



European Economic and Social Committee

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External dimension of the
renewed Lisbon strategy

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REVISED PRELIMINARY DRAFT OPINION

of the Lisbon Strategy Observatory

on

The external dimension of the renewed Lisbon strategy

(own-initiative opinion)

Rapporteur: **Mr Jahier**

To the members of the Study Group on **The external dimension of the renewed Lisbon strategy**
(Section for Economic and Monetary Union and Economic and Social Cohesion)

N.B.: This document will be discussed at the meeting on **7 September 2009**, beginning at **10.00 a.m.** To allow time for translation, any **amendments** must be submitted in writing to the section secretariat **no later than 5.30 p.m. on Wednesday 2 September**

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Study Group:

The external dimension of the renewed Lisbon strategy

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On 26 February 2009, the European Economic and Social Committee decided, under Rule 29(2) of its Rules of Procedure, to draw up an own-initiative opinion on

The external dimension of the renewed Lisbon strategy.

The Section for Economic and Monetary Union and Economic and Social Cohesion (Lisbon Strategy Observatory), which was responsible for preparing the Committee's work on the subject, adopted its opinion on ... The rapporteur was Mr Jahier.

At its ... plenary session, held on ... (meeting of ...), the European Economic and Social Committee adopted the following opinion by ... votes to ... with ... abstentions.

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1. Conclusions and recommendations

- 1.1 The Lisbon agenda for growth and jobs is subject to a major revision for the next decade, which includes a discussion of its external dimension.
- 1.2 Europe's prosperity is in large part thanks to its openness to the rest of the world. This has advantages of an economic nature, but also in terms of exchange of culture and knowledge, and of worldwide recognition of European values. The EU is the world's largest exporter of goods and services, the second largest source and the second largest destination of foreign direct investment, and the world's largest aid donor. It has the second international reserve currency. It is therefore in its geostrategic interest to develop its external agenda, which serves and protects the interests of its 500 million inhabitants, but also reflects its responsibility to address global problems and to help set high standards in the governance of globalisation.
- 1.3 The quest for an ambitious, balanced and fair multilateral agreement for greater trade liberalisation and the progressive opening of markets within a regulated framework have been a major priority over the last decade. In particular, the 2007 *Global Europe* initiative has been explicitly linked with the renewed Lisbon strategy.
- 1.4 The challenges raised by the emergence of new global powers and the international financial and economic crisis highlight all the more clearly the new geopolitical nature of globalisation and, by extension, the need for Europe to have a new, more coherent and effective overarching external strategy. Europe needs a new vision of its global role, reflecting, on the

one hand, the geostrategic reality as regards its own historical and geographical role, the security of supply of raw materials and energy and the development of new markets that are still poor; and, on the other, its ability to tackle global issues: security, climate change, poverty and international migration, by developing the winning values of its social market economy, which are looked upon with great interest all over the world.

1.5 A suitable EU Action Plan should be aimed at strengthening the presence and role of Europe in the new landscape of globalisation by:

- developing the EU's external policies and the external aspects of its other policies in accordance with a structural logic, strengthening their overall coherence and increasing the unity with which Member States act;
- ensuring a balanced opening of markets through the conclusion of the Doha round and structured dialogue with its key partners;
- enhancing its role as an international regulatory power and pursuing an international policy based on the promotion of rights;
- strengthening the international dimension of the euro;
- adopting the goal of building a wide area of special development and economic growth, which we could call "EurAfrica: an alliance for mutual progress", involving the rapid completion of the enlargement of the Union, the Neighbourhood Policy, the Mediterranean Union, and a stronger partnership with Africa.

1.6 To enable the better development of and ensure a widespread political consensus on such an ambitious and assertive project for its external agenda, the EU needs the role of the social partners and organised civil society to be strengthened significantly, both within Europe and in third countries.

1.7 The EESC is well equipped to play an increasingly significant role in consolidating and developing participatory systems for monitoring and for active involvement of civil society almost everywhere in the world. Moreover, this aspect is a hallmark of the European model of society, which is held in high regard all over the world.

