FIRST DRAFT v.2 – NOT FOR QUOTATION

Pedro Courela

Instituto de Estudos Estratégicos e Internacionais

The LISBon Strategy and foreign policy
THE MISSING LINK

Paper prepared for the IEEI (Instituto de Estudos Estratégicos e Internacionais)
project "The Lisbon Strategy and the knowledge society without borders"

The Lisbon Strategy for Growth and Jobs was launched in 2000 with the ambitious goal of defining Europe's approach vis-à-vis the emerging global economy. There was, at the time, a clear recognition that European countries were faced with a crucial challenge: either protect a socio-economic model that was no longer able to promote solid economic growth and long-term welfare; or accept a structural reform programme based on a number of principles – knowledge and innovation, social cohesion, competitiveness, sustainable development – which, properly implemented, would make Europe "the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment".

The assessments of the Lisbon Strategy practical results has been the subject of numerous academic and political reports and are well documented elsewhere, but for the purpose of the current study, there are three main aspects that can be drawn from both the initial documents, as well as more recent developments: first, the Lisbon Strategy was conceived as an integrated, transversal endeavour, requiring the mutually reinforcing effect of a number of policy areas, as well as the coordinated efforts of a variety of actors: European institutions, Member states' governments, business and academia. Coherence is, thus, the fundamental factor in the success or failure of such a project. Second, discussing the future of European societies and economy in a globalised world raises a relevant 'international dimension', in the sense that it places Europe in a context where other players (individual countries or economic blocks) are also adapting and devising their own strategies to deal with globalisation and its effects. Third, despite the obvious dimension of the previous point, the Lisbon Strategy has rarely been discussed in terms of how it affects Europe's relations with other major actors or how it can be integrated in what is usually called the European Union's 'external action'. In fact, as will be shown below, the implementation of the various targets of the Lisbon Strategy have been conducted as an essentially internal process. In other words, the implicit international dimension of the Lisbon Strategy had no explicit practical translation in EU policy making. On the contrary, many analysts saw the priority of the Lisbon goals as a sign that foreign policy was less of a priority in the EU's agenda.

The issues of 'coherence' and 'coordination' are a common feature in studies of the EU. Even if the same questions may be put in the context of any individual state, the EU, because of its mix between intergovernmental and supranational practices, is particular susceptible to frictions between different policies and different levels of governance. From this point of view, both the Lisbon Strategy and what is generally called "the EU's external action" are interesting case-studies, in the sense that their success or failure depend to a large extent on the coordination and mutually-reinforcing effect of a number of policies, at both the Union's institutions and Member states' level.

This paper is, then, a first attempt to analyse and discuss the (missing) link between the Lisbon Strategy and the EU's external action, by addressing two sets of questions. The first set has to do with how the implementation of the Lisbon Strategy is conceived: Are we witnessing a change of paradigm in the implementation of the Lisbon Strategy? If so, in which policy areas is that visible? The second set of question is related with the European Union's role in world affairs: To which extent have the priorities of the Lisbon Strategy been transferred and incorporated into the EU's external action? What does it say about the Union's capacity to put forward an agenda of regulation of the international system?

The paper is structured as follows: the first section assesses the inception and development of the Lisbon Strategy as an *intra-EU process*. It looks at the main policy areas that comprise the Strategy, with the objective not so much of analysing their content but rather to grasp which specific aspects have a clear international dimension. The second section focuses on the EU's external action and the attempts to integrate the objectives of the Lisbon Strategy into foreign policy. The EU's overall strategy towards

key international players is also considered here, so as to understand whether a dialogue on (at least some) aspects of the Lisbon Strategy have been integrated. The third and final section attempts to bring together the two strands, by pointing out concrete aspects that could reconcile the fulfilment of the Lisbon Strategy with the EU's ambitions in the global stage.

I should stress that the approach adopted here is essentially that of how policy is conceived in the official discourse of European institutions, identifying the evolution of policy formulation at EU level. Member states' own actions obviously play an important role, which often contradicts what is decided collectively. This applies both to the various areas that comprise the Lisbon Strategy (the majority of them being of shared competence between the Union and the Member states) and to foreign policy. The tension between the two levels is not, however, dealt with in the context of this paper.

