



PRESS RELEASE

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New CER report

THE LISBON SCORECARD X: THE ROAD TO 2020

By Simon Tilford and Philip Whyte

The EU's Lisbon agenda has failed to deliver what it promised. Although most member-states have made some progress towards the targets they set themselves in 2000, their commitment to economic reform has been half-hearted. This leaves few EU countries well-placed to thrive economically. With public finances in a parlous state following the financial crisis, population ageing kicking in, and strains opening up in the eurozone, the EU must provide new impetus to supply-side reforms. In this new CER report, Philip Whyte and Simon Tilford argue that the Lisbon agenda correctly diagnosed the economic challenges facing EU countries. But it suffered from a lack of focus and inadequate instruments to meet its own objectives. The central thrust of the new 'EU 2020' agenda must be skills, innovation and sustainability – both environmental and social. The authors make the following recommendations:

- ★ **Improve the method of governance.** The EU should have the courage to turn EU 2020 into a proper benchmarking exercise, with naming and shaming.
- ★ **Launch a renewed drive to deepen single market.** The European Commission must repair the single market for cross-border banking and work hard to extend the single market to new areas such as e-commerce.
- ★ **Place greater emphasis on improving skills.** EU member-states that fail to improve their human capital will suffer from lower productivity and employment, as well as increased inequality and social tensions.
- ★ **Develop a broader understanding of innovation.** The way companies are organised and their ability to focus on consumer needs can be just as important as R&D spending.
- ★ **Strike the right balance between financial stability and economic growth.** The EU must not neuter the financial sector's ability to provide companies with what they need.
- ★ **Promote sustainable environmental and social policies.** Europeans have largely accepted that economic growth must not come at the cost of the climate. But many continue to defend social rights which are exercised at others' expense.

Notes for editors:

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3. This report is available from the CER website (www.cer.org.uk).

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