

# **The Lisbon Agenda and European Governance**

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**2008.02.10**

This paper will address the relationships between the Lisbon Agenda and the European governance, by analysing the four following issues:

- the main features of the Lisbon process;
- the implications of the Lisbon Treaty;
- the improvements in governance;
- the improvements in the public administration.

## **1. The main features of the Lisbon process**

The development and the implementation of the Lisbon Agenda can be analysed as a political and social process which has involved, in a progressively organised way, the following institutions and actors:

- the European Council, in its several annual meetings with a particular relevance to its Spring meeting;
- the Council, in seven of its formations: General Affairs, Ecofin, Competitiveness, Employment, Education, Environment, Energy and Telecommunications; their Council committees and groups are also involved;
- the European Commission, involving 15 out of 27 Commissioners and 17 Directorate-General. A smaller group of “Lisbon” Commissioners is meeting on a more regular basis;
- the European Parliament, involving 6 of its Committees;
- the national parliaments, involving at least their European Affairs Committees, and organising a yearly Lisbon conference with the European Parliament;
- the European Economic and Social Committee and its Lisbon network of Economic and Social Councils in the Member States they exist in;
- the Committee of Regions and its Lisbon platform involving more than one hundred regions;
- the European confederations of social partners, representing their counterparts at national level and meeting regularly with the other European institutions in the Tripartite Social Summit;

- last, but not least, the national governments with the involvement of several ministers and ministries as well as the Prime-ministers. A horizontal network of top officials is also emerging due the role of a Lisbon Coordinator, who can be a minister or a top-official reporting to a minister or the Prime-minister.

Beyond this institutional setting, there is vast network of civil society organisations in various areas which are following and feeding in, in a way or another, the development of the Lisbon agenda. Most of them are probably not aware of this European agenda, but rather of its translation into the national level. The same happens with many political and media actors at national level, which explains a level of ownership which remains quite low, even if with many differences when comparing Member States. Still, a quite large network and civil society leaders across Europe are explicitly connecting with the Lisbon agenda in their normal work.

The instruments being used by the Lisbon Agenda are also quite diversified: directives, regulations, decisions, recommendations, guidelines, common objectives, community programmes and structural funds. Still, the “instrument-mix” is very different according to various policies covered by the Lisbon Agenda: research, innovation, enterprise, information society, environment, energy, employment, education, social protection and macro-economic policies.

Nevertheless, the general orientation of the Lisbon Agenda is provided by the integrated guidelines for growth and jobs, based on the Treaty instruments called “broad economic policy guidelines” and “employment guidelines”, which enable the Council and the Commission to organise a coordination process, the Commission to issue “country specific recommendations” and the European Parliament to make a follow-up, including a formal opinion in the case of the employment guidelines. The integrated guidelines were defined in 2005, building on the common objectives which were identified by the Member States by using the open method of coordination launched with the Lisbon strategy in 2000, in order to create a new strategic consensus and a larger involvement of the relevant actors. In operational terms, these integrated guidelines are then translated into a Community Lisbon Programme mobilising the relevant European instruments already mentioned above and into national reform programmes by all Member States, mobilising all the relevant instruments. For each three year cycle, some actions can be prioritised at both levels.

All this makes certainly a quite complex building of institutions, actors and instruments which should be fully taken into account when analysing or managing the development and the implementation of the Lisbon agenda. Unhappily, we should add a new degree of complexity in this analysis: which can the implications of the Lisbon Treaty for the Lisbon Agenda?

## **2. The implications of the Lisbon Treaty**

How can we assess the potential and the limits of the Lisbon Treaty regarding the implementation and the development of the Lisbon agenda? A preliminary analysis of this Treaty can be undertaken from this particular perspective, focusing on the EU aims and principles, its institutions, its instruments and its policies.

## **2.1 General references**

The Union's aims are confirming the main ingredients of the Lisbon Agenda: "The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance." Naturally, we cannot find the articulation of the strategic priorities of the Lisbon agenda, highlighting the central role of a knowledge economy or the purpose to reply to globalisation.

Furthermore, the principles for the external action of the Union are clearly stated in the Treaty encompassing: democracy, rule of law, human rights, peace, humanitarian assistance, sustainable development, environment, free trade.

