



REGIONE DEL VENETO

**theLisboncouncil**  
making Europe fit for the future

# **The Lisbon Agenda: Key for Veneto and Europe**

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The Lisbon Council, Brussels

*Venezia, 25 luglio 2007*

# Lisbon Agenda Milestones

**2000**

‘The Union has today set itself a new strategic goal for the next decade: To become the **most competitive** and **dynamic knowledge-based economy** in the world, capable of **sustainable economic growth** with **more and better jobs** and **greater social cohesion**.’

**2004**

‘**Lisbon is about everything and thus about nothing**. Everybody is responsible and thus no one is.’ (From Kok Report on the Lisbon Agenda)

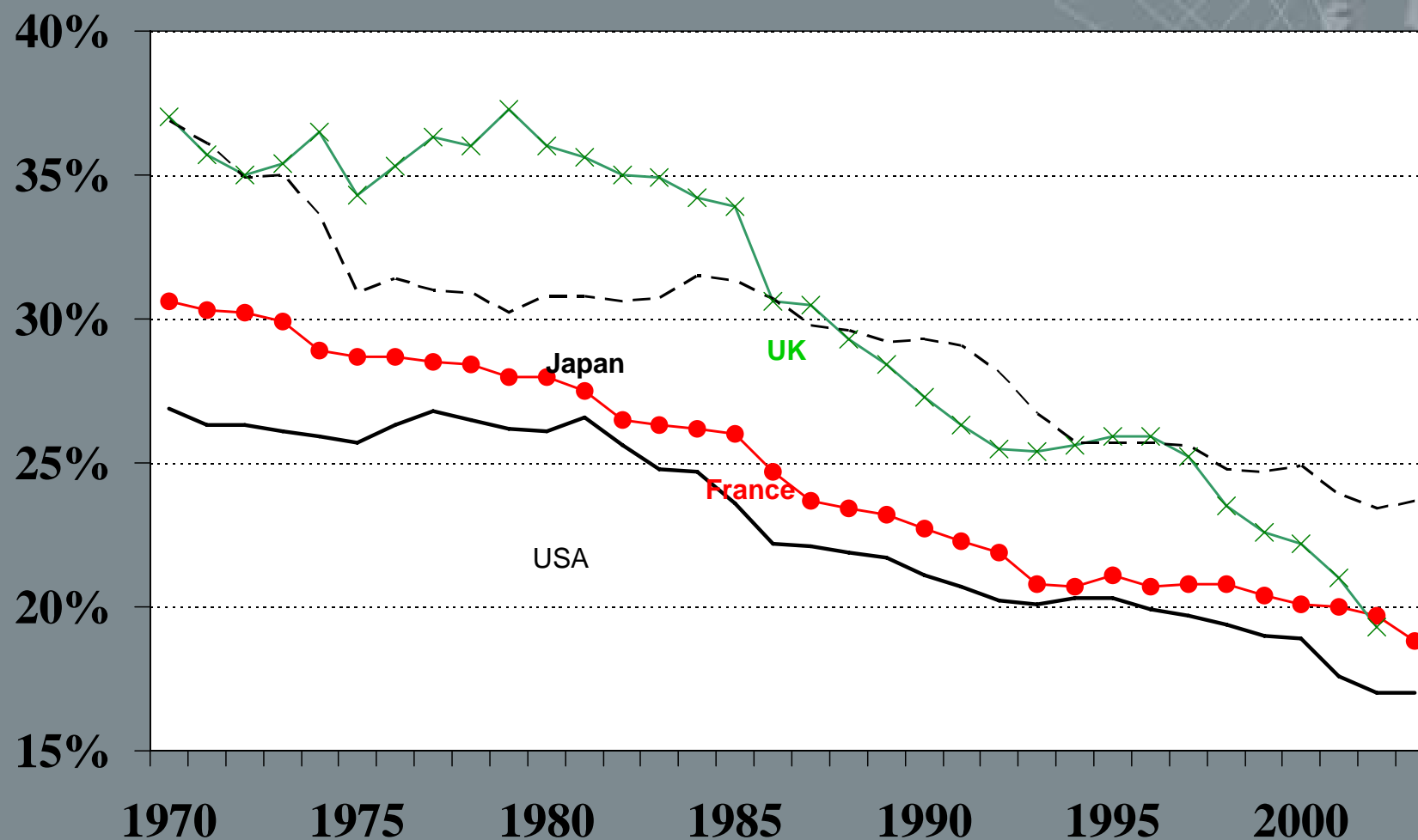
**2005**

Focus on **Growth and Jobs**

**2007/2008 onwards**

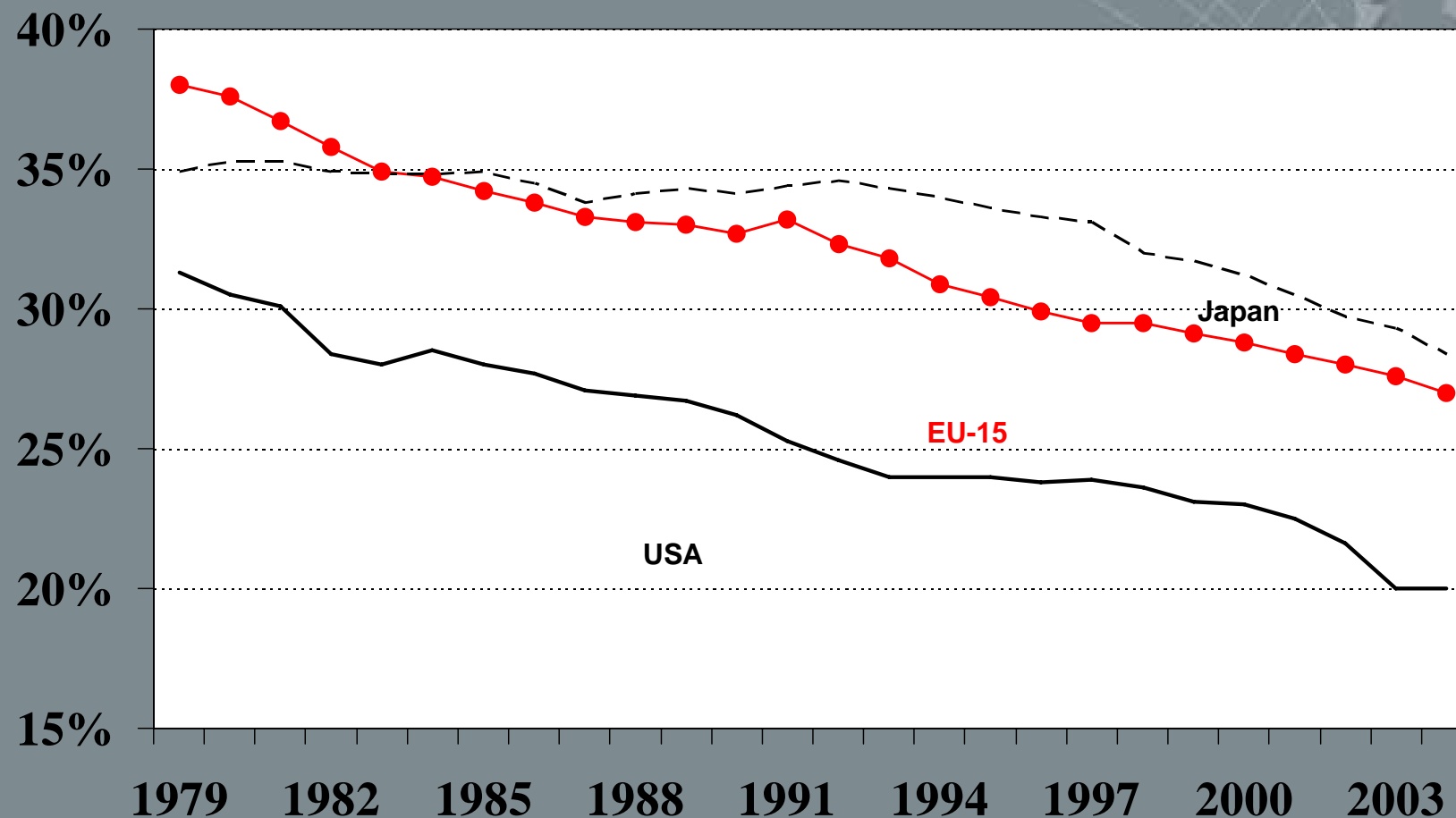
Focus on Growth and Jobs remains but with greater emphasis on **education, skills and human capital** as key drivers of competitiveness and social cohesion