2. **Introduction**

2.1 Europe is now the world's biggest economic power, an integrated market of 500 million inhabitants, an unequalled trading power and, with the euro, the world's number two currency. For the EU, creating a win-win situation in the system of international relations does not just mean taking on the responsibilities that arise from its weight, but also developing its external economic and geopolitical interests, as these are vital for the success of its model, which is the most open in the world and the one with the highest social and environmental standards.

2.2 Thus, if the EU is to continue to enjoy **sustainable growth, high-quality employment and sustainable development**, which are the objectives of the Lisbon strategy, it is increasingly necessary that it should strengthen its external agenda.

2.3 Following the Lisbon Agenda of 2000 and its review in 2005, it was only in 2007 that the issue of the external dimension was introduced. The Conclusions from the Spring 2008 European Council state that "*The EU should therefore continue its endeavours to shape globalisation by reinforcing the external dimension of the renewed Lisbon Strategy*"¹.

2.4 Those conclusions highlighted the following priority areas:

- *promoting free trade and openness and continuing to take the lead in this domain;*
- *improving the multilateral trading system, by continuing to strive for an ambitious, balanced and comprehensive agreement in the Doha Development Round;*
- *concluding ambitious bilateral agreements with important trading partners and further stepping up the efforts for integration with neighbouring countries and candidate countries through developing a common economic area;*
- *securing reliable access to energy and to strategic raw materials;*
- *strengthening existing economic relations and developing mutually beneficial strategic partnerships with emerging economic powers in a context of fair competition;*
- *fostering regulatory cooperation, convergence of standards and equivalence of rules, and improving the effectiveness of the Intellectual Property Rights enforcement system against counterfeiting.*

2.5 The following have emerged from the recent debate on the instruments for the European Union's external action²:

- a **broader approach to the Union's external action**, bringing together the CFSP, trade and cooperation policies while raising the external profile of the Union's internal policies³;
- a new generation of **European cooperation and development programmes**, based on the "European Consensus"⁴ and on the EU-Africa partnership launched in November 2007⁵;

1 Point 12 of the Presidency Conclusions (13-14 March 2008).

2 Maria João Rodrigues: Europe, Globalisation and the Lisbon Agenda. Institute for Strategic and International Studies, 2009.

3 COM(2006) 278 final and COM(2007) 581 final.

4 COM(2005) 311 final.

5 [OJ C 77, 31.3.2009, p. 148.](#)

- a new approach to **trade policy**, emphasising, among other things, the value of bilateral and regional negotiations.

3. **An external dimension that already exists ...**

3.1 **The quest for an ambitious, balanced and fair multilateral agreement for greater trade liberalisation** and the progressive opening of markets to broaden the areas where European businesses can compete, thus creating new opportunities for growth and development, have been the priority over the last decade.

3.2 The World Trade Organisation (WTO) has been identified as being key to an expansion of trade within a regulated system and a multilateral framework. The **Doha development agenda** has been a major priority for the Commission.

3.3 The difficulties of the Doha negotiations, and in particular their stalemate in July 2006, pushed the EU towards a major review. In April 2007 the Council approved the Commission Communication *Global Europe: Competing in the World - A Contribution to the EU's Growth and Jobs Strategy*⁶.

3.4 The proposed strategy, which is linked to the renewed Lisbon Strategy of 2005, reaffirms and strengthens the general objective of an ever more global and integrated external trade policy, aimed both at attracting new investment and partnerships, and at ensuring ever more open markets throughout the world. Alongside the traditional main instrument of multilateral negotiations, it proposes a new generation of bilateral and regional agreements⁷, continuing to aim for the elimination of non-tariff and regulatory barriers, and progressive, significant regulatory convergence.

3.5 In a December 2008 communication on the external dimension of the Lisbon strategy⁸, the Commission relaunched the aim of concluding multilateral trade negotiations, promoting regulatory cooperation and partnership for access to markets.

3.6 The EESC issued two opinions on the matter⁹, in which it emphasised:

- the conclusion of the Doha Round remained the strategic priority, within the context of which bilateral agreements could provide added value;

⁶ COM(2006) 567 final.