The Charter of Fundamental Rights includes many of them which call for a more ambitious development agenda such as: the rights to education, to placement services, to social protection, to health, to environmental protection or the freedoms to choose an occupation, to conduct a business or to the arts and sciences.

The horizontal social clause and the protocol on services of general interest are also relevant provisions to frame the main concerns of the Union in sustaining its social model.

## **2.2 Institutions**

The reforms to be introduced in the EU political institutions can also have several implications for the Lisbon agenda:

- the European Council is defined as central institution in its guiding role and equipped with a full-time and permanent President;
- the Council will extend the qualified majority area to more fifty new areas, using a new calculation rule after 2014-17, based on a double majority. Besides, the Council will have a new formation, a General Affairs Council clearly distinct of the Foreign Affairs Council, with the purpose of coordinating the internal policies and their interface with the national policies;
- the Presidency of the Council will be provided by a rotating team of three Member States which can organise their tasks in various ways;
- the European Commission will be chaired by a President with a stronger democratic legitimacy and, after 2014, will be reduced to twenty posts to be rotated by Member States;

- a High Representative of the Union for Foreign Affairs and Security Policy, also a Vice-President of the European Commission, will coordinate the instruments for the external action of the Union;
- the national parliaments will more systematically be consulted on the Union decisions; a stronger inter-parliamentary cooperation is also envisaged;
- the European Parliament will get co-decision competences with the Council in forty new areas;
- besides a stronger interface between representative democracy and participatory democracy included in the procedures of the European Economic and Social Committee and the Committee of Regions, a Tripartite Summit for growth and jobs was created, involving the social partners' representations.

One can expect a general evolution of this political system in the direction of more legitimacy and more efficiency of the decision-making process as well as stronger coordination mechanisms, even if some tensions and counter-effects cannot either be excluded. In any case, the positive effects which can be expected are relevant for the Lisbon agenda, which requires a quicker implementation and a stronger horizontal coordination. The new General Affairs Council should play a central role from this perspective. Moreover, the ownership of the Lisbon process can be strengthened by more relevant roles given to the European Parliament, the national parliaments as well as by the bodies of participatory democracy at both European and national level.

### **2.3 The instruments**

The instruments of the Union can be either compulsory, as the regulations, the directives and the decisions or not compulsory, as the recommendations and the opinions. Nevertheless the “instrument mix” will be very different according to each policy, notably taking into account the different ways to assign competences to the Union and to the Member States:

- the Union has exclusive competences regarding the customs union, the competition policy, the monetary policy, the marine biological resources, the commercial policy;
- the Union shares competences with the Member States regarding: the internal market, the economic, social and territorial cohesion, the agriculture and fisheries, the environment, the consumer protection, the transport policy, the energy policy, health safety, as well as the social policy, for the aspects defined in the Treaty. Regarding research policy as well as development cooperation, the Union shall have competences to carry out activities without preventing Member States to carry out theirs.
- the Union only has competences to carry out actions to support, coordinate or supplement the actions of the Member States regarding the policies for industry, culture, tourism, education, civil protection and administrative cooperation.

Finally, the coordination of the economic policies and of the employment policies shall be undertaken according to common guidelines. This means that the policies mobilised by the Lisbon agenda are distributed by the three different types of competence, meaning different levels of Europeanisation:

- in the first type, the monetary, competition and commercial policies;
- in the second type, the internal market, the environment, the research and the social policy (for certain aspects);
- in the third type, industrial and education policies, certain aspects of social policies and administrative cooperation.

In short, when it comes the strategic priorities of the Lisbon Agenda, this framework implies the following instrument mix:

- regarding the regulation of the markets of products and services, capital and labour, the predominant instruments are directives and regulations;
- regarding employment and social policies, the predominant instruments are guidelines, common objectives, common programmes and structural funds;
- regarding environment, the predominant instruments are directives, decisions and structural funds;
- regarding knowledge policies, the predominant instruments are guidelines, programmes and structural funds;
- regarding macroeconomic policies, with the exception of monetary policy, the predominant instruments are guidelines.

The possibility to enforce political reorientations is therefore quite different regarding the various strategic priorities, even it is possible to go further by using the full potential of the available instruments:

- enforcing the implementation of the directives and regulations; identifying the need for new ones, respecting the better regulation process;
- monitoring the implementation of the guidelines with country specific recommendations;
- improving the resources and the effectiveness of the common programmes;
- improving the effectiveness of the structural funds.