# Share of manufacturing in total value added



Source: OECD

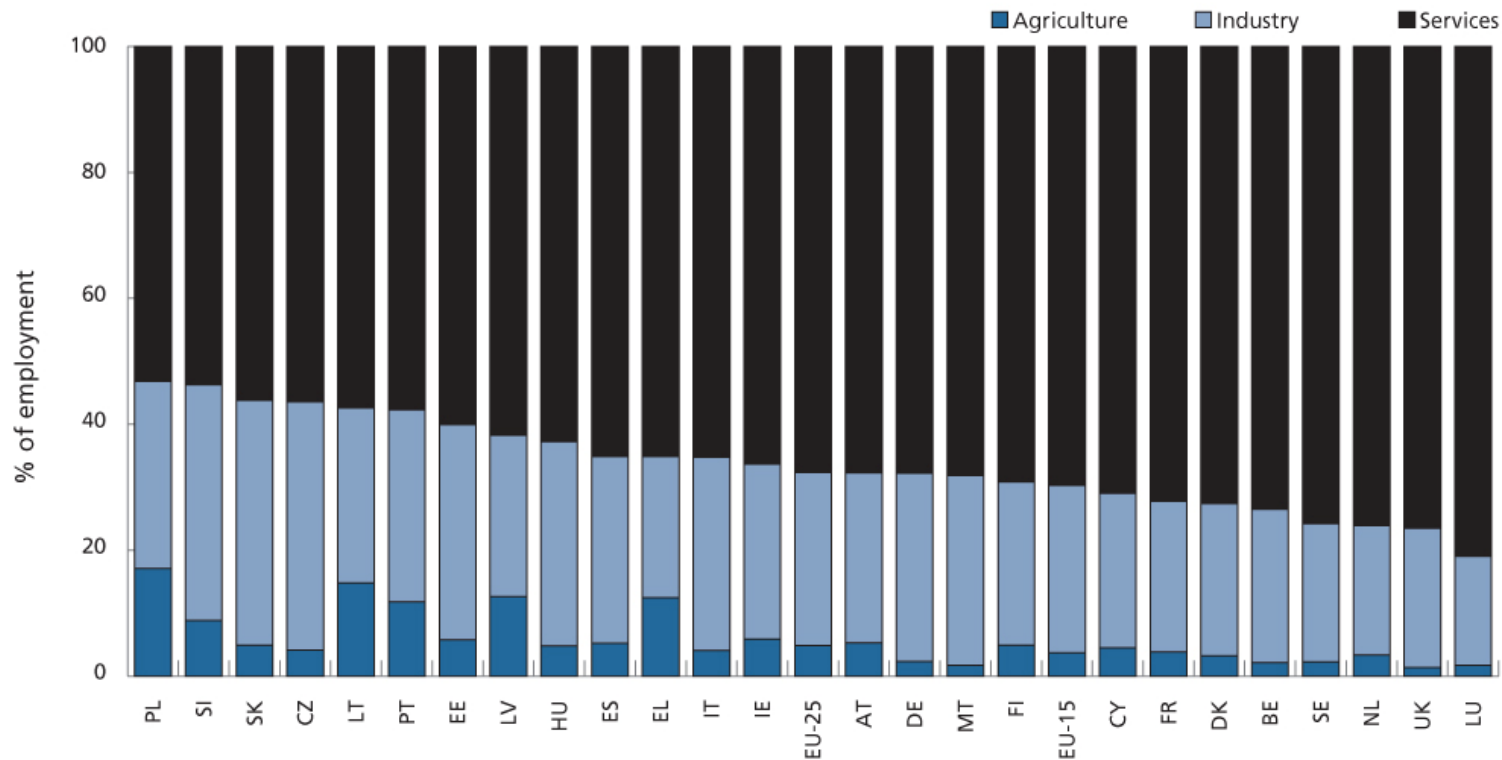
# Share of manufacturing in total employment