⁷ Provision was already made for these in the Cotonou Agreement with the ACP countries, which proposed concluding six Economic Partnership Agreements (EPA) at regional level.

⁸ COM(2008) 874 final.

⁹ [OJ C 175, 27.7.2007, p. 57](#) and [OJ C 211, 19.8.2008, p. 82](#).

- the need to pay greater attention to the impacts of market opening for some regions and workers, and therefore to place more emphasis on social justice and the promotion of decent work;
- inclusion, also in bilateral agreements, of other increasingly important aspects of international relations, such as those relating to the environment, energy, culture, migration and global governance.

4. ... but which remains far from adequate

4.1 New challenges

4.1.1 The EU is faced with new challenges:

- increasing competition from emerging countries and, among these, the growth of the Asian world powers;
- climate change and energy;
- the impact on the EU and its neighbours of the enlargement to 27 members;
- the return of the food crisis;
- the understanding of the increasingly geopolitical nature of globalisation, which has now clearly extended beyond the economic dimension alone;
- and finally, the explosion of the international financial and economic crisis.

4.1.2 These challenges highlight **the need for a more coherent and effective external economic strategy** so as to close the growing gap between the economic weight of the European Union and its influence, which remains too weak, on the complex and pervasive processes of globalisation. At the same time, the EU needs to defend its own interests and the space to affirm its values.

4.1.3 The consequences of the worldwide economic and financial crisis will doubtless be felt well beyond 2010. The importance of the international issue and the means of helping to steer it will be essential to any future growth and jobs strategy for any region of the world. **The way in which each region positions itself in this process will be important for the future of each region and of the world.** This applies especially to Europe, as it is the most open economic area in the world and thus more dependent than others on imports and exports.

4.1.4 The current crisis has irretrievably discredited the **hypothesis of an international division of labour**, which presumed that basic production and manufacture and cost-based competition would be left to the main emerging countries, thus leaving high added value activities based mainly on research, innovation and skilled labour to European countries and other major developed countries.

4.1.5 Recent economic phenomena in the BRIC (Brazil, Russia, India and China), such as an increase in the number of patents, the significance of foreign direct investment (FDI) from

Europe and the increase in FDI from emerging countries into the EU, and the establishment of sovereign funds, all of which came from non-OECD countries¹⁰, are signs of rapid changes in the structure of the global economy. Europe needs to respond appropriately to these.

4.1.6 The recent development in other parts of the world of platforms that are also focused on strategies for innovation and knowledge, also tells us that the way out of the economic crisis could lead to a more complex future scenario based on highly integrated, more competitive, regional blocs, within each of which new forms of division of labour and economic and social imbalance could arise.

4.2 **An innovative and ambitious challenge**

4.2.1 **The EU has on several occasions demonstrated**, by peaceful means and negotiated consensus, its ability to wield influence on an international stage that brings together increasingly diverse players, at times succeeding in making a decisive contribution to the welfare of significant parts of the world (consider three decades of cooperation with the ACP countries or the EU's enlargement policy).

4.2.2 The EU has also helped build up an extremely comprehensive framework of regional, sectoral and general cooperation agreements. This has happened in the past in the context of WTO negotiations and is happening today with the new G8/14 and G20 process aimed at establishing a more stringent framework of rules and instruments for international finance, including the role of the IMF and the World Bank.

4.2.3 **The context of the debate on the external dimension**, which initially related only to trade policy and then to the energy and climate challenges, is now broadening out to increasingly wider areas, such as migration policy and the globalisation dimension of the social (adjustment fund and core labour standards), environmental (Kyoto, as well as the sustainable economy), industrial (intellectual property and sovereign funds) political (EU enlargement and neighbourhood policy) and diplomatic fields. The role of the euro and the impact of the CFSP and the ESDP on the growth of the EU's international role also come to mind, as does the possible inclusion within the European security strategy of the issue of goods and interests that are strategic for Europe, as is already the case with other global economic powers.

4.2.4 It is very clear from the foregoing that **to include all of these dimensions in the Lisbon strategy** would distort it.