The Lisbon Strategy as an internal process

In March of 2000, EU Member States set themselves the ambitious 'strategic goal' to "strengthen employment, economic reform and social cohesion as part of a knowledge-based economy", an agenda that became known as the 'Lisbon Strategy'. By approving this programme of action, heads of government did not have in mind the creation of a new policy, but were rather calling for a coordinated revision of existing policies.

As a mode of governance, the launching of the Lisbon Strategy also represented a challenge to the traditional divide between 'community' and 'intergovernmental' fields, as its implementation was to be conducted through an 'open method of coordination": based on a number of objectives and guidelines agreed at the EU level, Member states are supposed to plan and undertake their own measures to reach such goals within a fixed timetable. Achievements were to be reviewed on a yearly basis, but the basic idea (which, in European integration is not a new one) was that Member states acting in concert could achieve better and quicker results than acting in an uncoordinated manner.

Another important aspect of the Lisbon Strategy is that it revealed a certain understanding of the international context surrounding Europe. The Council Conclusions, as well as most related documents afterwards, mentioned Europe's dilemma in the face of the emergent globalisation: either to adopt protectionist measures, trying to protect a non-sustainable social model; or undergo a structural economic reform programme, which associated competitiveness and social welfare to the gradual transition to a knowledge based economy and society.

The objective of becoming within a decade "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" clearly begs the question of how Europe sees itself within the international context. At the time, EU leaders had mainly in mind the United States economy, whose dynamism was not only stronger than the European one, but was increasingly based on knowledge and innovation gains, sustained by a rapid spread of information and communication technologies. In simple terms, the question was: how can Europe compete economically with the United States, while maintaining the quality of life European citizens had become accustomed to? Could Europe's specificity as a socio-economic model (or a combination of different, yet compatible models) be maintained or was the adoption of a 'US model' inevitable?

However, the Lisbon conclusions already indicated that the objectives were to be achieved through various internal policies, a combination of a strong emphasis on information technologies, the set up of new programmes to foster R&D activities, the launching of a series of measures that would facilitate and attract investment to Europe and the completion of the internal market. The potential 'international dimension' was left in brackets, as there was no explicit mention of how the fulfilment of the Lisbon Strategy affected the Union's relations with the outside world.

By the time the EU produced a mid-term review of the Lisbon Strategy – in 2005 – some trends of the international environment that were less visible five years earlier had become absolutely unavoidable. Economic growth levels in Europe remained modest (and still lagging behind those of the United States), but the whole issue of the role of knowledge in competitiveness and the reform of social welfare standards was now a truly global issue, beyond the scope transatlantic relations. Emergent economies, such as India, China or Brazil were embarking on their own reviews of economic models along lines which were not very distant than those formulated by the EU in 2000. In particular the rise of India and China's share in the world economy posed a challenge to Europe, in the sense that their competitive advantage was no longer confined to low value-added goods, but were rather emerging as serious forces in those sectors identified in 2000 as key for the long-term success of European economies.

Yet the mid-term review hardly showed a change of approach to how the Lisbon Strategy fits within the international environment. The Council conclusions stressed the validity of the Lisbon goals and produced a clarification of the strategic objectives – a stronger focus on growth and jobs, coupled with a recognition of knowledge and innovation as the engines of sustainable growth -, together with a 'harder' scheme for coordination between Member States. Once again, a serious reflection on how the fulfilment of the 'new' Lisbon objectives might require a shift in the Union's approach to major international actors was lacking.

In sum, and despite its cross-cutting nature, the official discourse of the Lisbon Strategy was clearly framed in 'an intra-EU paradigm'. There was (and is) a clear sequence between the fulfilment of the objectives and the international repercussions of that process (i.e. the reinforcement of Europe's economy vis-à-vis its international competitors).

This is the picture we get when we look at the Lisbon Strategy as a 'full package', that is, as an overall agenda for economic and social reform. However, one of the main features of the Strategy is that it rests on the coordination between a number of existing internal policies, whose combined effect will allow the fulfilment of the Lisbon Strategy's objectives. Can the individual analysis of those policies allow us to identify an international dimension that is absent from the Lisbon Strategy as a whole? Is there a trend linking up these different areas?