Source: OECD

# Services on the Rise: Employment structure by sectors

**Chart 40** Comparative employment structure (by main employment) of the EU Member States by main sector, 2005



Source: Eurostat, LFS, spring 2005 results.

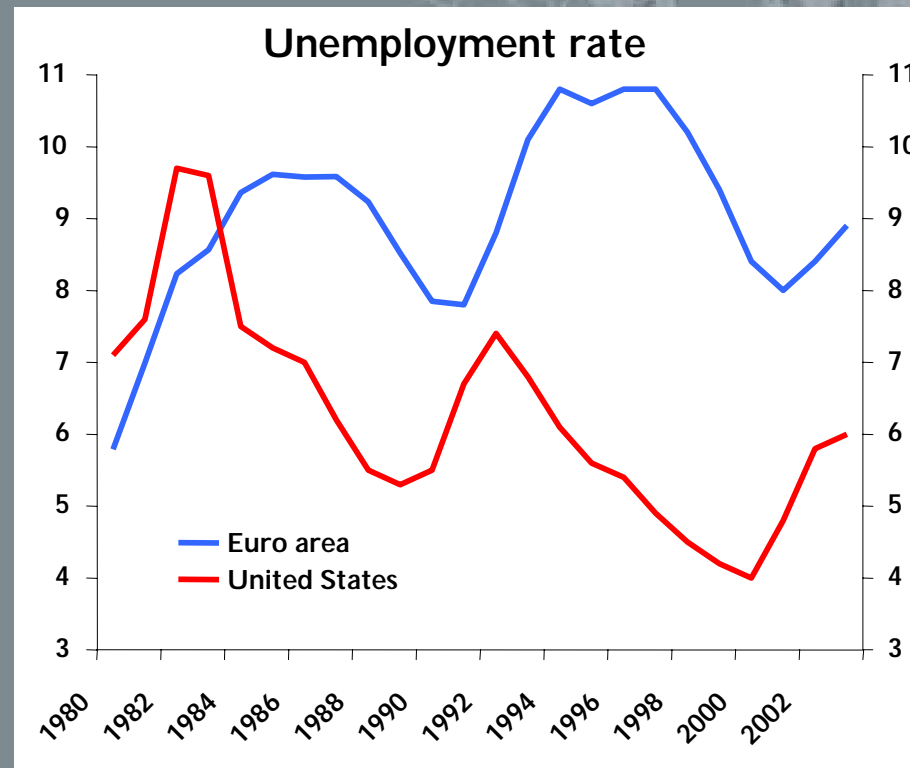
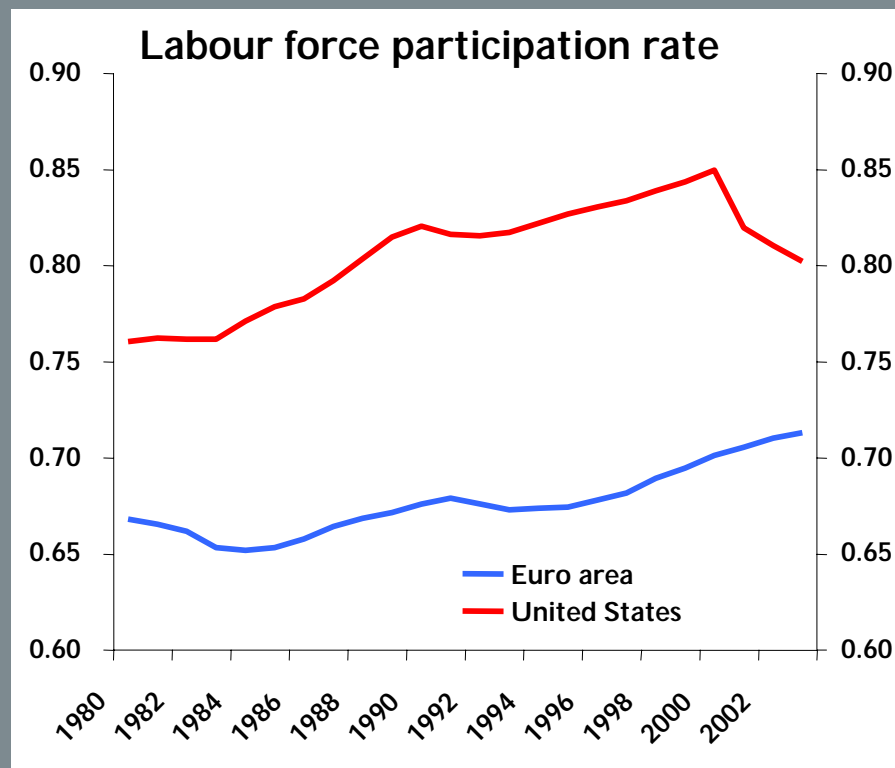
Source: European Commission