It is also important to mention that the external action of the Union shall be deployed by quite different instruments:

- CFSP, by guidelines and decisions;
- Commercial policy, by regulations and agreements;
- Development cooperation, by common programmes and guidelines;
- Economic, financial and technical cooperation, by common measures.

Finally, it is also relevant to evaluate the level of Europeanisation of these policies by identifying those which will become covered by the ordinary legislative procedure, meaning co-decision of the Council and the European Parliament: energy, education, intellectual property, industry, tourism, administrative capacity, structural funds (after 2013), cooperation policy, trade policy and social policy with the exceptions of social protection, lay-offs, information and representation. By contrast, the need for unanimity is kept for these fields as well as for state aids, single market regulations,

excessive deficits, tax policy for environment and energy, education, health and cultural services in trade policy, exchange rate, linguistic regime, own resources, common defence and general European elections.

## **2.4 Relevant changes in specific policies**

Beyond all these systematic changes introduced by the Lisbon Treaty there are also some particular changes regarding specific policies which are relevant for the implementation of the Lisbon agenda:

- the move to co-decision regarding intellectual property rights;
- the introduction of the concept of European research area;
- the inclusion of a European space policy;
- the strengthening of the energy policy addressing security issues;
- the strengthening of the environmental policy addressing climate change;
- the reference to both co-decision and to the tools of the open method of coordination in research policy, industrial policy, health policy and social policy;
- the development of a European immigration policy;
- a stronger role of the Commission in monitoring the broad economic policy guidelines and the Stability and Growth Pact;
- a declaration emphasising the need to ensure not only “sound budgetary positions” but also “raising the growth potential” as the two pillars of the economic and fiscal policy of the Union;
- a detailed organisation of the functioning of the Eurogroup, including the external representation of the Euro.

Besides this concrete specification on the Eurogroup, the procedures to organise a enhanced cooperation in various areas are also made stronger. How far can they be useful to foster the implementation of the Lisbon Agenda is still too early to know. Nevertheless, it is important to underline, that even without using these legal procedures, many initiatives taking place in the framework of the Lisbon Agenda involved a certain kind of enhanced cooperation, such as the technology platforms and the technology initiatives in research policy or the lead markets in innovation policy.

The implementation of the Lisbon Agenda certainly requires an evolving combination of instruments supporting:

- a level playing field of common rules;
- stronger instruments at European level;
- a convergence of national priorities, respecting the need to adapt to national specificities;
- the possibility of differentiation to move faster in some particular goals.

In spite of its limits, the Lisbon Treaty provides relevant opportunities to enrich and to strengthen the tool box of the Lisbon agenda. To exploit this potential will also

depend on improving the governance of the political process underlying the Lisbon Agenda.

### 3. Improving governance in the Lisbon Agenda

Building on the previous experience, it is possible to identify some priorities to improve this governance of the process:

a. Identifying clearly the European and national **tool-box** which can be used by each policy. Promote its better use by each policy.

b. Improving the implementation of the existing instruments available by each **Council of Ministers** formation and by the respective Committees and Groups, aiming a better articulation both at European as well as at national level:

- identify the tool-box available for each Council formation;
- define a general road map for its application;
- improve the Committees' support work to the Council; a permanent professional support is required;
- improve the peer review methods regarding the implementation at national level.

c. Improving the **implementation of the guidelines and the common objectives** taking advantage of the techniques used by the open method of coordination:

- improve the consistency between the reporting and the guidelines;
- define indicators and deadlines regarding the main objectives and invite the Member States to define specific ambitious, but realistic targets for its particular case;
- develop a more intelligent benchmarking, putting good practices in the right context, using progression indicators, developing rankings regarding each Member State capacity to evolve towards the targets set for by each of them;
- improve the monitoring and evaluation process by focusing on the country specific recommendations;
- improve the learning process based on thematic workshops and data bases on good practices.

d. Improving the **articulation between the relevant Council formations**:

- developing the regular interfaces between its Committees or Trios based on concrete issues.

e. Improving the action and articulation of the **national Lisbon Strategy Coordinators**:

- promoting a more in-depth sharing of experiences between these Coordinators;
- improving horizontal coordination at national government and at the European Commission level;