It is not possible to assess all the policy areas which may be considered as part of the Lisbon Strategy, and therefore this paper focuses its analysis on three policies, which correspond to three main pillars of the Lisbon Strategy: employment and social affairs, research and sustainable development. The analysis of their recent evolution can shed some light on whether a new discourse is emerging on the link between internal and external policies.

Employment and social affairs

The external dimension of the employment and social affairs policy of the EU is very much focused on the setting of standards, from core labour standards to fundamental social rights and in technical assistance for the implementation of international agreements in this area. This is the case especially in EU relations with neighbouring countries, through the Stabilisation Process for the Western Balkans and the European Neighbourhood Policy (ENP). Both processes cover a wide range of topics, amongst them a social dimension, which is part of the wider chapter on economic modernisation. In other words, the convergence with the *acquis communautaire,* which is spelled out in the ENP Action Plans, also implies the adoption of a dialogue on sectors where the vast majority of neighbouring countries face serious challenges.

At the wider international level, the European Commission has an observer status in the main fora dealing with labour and social standards, namely the OECD, the United Nations and the International Labour Organisation (ILO). In these frameworks, the

Commission acts as the coordinator of the positions of the Member States, as well as to guarantee the consistency between international standards and EU legislation.

There is also a bilateral level of dialogue that the Commission has established with a number of selected third parties, including the United States and China. The various dialogues are aimed essentially at the exchange of experiences and best practices on social and employment policy, with a particular emphasis on the challenge of fostering competitiveness while keeping high social and labour standards. In the case of China, dialogue is based on a Memorandum of Understanding between the European Commission and the Chinese Ministry of Labour and Social Security signed in 2005 and which has already allowed the holding of discussions of issues such as professional training and the mobility of workers.

In sum, there is still in the international dimension of employment and social affairs a strong emphasis on technical assistance and regulatory activities, but in recent years (especially since the launching of the Lisbon Strategy), one can identify a trend towards the establishment of dialogue mechanisms with key partners. The challenges of the Lisbon Strategy are at the centre of discussions, but there is a perception on the side of European participants that the stronger role that countries such as China are playing in international affairs requires an effort from Europe to understand the various dimensions of the transformation of those countries. In that process, social and labour issues, because of their importance for long-term economic growth, are seen as essential.

Research policy

Research is an area where Member States have the main responsibility, hence the important differences of research policies across Europe. The European Union's role in this area is essentially that of establishing a framework encouraging more public and private investment in research activities, as well as the direct funding of research activities (either in individual Member States or, preferably in trans-European initiatives) through the so-called "Framework Programme". Internationally, the EU has been developing an international cooperation policy in the field of research. This cooperation policy includes the fostering of 'strategic partnerships' with non-EU countries in selected fields of science, while promoting exchange programmes for non-European researchers. The EU has signed 15 agreements of science and technology cooperation, including with Brazil, China, India and the United States. There are similar agreements in force with most associate countries and some ENP countries. Science and Technology (S&T) cooperation agreements cover a vast array of areas, from water management to nuclear safety.

In the case of China, the China-EU Science and Technology Year initiative, launched in late 2006 aims at giving visibility to this dimension of bilateral relations, which is portrayed by the EU as a key aspect of the partnership between the two actors, a result of convergent views on the importance of knowledge as a driver of economic sustainability. In relations with India, scientific relations have also gained a higher profile, demonstrated by the first EU-India science ministers meeting in February 2007. The focus is now much clearly oriented towards the establishment of partnerships and exchange programmes with research institutions.

The recently launched 7th Framework Programme reinforces international cooperation in S&T, not just through a greater allocation of funds but also a clearer recognition that an intensification of economic globalisation and the rise of new global players require strong international partnerships and an effort from the part of European research institutes to learn from the best practices of institutions in other parts of the world. At the same time, Science and Technology is presented as a factor contributing to the European objectives in the international sphere, namely EU commitments in the field of sustainable development, from global climate change to the fulfilling of the Millennium Development Goals. The broadening of the scope for international cooperation (in geographic as well as in thematic terms), together with the intention to target cooperation towards areas where

each partner has a strong expertise also shows a shift from an assistance-oriented approach to a more collaborative/cooperative one, also trying to take advantage of the growing EU industry investment in partner countries.