Did you know?

The percentage of employees with a college degree is greater in the service sector than in the manufacturing sector.

Source: OECD, Promoting Innovation in Services

# Labour utilisation determinants: participation and unemployment rates



Source: European Commission (AMECO database). Participation calculated as total labour force (employment and unemployment) over working age population.

# Employment must remain a Top Priority

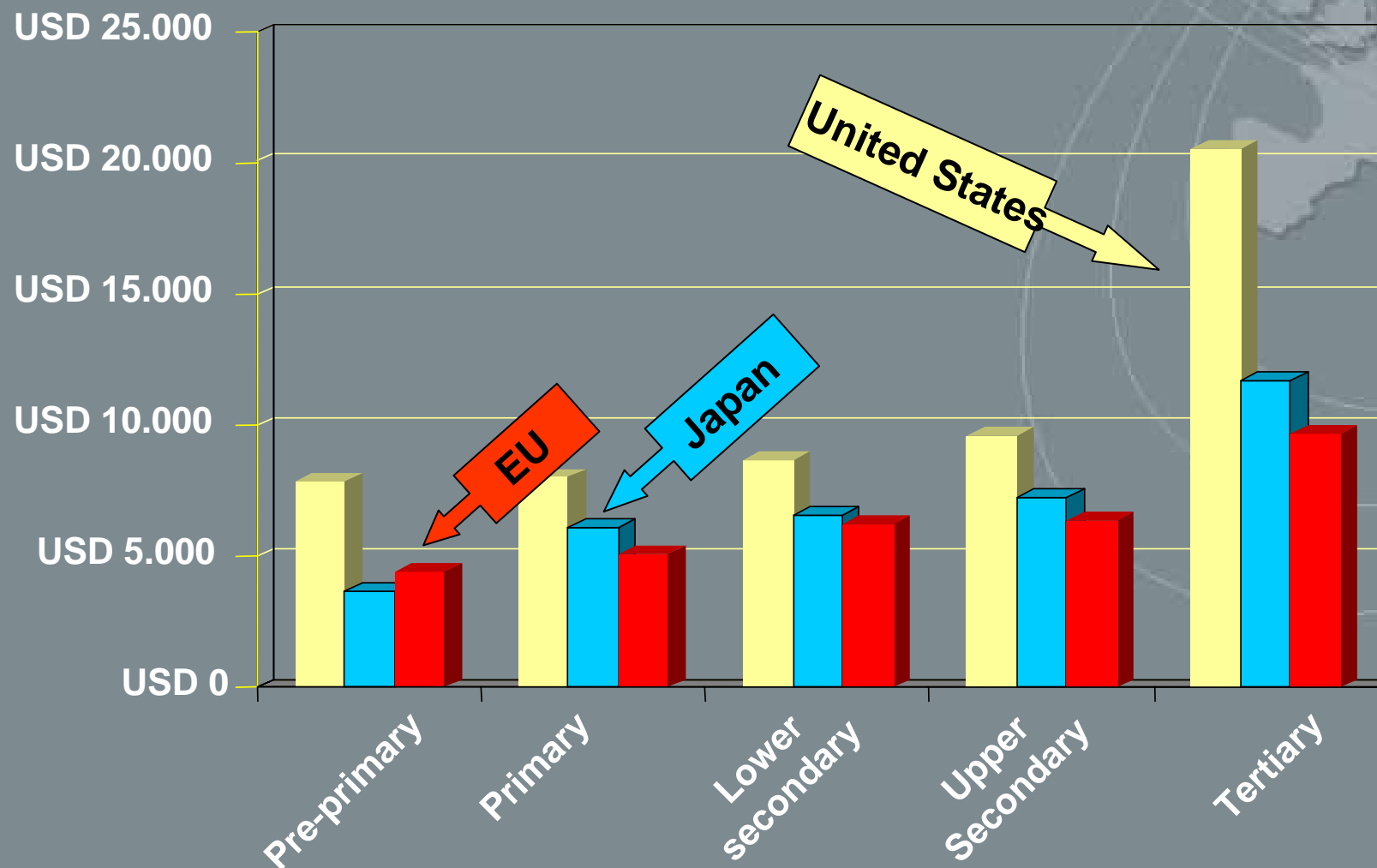
- Still almost 17 million unemployed (many low-skilled, long-term unemployed) in the EU
- Youth unemployment still very high, at 16.1% in EU-27 (Belgium: 19.5%, France: 21.6%, Poland: 23%).
- Proportion of working-age individuals who are either unemployed or inactive, 2005 (percentage)

|         |      |             |      |         |      |             |      |
|---------|------|-------------|------|---------|------|-------------|------|
| Canada  | 27.5 | Denmark     | 24.5 | Belgium | 39.0 | Poland      | 47.0 |
| Iceland | 15.6 | UK          | 27.4 | France  | 36.7 | Slovak Rep. | 42.3 |
| OECD    | 34.5 | Netherlands | 28.0 | Italy   | 42.5 | Turkey      | 54.1 |