- defining a more clear standardization of national programmes and its annual reports in order to underline the progress obtained and the respective responsibilities.
- f. Developing the role to be played by the **European Parliament and by the national parliaments** in monitoring the process.
- g. Identifying methods to improve the participation and mobilization of **civil society** and social partners:
- improve the role of the Tripartite Summits and of the macroeconomic dialogue;
  - support the role of the European Economic and Social Committee and of its network with the national Economic and Social Councils;
  - support the adaptation of the Lisbon Strategy to the specific target-groups;
  - develop various types of partnership to implement projects.
- h. Improve **communication instruments** on the Lisbon Strategy in order to involve different types of actors in a tailor-made way: civil servants, opinion makers, civil society partners, young people, citizens in general.
- i. Develop the methods for a better implementation at **territorial level** and support the initiatives taken by the Committee of Regions.
- j. Modernising public administration for a better implementation of the Lisbon Agenda.

#### **4. Improving public administration for the Lisbon Agenda**

The management of public administration is crucial for the implementation of the Lisbon agenda and deserves a more in depth examination. The final section of this paper builds on the recent experience to propose a more systematic approach on these issues.

##### **4.1 Planning and strategic management**

The definition and implementation of a development agenda calls for a process of strategic planning. However, given the complexity and speed of change in today's complex societies, it can be asked whether there remains any scope for planning. Is planning relevant, useful or even possible? The premise here is that it is relevant because change is driven not just by individual initiatives and competition between them, but also by new forms of cooperation, both requiring the definition of rules about the common good, which must be based on long term goals and priorities. These are useful because they can illuminate the path ahead, and the faster and more complex the "train" we are driving the more useful they become. Indeed, planning is indispensable when it comes to broad processes of change, such as the



implementation of a new development agenda or stimulating processes of regional integration. And planning is possible when the goal is not strategic planning to predict and define the future but rather to anticipate possible futures (there are always many!) and seek to shape them through the strategic management of change.

After the 1980s and 1990s, during which time the criticism of past planning experiences seemed to have buried the concept of planning itself, the latter was re-launched along different lines, in the private sector by large companies, and in the public sector by Asian and European countries, and more specifically by the European Union. It is also important to assess the different phases of Latin America's rich experience. It is the most recent experience and concept of strategic planning that this paper presents in a systematic way, covering the seven stages of the cycle of strategic management: preparation; strategic analysis; definition and development of the strategy; operational planning; implementation; and monitoring and evaluation.

### ***Preparation***

Preparation begins with a moment of initial impetus which may arise as a result of various converging factors: the emergence of new challenges, changes in the composition of political power, stimulating foreign experiences, or new perceptions and theoretical perspectives. The political will to define a new development agenda is a decisive factor, but it is not enough. For the process to take off properly, it is necessary to have a core team that is familiar with state of the art public policy-making; to have experts who can contribute new theoretical perspectives to solve the problems at hand and can build the most relevant causal model; coordinators who can organize systematic, creative and efficient interaction between civil servants and experts, who at this stage must be not just good specialists but also competent generalists.

### ***Strategic analysis***

On the basis of existing reports (so as to avoid reinventing the wheel), strategic analysis should proceed as follows: the global context (the main economic, social, environmental and technological tendencies); the national situation (challenges and problems, strong and weak points, threats and opportunities); main factors structuring possible scenarios (to be selected on the basis of the causal model referred to above); testing, consolidating and deepening the causal model on the basis of the construction of a matrix of crosscutting impacts, perhaps resorting to a Delphi experts consultation (although this is a lengthy process).

### ***Strategic prospective***

This is followed by the strategic prospective phase, which should proceed as follows: identification of possible scenarios, constructed on the basis of realistic mixed forms of possible evolution of structuring factors (see Table 1); ordering of possible scenarios according to their degree of desirability, on the basis of a definition of political values and priorities (which should be made clearly explicit), as this signals a shift from an analytical to a normative perspective; final identification of a reference

scenario among those deemed to be desirable but also probable. From here, one can turn to the definition of the development strategy to be adopted.