In other words, a more 'egoistic' stance of the EU in international cooperation in the field of research seems to go hand in hand with a realisation that the fulfilment of the Lisbon Strategy goals for the research field is not to be achieved through European-only efforts.

Sustainable Development

The European Council in June 2006 approved a renewed EU Sustainable Development Strategy (SDS), which updates the previous strategy from 2001. The main objective of such a document is to outline the main components of a concept as wide as that of 'sustainable development', calling for "an integrated approach to policy-making". Already in 2001, the SDS was described as a complementary element to the Lisbon Strategy, adding an 'environmental dimension' to the political objectives set in Lisbon and recognising that "economic growth, social cohesion and environmental protection must go hand in hand". The external dimension of the EU approach to sustainable development was addressed and added to the Strategy in 2002, prior to the World Summit on Sustainable Development.

The 2005 document underlines both the role of sustainable development as the basic frame for the implementation of the Lisbon Strategy and recognises the need to combine EU efforts with actions carried out by non-EU partners, including developing countries whose strategies of economic development have and will continue to have a significant impact on global sustainable development.

As for the first aspect, the two strategies are presented as complementary responses to the challenges of globalisation, with sustainable development particularly concerned with quality of life and the Lisbon Strategy focusing on competitiveness, economic growth and job creation. Most of the document consists then on a list of targets and actions the EU and its Member states should undertake on a vast number of fields, including the environment, natural resources, health, social inclusion and immigration, following largely the method of the Lisbon Strategy.

The second aspect is the subject of a separate section dedicated to global poverty and sustainable development challenges, whose objective is the coherence between the goals of sustainable development the EU has set for itself and the policies towards third parties. Apart from the objective of rising Member states' contribution to the relief of poverty, there is also a commitment to contribute to improving international environmental governance, the promotion of sustainable development in the context of WTO negotiations and the inclusion of sustainable development in all EU external policies, including the Common Foreign and Security Policy (CFSP).

Not considering the actual putting into practice of these objectives, there is in the SDS a concern with the coherence and correspondence between internal and external policies, as well as an understanding of the EU as a 'regulator' of the international system, namely in what sustainable development standards are concerned. If we take into account the inter-connection between the Lisbon Strategy and sustainable development, there is an implicit recognition that the international sphere is an important stage for the pursuing of the Lisbon goals.

If we bring together the (brief) assessment of the three policy areas, we are able to identify a number of trends. Especially in the fields of sustainable development and social affairs, the EU's international action has an important degree of 'standards- setting', especially in relations with immediate neighbours and in the framework of international organisations. At the same time, in all three fields there is a consistent discourse on dialogue with key players as part of a wider effort of the Union to deal with economic and social reform. Finally, cooperation initiatives are becoming more common, especially in

the field of science and technology, directed not just at 'traditional partners' (namely the United States) but also to emerging powers such as India and China.

These recent trends show that while there is at the conceptual level of each policy area a growing realisation that the attainment of political objectives requires an international dimension, such realisation is not visible at the macro-level of the Lisbon Strategy as such. Consequently, there is no systematic attempt to coordinate the efforts undertaken in each policy and take advantage of the combined effect that these might produce. In essence, there is still no international dimension of the Lisbon Strategy in practice.

The text now turns to the second angle of this study, that is, the EU external relations, to understand the extent to which the Lisbon Strategy objectives have come to integrate the formulation of foreign policy. To put it simpler: how much of the Lisbon Strategy can be found in the Union's foreign policy? Can the link be found on the external relations side?

Foreign policy and the Lisbon objectives

The European Union as a foreign policy actor is a common topic on European integration studies, focusing on whether a political entity such as the EU can exert the same kind of impact on the international sphere as a sovereign state; on the balance between 'hard' and 'soft' power in foreign policy; or on the fact that the recent development of military capabilities by the Union means that it is no longer the archetype of the 'civilian power' that uses exclusively civilian means for its persuasion (and not coercion) demarches next to third parties.