Source: OECD



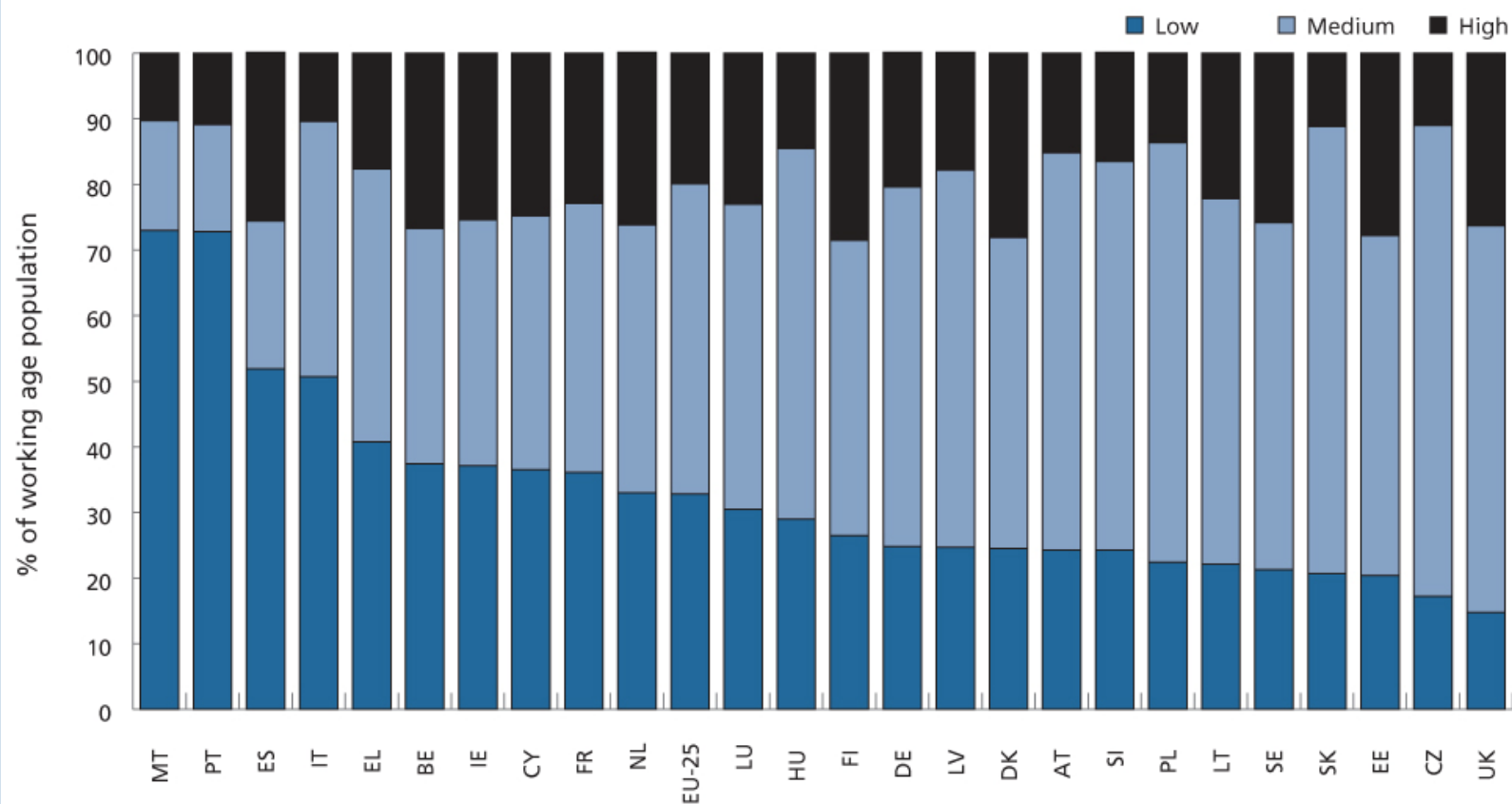
# Annual Expenditure Per Student on educational institutions, in equivalent US dollars converted using PPPs



# Shortage of Skilled Labour: Europe's Key Challenge

Chart 39

Share (as %) of the working age population (15-64) by educational attainment levels in 2005



Source: Eurostat, LFS 2005 spring results.

# Lisbon Agenda Reality Check #1

The Goal: 70% Employment Rate

The Reality: 82.5% of highly-skilled have a job  
68% of medium-skilled have a job  
46.4% of low-skilled have a job