4.2.5 **However, these aspects are appearing ever more crucial** to ensuring that the objective for which the strategy was conceived, i.e. building Europe's response to globalisation, is fully achieved.

¹⁰ See appendices.

4.2.6 On the other hand, most of these external policies of the EU are essentially underpinned by **well-established practices based on a high level of EU integration** – be they EU policies or policies jointly agreed by the EU and the Member States. Those policies are perhaps not yet sufficiently coordinated or lack an overarching strategic vision, but are still capable of evolving and having a significant impact, at least much greater than that of individual Member States and of many other domestic policies within the EU.

4.3 **Towards a renewed external strategy for the European Union**

4.3.1 In this case, it would be possible to speak of an **external dimension of Europe's post-2010 globalisation strategy**, closely coordinated and integrated with the more internal dimension represented by the evolution of the current Lisbon strategy for growth and jobs, but **revamped in terms of its autonomy and equipped with a new, more urgent strategic purpose**¹¹.

4.3.2 **Europe needs a new vision of its global role and an appropriate Action Plan**, geared to the challenges of the twenty-first century, underpinned by the EU's own values, and such that they can be communicated to and understood by the European public and stakeholders, discussed with the EU's main global counterparts and represented in international forums.

4.3.3 This vision should be geared towards progress and decent jobs, and underpinned by sustainable development capable of promoting an inclusive society, open economies and peaceful relations. It should also adopt a global, long-term outlook. The EU must better reflect **the geostrategic reality as regards its own historical and geographical role, the security of supply of raw materials and energy**¹², and **the development of new markets that are still poor**.

4.3.4 An important contribution to developing such a vision also emerged from the brief but effective document drawn up by the Commission for the Hampton Court summit of October 2007, entitled *The European interest: succeeding in the age of globalisation*¹³. The EESC expressed a similar view in the same year¹⁴.

4.3.5 The revamped post-2010 Lisbon strategy should be flanked by **a new, more strategic political structure for the EU's external action, aimed at strengthening the presence and role of Europe in the new landscape of globalisation**.

¹¹ See conclusions of the group, coordinated by Laurent Cohen Tanugi, that drew up the detailed preparatory report for the French presidency in the second half of 2008 (www.euromonde2015.eu).

¹² [OJ C 27, 3.2.2009, p. 82](#); [CESE 211/2009 \(CCMI/060\)](#); and [CESE 691/2009](#).

¹³ COM(2007) 581 final. See appendix.

¹⁴ [OJ C 175, 27.7.2007, p. 57](#).

4.3.6 To this end, strengthening and complementing the ideas set out in the Council conclusions of March 2008, a detailed Action Plan needs to be developed, comprising four coherent and synergistic levels, to:

- ensure that **markets open in a balanced way** and that international trade in goods and services continues to develop, whilst **safeguarding Europe's long-term access to the resources** that are strategic to its needs;
- **step up economic dialogue with all the major partners**, in the context of a multilateral approach, and continue to **strengthen the international role of the euro**;
- project the EU as an **international regulatory power**, promoting higher standards in the industrial, environmental and social fields and in respect of decent work conditions, public procurement and intellectual property, and helping to frame rules for the financial markets and governance of the international economy, both at regional and at multilateral level;
- **relaunch the three main EU external development policies**, i.e. completion of enlargement, neighbourhood policy and the Union for the Mediterranean, and the new partnership with Africa within the ACP framework, thus **building a wide area of special development aimed at mutual economic growth, which has already been called Eur-Africa¹⁵, in which the EU should seek to play a leading geostrategic role.**

4.3.7 The weight given to the external dimension will show that **the EU proposes to enter into a new political phase of its unification process**, focused on developing its system of relations with the rest of the world, drawing from this the renewed energy and resources to ensure the best possible completion of the European model of the social market economy, thus ensuring the future peace and progress of its population. This would be **a sort of consolidation of the founding principles of the European Union**, as stated in the Schuman Declaration and the preamble of the Treaty of Rome, where the two aspects (internal and external) of the European project were intrinsically linked and fed into one another.