The EU specificity as a foreign policy actor is not the subject of this paper, therefore I will rather concentrate on how the Lisbon Strategy objectives have come (or not) to integrate the EU's view on the organisation of the international system and whether the foreign policy tools that the EU has at its disposal are used to pursue this agenda.

The EU is based on a number of values that reflect a certain security culture, that is, a set of principles that have crystallised as the integration process evolved and which help in defining the specificity of the Union's stance in international affairs. The main characteristics of the security culture of the EU are: the rejection of nationalism as a legitimate basis for security; the differences between member-states are resolved according to jointly-developed norms; peace is guaranteed by the democratic nature of member-states; enlargement is an extension of the stability enjoyed by member states and economic integration, political convergence and security cooperation are all part of an integrated approach to policy-making.

Analysts and observers alike often point out that the promotion of these features of the Union's security culture is its greatest asset in external relations. Therefore, the projection of the Union's internal policies to the outside is thus a crucial element for defining its ambition as an external actor. The latter is not always clear: is the European integration process mainly about the completion of the Internal Market and making sure that instability in neighbouring regions does not affect 'domestic'? Or, by contrast, does the Union wish to play an important part in the shaping of the international system?

The Lisbon Strategy is also an expression of this reality: on the one hand, it highlights the macro-region (Europe) as the appropriate level of governance to devise broad policies of social and economic development. On the other hand, it implicitly mirrors the dilemma of the Union's foreign policy: is it mostly about preserving the prosperity of European societies, protecting them from the negative aspects of globalisation or does it aim to be part of the Union's contribution to the rules of global governance? We have already seen that this latter concern was not explicitly spelled out when the Lisbon Strategy was first conceived and its presence in sectoral policies is scattered and uncoordinated. Is it a different story when we look through the prism of external relations?

Three recent strategy papers provide us with some insights on the interplay between internal and external challenges.

The Commission's contribution to the October 2005 European Summit – *European Values in the Globalised World* – places the need for reform of internal policies against the backdrop of international challenges arising from globalisation and the emergence of new regional players. The document concluded that European leaders have identified the challenges but have thus far failed at responding to them in a consistent way. Therefore, the Commission puts forward a number of proposals – most of which restate the guidelines of the mid-term review of the Lisbon Strategy - to counter this state of affairs and outlines the 'division of labour' between the Union and the Member states. Yet for a strategic document that addresses Europe's challenges in the context of globalisation, it is surprisingly short when it comes to the role of foreign policy in the implementation of the objectives. Indeed, only enlargement, the Neighbourhood Policy and development policy are mentioned as external instruments that may "stimulate growth and project our values beyond our borders".

The June 2006 communication *Europe in the World* is a set of practical proposals to increase the coherence and efficiency of the Union's external policy (especially after the rejection of the Constitutional Treaty, which contains important changes for the external representation of the EU) and, in a more explicit way, raises the issue of the relation between internal and external policies and how the former "play a vital part in the EU's external influence". It calls for a more coordinated use of all available instruments, through better strategic planning and the developing of new working methods and procedures. It is also the first external relations general policy paper where the Lisbon Strategy as such is mentioned as an area of policy where internal and external policies are interdependent. It is, still, a rather vague reference and the remaining sections of the document do not provide any further indication of how the various dimensions of the Strategy may contribute to the external projection of the Union.

The reflection on the last issue seems to be developed further in a recent document prepared by the Directorate-General for External Trade of the Commission entitled *Global Europe: Competing in the World*. The document provides a number of proposals on how, from the perspective of trade, the Lisbon Strategy can be pursued and, in doing so, underlines the link between internal and external policies. As the text puts it, "internal policies like competition, research and development, innovation, education, employment, social and cohesion policy exert a strong influence on the capacity of EU companies to compete internationally. The completion of the Internal Market is a critical platform for EU exports. A strong and competitive home market is a pre-condition for the development of strong global players based in Europe. Harmonising regulatory approaches and striving for high-quality rules and practices inside the EU is essential to addressing these issues and effectively defending our interests abroad". In sum, it is possible to identify, at the conceptual level, the emergence of a perception of an external translation of the various policy areas that compose the Lisbon Strategy. The main argument here is that Europe's competitiveness is to be achieved in a multilateral international environment. A strong European impact in the definition of the rules shaping that environment requires solid and comprehensive partnerships with other major players. Again, these ideas originate from a specific side of the EU's external action – that of external trade – therefore it is important to see whether in the near future they will integrate the more general foreign policy strategic thinking.