**Table 1: Structuring factors and building scenarios**

Structuring factors and their possible evolution	Social context			Political system			National economic evolution			National social evolution		
	Hy pa	Hy pb	Hy pc	Hy pa	Hy pb	Hy pc	Hy pa	Hy pb	Hy pc	Hy pa	Hy pb	Hy pc
Scenarios												
Scenario A	X			X			X			X		
Scenario B			X			X			X			X
Scenario C		X			X			X			X	
Scenario D		X			X			X			X	
Scenario E		X				X		X				X

***Definition and development of the strategy***

The definition of the development strategy should be based on: first, a clear enunciation of strategic objectives; second, the identification of broad strategic priorities, which should not be too numerous and should be inter-articulated as causal factors that can fulfil the sought after strategic goal; and finally, transforming broad strategic goals into guidelines, on the basis of a “objectives tree” (see table 3).

***Operational planning***

The operational planning phase begins by using the guidelines to specify how the various sectoral policies should be reoriented; then the programme of measures and the methodologies to be adopted and how they can translate the development strategy into an agenda for development must be defined. To that end, it is also necessary to bring together officials familiar with the state of the art in different sectoral policies, and sectoral experts who can offer new perspectives; another fundamental step to ensure credibility is to make establish the legal and financial means to implement the agenda, and define physical and financial indicators, and results and impact indicators; finally, it is necessary to organize services, clearly identify teams responsible for each programme and project, and create coordinating bodies that operate at the highest (government) level and can support the strategic management of established development agenda.

During this and the implementation phases it may be necessary to organize public services horizontally rather than according to a sectoral logic, mobilizing the relevant bodies independently of the ministry to which they belong. In such cases, horizontal coordination is managed by government central coordinating bodies or a coordinating ministry with a horizontal ministerial team, and a full time programme manager. There must always be central government coordinators in charge of

systematically monitoring all programmes and their articulation with the budgetary process.

### ***Implementation***

The implementation phase is obviously the key stage, and although it follows the planning phase, the latter is highly conditioned and must continue throughout the process of strategic management. The latter should be seen not just as a cycle but as a system of inter-acting stages. The first condition to ensure effective implementation is to gain the support of and mobilize society. There is another, more basic condition that is often underestimated: gaining the support of and mobilizing public servants who are charged with implementation (hence the importance of internal communication procedures and the mobilization of the teams responsible for each phase).

Whenever possible, implementation should follow pilot projects that test and refine solutions. Their extension must take local conditions into consideration, which means establishing context-friendly exchange mechanisms to discuss good practices (i.e., workshops and reports elaborated with the contribution of experts, which explains the importance of monitoring and evaluation procedures). Pilot project methodologies can not always be used, as when criteria of equity of more general access to incentives or benefits are involved, for instance, the methodology will depend above all on prior consulting procedures (discussed below).

The implementation of a development agenda occurs in various ways: through state regulation; through the provision of public services; through the management of processes of change. As regards the regulatory role of the state, there are methodologies to ensure “better regulation” that can be deployed to undertake an ex-ante impact evaluation such that undesirable effects and administrative burdens are minimized. As regards improved delivery of public services, basic choices must be made in each area regarding the model to be adopted (decentralization/de-concentration), the design of the information technology and organizational systems adopted, and the possible outsourcing or forms of public-private partnership. Beyond the provision of services, the economic role of the state in the implementation of a development strategy is also very relevant as the state is the major source of jobs, investment and purchases. As regards the management of processes of change, this calls for project leadership and management, the ability to manage people, communication and relations with the various actors involved in the process, as well as much broader governance issues (dealt with below).

### ***Monitoring and evaluation***

Monitoring has become a lot more efficient with management control IT systems, which permit ongoing assessments of physical and financial indicators, as well as monitoring of results (the latter are harder to track because they often involve accessing national statistical systems that are in need of improvements). As regards evaluation, the goal is to link efficiency and efficacy with the identification of programme impacts in light of broader strategic goals. Thus, there is much to be gained by placing evaluation within the broader context of the causal model and the

reference scenario adopted. Evaluation should also combine an internal element conducted by the responsible agencies, and an external element, conducted by independent entities. It should be clarified that the central goal of evaluation is not to judge but rather to provide for a collective learning process to improve performance. On the basis of evaluation it may become necessary to update or revise the development strategy. This can initiate a new cycle, following the above described stages.

## **4.2 Strategic governance**

The foregoing section outlined the cycle of strategic planning and management without reference to the institutional context. However, the latter is crucial throughout the cycle. In what follows the analysis will presuppose an institutional context framed by representative democracy with mechanisms for participatory democracy.