5. A few more specific proposals

5.1 More consistent and proactive general policies

- The European Union's action aimed at reforming the multilateral system and at improving the basic rules for globalisation calls for **a twin-track process for ensuring consistency between the EU's internal and external policies and much stronger coordination with Member States.**

¹⁵ Recently, A. Riccardi, Charlemagne Prize winner, Aachen, 21 May 2009

- The **promotion of social regulation**, negotiations between the social partners and universal social protection systems should be a central plank of the European Union's development policies and negotiating mandates.
- All the European Union's external actions should include among their priorities the development of education and training, core labour standards, the development of social protection, gender equality and the integration of disadvantaged groups (people with disabilities, ethnic minorities, etc.).
- The European Union has a **duty to keep its promises**. This is especially true of the objective of 0.7% of GDP for development aid and for the often-repeated commitment to use the results and means of its progress to benefit other countries and regions. A specific commitment to revitalise the Africa-EU partnership will be key.
- A **significant increase in resources** for and investment in developing countries, as part of the future **Copenhagen agreement of December 2009**, could provide a great opportunity for mutual development and progress. The new Lisbon strategy could thus provide the framework for decisions in research, innovation, investment and knowledge conducive to **new "green growth" on a global scale**.
- A **greater level of monitoring and transparency in trade negotiations** is needed, as is greater civil society involvement in this system of external relations and negotiations.
- The European Union should **promote regional integration** and continue to be a leading example for other parties. The macro-regions are a concept that should be extended and deepened. Europe can and must also play a significant role in developing intra-regional cooperation, which, alongside trade liberalisation, should include development cooperation, political dialogue and cultural cooperation.
- In the light of the **challenge of food security**, and with a view to fully achieving the fundamental human right of healthy, safe, sufficient and sustainable food¹⁶, the current negotiating mandates should be reviewed so as to recognise the special nature of agricultural produce and provide appropriate measures for safeguarding the differences in production conditions and in the different markets. The main trade agreements on other goods could then be given new impetus, starting with the EPAs.
- In view of the **criterion of "commercial potential"**, which links the growth rate of each area with the size of its market, it would be useful, alongside regional agreements with ACP countries, to develop and relaunch bilateral and regional agreements with the Association of South East Asian Nations (ASEAN), Korea, India, Russia, Mercosur and the countries of the Gulf Cooperation Council (GCC).
- **China should be a specific priority**, firstly because of the significant offensive and defensive interests the EU has there, which provide considerable room for negotiation, secondly for the sake of the steady growth in reciprocal interaction, and thirdly for overarching geopolitical reasons.

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See the report by the UN special rapporteur on the right to food, Olivier De Schutter: *The Doha round will not prevent another food crisis*, 9 March 2009.

- **More emphasis** should also be placed on **bilateral relations with the United States, Japan and Canada**, which are in first, third and eighth place respectively in terms of commercial potential. The framework for transatlantic relations should be relaunched with the aim of reducing areas of friction and maximising synergies through a progressive convergence of institutions and policies¹⁷.
- In view of the possible **expansion of the EMU area in the coming years**, the euro could be destined to play a more important role as a strong global reference currency, which would inevitably require enhancing the arrangements for unified representation at international economic and financial forums.

5.2 **More instruments for governance and for sectoral policies**

- In the context of a broader approach to the European Union's external actions, the **external dimension of policies such as research, the environment, education and employment** should also be included.
- In the current context, it should be possible to identify more clearly a **small group of European Commissioners with clear responsibility for steering all the EU's external policies** (trade, development, migration, external aspects of competition and internal market policy, energy diplomacy, etc.) that is able to show a more visibly united and collective face of the EU to the outside world and to the main international forums. A rapid entry into force of the Lisbon Treaty and the new role of the High Representative for foreign and security policy will be conducive to positive developments in the future.
- Whilst waiting for the prospect of unified EU representation at the main international institutions (Bretton Woods, G8/14 and G20) to become a reality, **the Member States of the EU** should form more influential groups at each institution or high-level summit, with the aim of **systematically coordinating their positions and speaking wherever possible with a single voice**.
- The EU urgently needs to be represented outside its borders by **shared trade missions** that are able to strengthen Europe's strategic presence, in particular when it comes to relations with the EU's main trading partners.
- The EU should step up support for the process of internationalising its businesses, in particular as regards their ability to establish themselves in and adapt to the contexts and dynamics of different markets.
- The EU should push the WTO to include **labour rights, industrial development, the creation of decent work and the environmental dimension** among its aims. Similarly, international financial institutions should prioritise the promotion of decent work and sustainable development.
- Multinational companies based in Europe should be encouraged to promote, in accordance with the **European idea of corporate social responsibility**, social dialogue in the businesses and sectors of the various third countries in which they operate.