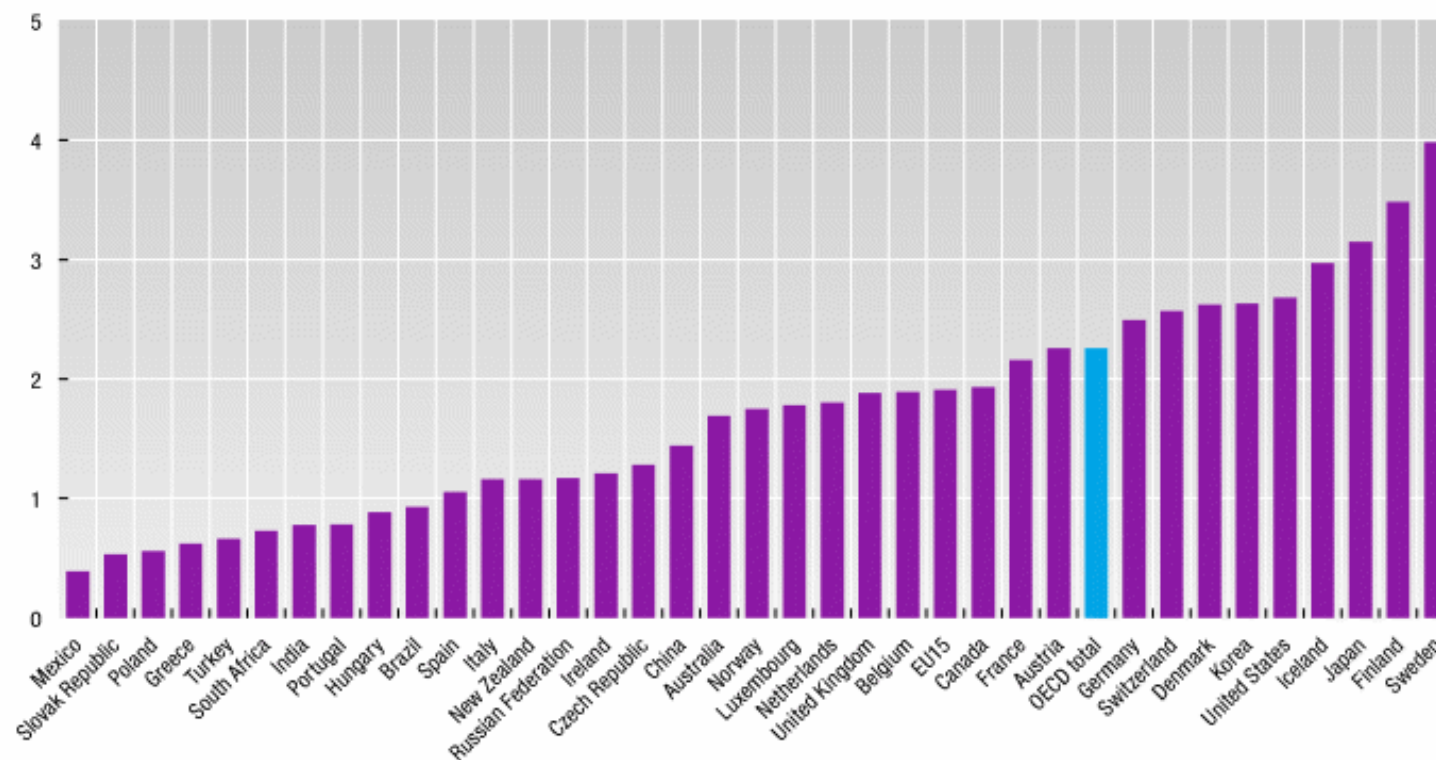
The Conclusion 70% employment target cannot be reached through labour market flexibility alone; **we need more investment in low- and medium-skilled workers**

# Lisbon Agenda and R&D Spending: Still a Long Way to Go

- R&D spending at 1.96% of GDP
- R&D investment shortfall with U.S. of around €120 billion annually, mostly from weak private-sector investment.

## Gross domestic expenditure on R&D

As a percentage of GDP, 2004 or latest available year




Source: OECD

# Lisbon Agenda Reality Check #2

For EU-15 to meet its 3% R&D goal, it would need **600,000 additional researchers** by 2010 (according to OECD calculations)

From 1991 to 1999, when much of Europe was growing at a healthy rate, the number of researchers increased by a mere **172,000**



‘China and India are turning out 4 million graduates a year, Britain 250,000; and these people are not only raising skills in their countries, but challenging us, Britain, and other advanced nations in a **race to the top**.

If we are to succeed in global economy, it is clear that **we will have to make more of the potential of our own people.**’

*Gordon Brown, November 2006*