted labour market rigidity and an excessive

amount of public spending and government intervention) and the need for coordinated, integrated policies. By the same token, the analyses conducted on the need for a multi-level, participatory approach (the OMC) tally with the thinking of Serrano Pascual and Ross: participation by the social partners and NGOs has not lived up to expectation and has been uneven from country to country and topic to topic. Finally, Natali's article testifies to a gradual disenchantment with the economic and social outcomes (the liberal U-turn of 2004/2005 also comes under fire here) as well as with the merits of the method used: participation by trade unions and civil society has remained at a low level, while the predominant role has been played by a variety of experts and committees. On the other hand, and this in itself is remarkable, the process of learning ('with others', 'from others' and cognitive) has ultimately functioned fairly well, especially in the sense that European concepts (social inclusion, gender equality, labour market activation, etc) have permeated through to the different national settings. There has nonetheless been precious little evidence of working 'with others' or even alone. An entire section of the literature bemoans the absence of the structural and institutional reforms which would have been necessary to obtain the desired results in respect of employment, and more generally economic and social development: in other words, to attain the goal of becoming a knowledge-based society and the most dynamic economy.

The dossier closes with a conclusion summarising the main thrust of the authors' contributions, feeding in some recent data on results achieved in the field of lifelong learning, investment in research and development, growth and employment. One may well question the method (it seems to have widened the gaps between countries instead of fostering the hoped-for convergence), particularly since it failed to take account of the differentiating effects of EU enlargement. Nevertheless, the strategy itself is what must be examined in order to move on from here. The authors, who are also the coordinators of this issue, believe that the Sustainable Development Strategy is the best way forward.

This issue likewise contains a contribution from Maria Helena André, who endorses the finding that Lisbon has failed owing to a lack of political will on the part of Member States. The current economic crisis, in her opinion, affords an opportunity to initiate a new strategy starting from the fundamentals underlying the Lisbon strategy and incorporating them into a strategy which seeks to modify our patterns of living, working and producing. It would be a sort of social New Deal based on sustainable development, which ties in with the thinking behind the conclusion.

The News and Background section contains an analysis of the current state of play concerning the Working Time Directive, following the revision adopted by the Council in June 2008 and its rejection by the European Parliament last December. Wiebke Warneck takes stock of the issues still dividing the Council and the Parliament (opt-outs, definition and status of the active/inactive parts of on-call duty, reference period for calculating maximum working time, relationship between individual and collective hours when defining working time, etc). She concludes by considering how this interminable saga might end.

Furthermore, this section includes a contribution from the joint leaders of the Icelandic Confederation of Labour (ASI), who analyse the genesis, development and consequences of the financial crisis in Iceland. They lay the blame squarely at the door of the political leadership elected in 1999 and 2003, which turned its back on the principles of the 1990 Stability Pact. Liberal policies led to an overheating of the economy, with high interest rates to counter rising inflation. The result was a huge influx of capital into Iceland, leading to an over-appreciation of the Icelandic krona and a current account deficit. The ASI sounded the alarm bell on several occasions, warning that this overheating of the economy would inevitably end in crisis. What this article shows is that responsible social partners, capable of anticipating the catastrophic effects of the economic policy in force, have managed to reach agreements – in particular on the establishment of an Education and Training Service Centre (2003) and on unemployment benefits (2005) – which are helping to mitigate the harmful effects of the current crisis. Despite their warnings and proposals, however, the social partners were unable to avert a general collapse of the economy and its serious consequences in terms of unemployment and living standards.

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