¹⁷ CESE 638/2009 (REX/255).

Recognition should be given to the good practices already put in place by many European businesses on the basis of the guidelines adopted by the OECD, which are in turn based on the ILO's social standards, and to all the other initiatives taken by a wider range of non-state and social economy actors in the field of training, health and the promotion of better living and working conditions.

- The EU should draw up **proactive, holistic migration policies that facilitate co-development** between migrants' countries of origin and host countries, with particular reference to combating human trafficking and the brain drain and to migrants' remittances, which now represent significant financial flows¹⁸.
- **The growing role of sovereign funds** in the world economy and the significant weight of governments in the emerging economies from which these funds come doubtless represents a major opportunity for the main developed economies and indeed for the recovery of the international economy, but also a geopolitical risk in terms of loss of sovereignty over sectors and technologies that are strategic for the EU. The EU needs to **arrive at a coordinated position on this issue**, based on the requirements and provisions of the existing Treaties, but also a more precise, common position on the issue of defending the national interest, which increasingly needs to be understood as the "European interest".
- Recognition should be given to the specific competences of the **European Institute of Technology in the context of the various partnerships**, in particular as regards the possible extension to non-European countries of cooperation under the *Knowledge and Innovation Communities* scheme (networks of excellence amongst higher education institutions, research institutes, businesses and other interested parties).

5.3 Greater involvement of the social partners and civil society organisations

- **Everything should be done to help European civil society seek and produce common strategies** to meet the challenges and opportunities of globalisation, in discussions with the EU's main economic and social partners. **Greater recognition of national ESCs and similar institutions**, and of the main European organisations and networks of social partners, organised civil society and the social economy, may be conducive to a broader process of ownership and the promotion of best practice.
- The EU should foster **greater involvement of and dialogue with the social partners and civil society in third countries**, so as to strengthen the visibility and consistency of the EU's policies on trade, development and external relations in general. In particular, systems should be established for structured, ongoing dialogue with the organisations that work for regional and worldwide integration, and promoting the recognition of consultative bodies representing civil society in the context of trade and association agreements.

¹⁸ [OJ C 120, 6.5.2008, p. 82 and OJ C 44, 16.2.2008, p. 91.](#)

- The Civil Society Contact Group that was profitably set up a number of years ago by DG Trade is an example of good practice that should be encouraged.
- **The EESC has progressively built a structured system of relations¹⁹ that forms an important basis, in the context of institutional dialogue,** for the ongoing development of an active role for civil society almost everywhere in the world. **In the monitoring field,** the Committee believes it can play an active role, as it has already been doing in some specific cases, such as the institutional role provided for in the Cotonou Agreement with the ACP countries, the Joint Consultative Committees involving the various countries that are in the process of joining the EU, and the work being done with Euromed and Mercosur. The documents, opinions and final declarations that result each year from the numerous meetings organised by the EESC under this system represent **an important source of analyses and proposals for participatory democracy covering the entire gamut of the European Union's external relations.**
- The EESC could also provide for specific **workshops or other regular meetings for consulting economic and social interest groups, in the countries and regions concerned,** by means of existing round tables and various other meetings, where appropriate. The aim would be to compare the different strategies adopted in each area and region of the world, which would be helpful both for better defining the European Union's external action and for the future development of the Lisbon strategy after 2010, as well as for developing the strategies of each partner.

Appendices follow

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See the work programme of the EESC's Section for External Relations, http://eesc.europa.eu/sections/rex/index_en.asp.