### ***Functions in strategic management and actors***

To ensure a more efficient process it is necessary to clarify the institutional functions of each actor as clearly as possible. In addition to each specific constitutional arrangement, governments must take the initiative in proposing a development strategy, with legislative and financial instruments cascading down from the development agenda and programmes. However, in a democratic context counterproposals may be presented by political parties, civil society groups or simply by citizens. Civil society organizations must then participate in processes of consultation and consensus-building proposed by governments, according to previously agreed rules. Further, civil society can launch any initiatives it sees fit according to democratic norms. The government must then re-elaborate its proposals to take the results of consultation into consideration, and present them to parliaments. Parliaments must debate these proposals and adopt the relevant legislative and financial instruments. Governments may then further re-elaborate proposals to incorporate the results of parliamentary debate.

With the support of civil services, governments must then initiate the implementation phase involving all relevant actors. Civil society groups should participate in implementation through individual initiatives, projects undertaken by different organizations, or public-private partnerships. With the support of civil services, governments should organize monitoring and evaluation, also involving civil societies and parliaments. Finally, the media should disseminate information, views and comments throughout the process as a whole.

### ***Training actors for strategic management***

Successful experiences prove that it is not enough to define the role of different actors; it is necessary to develop the capacities of actors so that they can perform their roles adequately. To give just some examples: government strategic management capabilities are reinforced by the personal characteristics of leaders, but also by the existence of a prospective and strategic management support team linked to counterpart teams in different ministries. Regular government workshops that

permit free strategic debate are very useful. Civil service capabilities are reinforced when prospective and strategic management teams have an impact on the normal functioning of the relevant ministries. This depends upon internal communication, including the organization of workshops for high level officials in the relevant ministries. The management of projects and coordinating teams is also crucial for the development of new capabilities, as is the constant search for national and international best practices. Training of parliamentarians should not be forgotten either. Practices such as consulting experts or public consultations, or new forms of organization such as horizontal articulation structures between various parliamentary commissions, can be particularly useful.

Training civil society groups depends largely on their degree of involvement in consultation processes, as well as on the development of specific technical capacities and on workshops and conferences. When civil society organizations are involved in coordination as well as consultation activities, training becomes all the more important, as they must work to establish a consensus about goals. This is even more crucial when specific agreements or strategic pacts between unions and business associations are at stake. Finally, when implementation depends heavily on civil society groups, it may be important to transform their presentation into a format that is more intelligible to each actor involved. So-called “tool boxes” are elaborated by governments in order to reach each actor in the most appropriate way.

**Summary: Strategic governance and management for a development agenda**

On the basis of the details in the sections above, it is now possible to present a global vision of the process of strategic governance and management to define and implement a development strategy (see Table 2).

**Table 2: Strategic management and governance**

Strategic Management	Strategic Governance
Preparation	Political-strategic impetus
Strategic analysis	
Strategic prospective	Reference scenario selection
Strategic definition/development	Political-strategic options
	Political Proposal
	Development of Consultation Process
Re-elaboration	Political proposal re-elaboration / Parliamentary debate and adoption of legislative instruments

Operational planning	
Implementation	Implementation
Monitoring/Evaluation	Monitoring/Evaluation

### 4.3 Multilevel strategic governance

The above framework seeks to simplify something that is highly complex because of historical and political contexts and because governance operates on various levels (local, regional, state, national, macro-regional and international). Although the national level is crucial, if governance is to be improved, it has to be articulated with all other levels. This is particularly true when a development agenda is at stake. In order to clarify the governance context at the various levels, a framework that specifies the competences of each level for each sectoral policy is useful (Table 3). It quickly becomes apparent that the degree of decentralization below the national level differs greatly depending on the policy at stake, as is the case for degrees of centralization above the national level, particularly when there is macro-regional integration. It is not worth asking whether top-down or bottom-up management is best, since both are necessary: rather, the relevant question is how to combine those approaches for each sectoral policy. For instance, trade policy must be much more centralized than policies to combat poverty, but even the latter will involve highly centralized aspects, such as tax measures. Whatever the case, when discussing the strategic governance of a development agenda, two conclusions seem inescapable: each abovementioned governance level must deploy management procedures (see Table 2) for the domains over which it has institutional competences; and a certain level of strategic centralisation is necessary in order to implement a broad policy of change. The central issue, then, is eminently political: the level that evinces the highest degree of centralisation must have the necessary democratic legitimacy.

**Table 3: Sectoral policies and levels of governance**

Sectoral policies	Foreign Trade	Macro Economic	Industrial	Research	Jobs	Education	Social Protection	Environment
Governance levels								
Macroregional	X		X	X	X			X
National	X	X	X	X	X	X	X	X
State/Regional			X	X	X			X
Local					X	X	X	X

#### **4.4 Strategic governance in the context of regional integration: other lessons from the European experience**

In the case of Latin America, the relevant level of strategic centralisation for the promotion of a development agenda is still national. But, as historically in Europe, in some areas management can operate at the macro-regional level. In the EU, exchange rate, monetary, trade, agricultural and competition policy is macro-regional, in other instances competences are shared between the community and national levels, as in the case of the environment, transport, research and jobs, and in yet other cases, policies are national, as is the case of industrial, social security, health or education policy. But even in these instances, the EU has some competences and develops a combination of diversified instruments. The EU has developed a process of strategic governance at the community level that involves all 25 member States, which has increased the level of coordination between national policies. This process is based on the so called open coordination method, which is applied to 12 sectoral policies in the EU, on the basis of more informal or “soft” instruments.

The open method of coordination is one that aims to establish a certain level of strategic convergence among countries and regions while respecting specificities. This method involves the following steps: identification of the main shared strategic challenges; identification of and debate about good practices in response to these strategic challenges; definition of goals or common public policy guidelines; translation and adaptation of guidelines to establish national policies; implementation of guidelines in a way that is adapted to each country and so as to mobilize civil society; monitoring implementation on the basis of common indicators and quantitative goals adapted to each case; evaluation of the process and the updating of guidelines.

There has been much theoretical and political debate about the open method of coordination, a debate to which social science researchers have contributed. This ongoing debate and some recent theoretical contributions permit a clarification of some key issues, regarding a method which has played an historical role in Europe: to build a new strategic consensus for a development strategy committing 27 different countries.

First, some general comments to shed light on the method itself. The goal of the open method of coordination is not to establish a general ranking of countries in each policy arena, but rather to establish a regional learning process so as to stimulate exchange and the emulation of good practices, and to help countries improve their national policies. The method uses benchmarking but it transcends a mere benchmarking exercise. It establishes a regional dimension, enables political choices to be made through the definition of common guidelines, and encourages the management of goals through the adaptation of shared guidelines to take national diversity into account. The method is a concrete way to develop modern governance based on the principle of subsidiarity, it can promote convergence around a shared interest and priorities while respecting national and regional diversity. It is an inclusive method that serves to deepen cooperation and regional

integration, and it can be used in conjunction with other methods depending on the problem being addressed, ranging from harmonization to cooperation.

The open method of coordination occupies a middle position within the range of possible methods. It transcends intergovernmental cooperation and constitutes an instrument for integration that complements various other more general instruments. Political cooperation must play a crucial role to catalyse the different stages of open coordination, namely through the presentation of common guideline proposals, the organization of good practices exchanges, the presentation of indicator proposals, and support for monitoring and peer review. The open method of coordination can also become an important instrument to increase transparency and democratic participation.

The open method of coordination is “open” for various reasons: common guidelines and their ranking can be adapted to national contexts; good practices can be evaluated and adapted to the national context; it distinguishes between regional level reference indicators and concrete national goals taking national starting points into account (common indicators can be the ratio between investment in R&D and GDP, or female participation in the labour market, for example, while the goal can vary from country to country. This means that monitoring and evaluation must be based on progress achieved or on relative results, as they must take into account the national context in a systemic approach); and various civil society actors should participate at all stages to permit the creation of new forms of partnership.

On the basis of these diversified experiences, it can make sense to undertake a pilot experience in other regional blocs, starting with a sectoral policy that is crucial for a development agenda.

(Conclusion to be completed)

## **KEY ISSUES FOR THE DEBATE**

1. How can we assess the implications of the Lisbon Treaty for the Lisbon agenda?
2. How is it possible to improve the governance of the “Lisbon process”, notably with the purpose of paving the way for a comprehensive strategy for sustainable development?
3. How is it possible to improve the role of public administration in developing and implementing the Lisbon Agenda?