If we turn to the bilateral level of EU foreign policy – that is, the relations between the Union and third countries, we also arrive at a mixed picture. Apart from the United States and Japan, which the EU has always considered as like-minded partners that, to a large extent, share the Union's values and objectives in a whole range of international issues, the policy towards the other countries analysed in this project, seems to be undergoing an important evolution.

Indeed, if we take as a departure point the country strategy papers for 2001-2006 for Brazil, China and India, the main common trait is that they all reflect a perception of the three countries more as the recipients of the Union's assistance and development efforts rather than as partners/interlocutors in the implementation of a global agenda.

However, more recent developments, for instance the 2004 EU-India Strategic Partnership or the October 2006 Commission Communication on relations with China already indicate a shifting perception of both countries. With India, there is a commitment to identify areas where the two sides may collaborate in order to strengthen each other's economic and social agendas. As stated before, science and technology is a privileged area and a strong increase in joint initiatives is expected to happen in the coming years.

In what concerns China, the Commission document calls for a cross-cutting approach, which takes into consideration the impact of China "in the full range of EU policies, internal and external". Efforts should thus be directed towards the building of a strategic partnership built around the two sides' interest in "an effective multilateral system". In more concrete terms, the EU expresses an ambition to follow closely the integration of China in the international system and believes that the strengthening of bilateral ties, namely in those areas pertaining to the Lisbon Strategy – science and technology, trade, sustainable development, energy – will ensure that China will become a 'responsible' actor in world affairs.

There are, in sum, signs of a new approach to what is perceived as a changed international system, where the role of the Union and its Member states cannot be mainly of assistance, but should be more oriented towards a wide-ranging dialogue on issues of mutual concern. What is still lacking is, on the one hand, a clear statement of this evolving approach both in the transversal foreign policy discourse and in the individual strategies towards third parties; and, on the other, a more thorough development of the practical implications of translating internal policies into foreign policy objectives.

Conclusion

The text has attempted to look at the external dimension of the Lisbon Strategy from two different angles: first, how the international context is a framework for the implementation of the Lisbon Strategy and, second, how the Lisbon Strategy contributes to the external projection of the Union.

The general conclusion is that, despite a recent evolution, the operational link between the two policy areas is a rather weak one. If the Lisbon Strategy as such does not possess an 'external discourse', it is no less true that the Union's external action has still to devise clear mechanisms for the coordinated and mutually-reinforcing integration of internal policies in foreign policy initiatives.

Originally conceived as Europe's answer to globalisation, the Lisbon Strategy has two important normative dimensions with direct implications for the Union's role in world affairs. The first one has to do with the fact that the Lisbon Strategy results from a reading of Europe's current challenges and prescribes specific steps to achieve long-term economic growth and social welfare. While not being a one-size-fits-all recipe, it is not an isolated exercise in the international context. On the contrary, as the case-studies described in the other papers show, there is a natural convergence of socio-economic agendas of key international players around the challenges addressed by the Lisbon Strategy. Europe can play an important role in making sure that those parallel agendas are implemented in a complementary fashion, not an inward-looking one.

The second normative dimension has to do with the governance model the Lisbon Strategy represents. The success of the Strategy, as defined in the relevant documents,

requires an intricate articulation not only of policy areas, but also of various levels of governance, from the micro/local level to the macro-region. In other words, it assumes that defining and agreeing on broad objectives at the macro-regional level (in this case, the European Union) is the most suitable method to pursue what is arguably a difficult socio-economic reform process. Yet, the practical implementation of those objectives requires the active involvement of local actors.

Hence, the external implementation of the two dimensions requires a change of the Lisbon Strategy paradigm, from a 'domestic' to an international cooperative process. To achieve a more consistent link between the Lisbon objectives and the Union's external action, the following measures appear as adequate:

(1) the explicit introduction of an external dimension to the implementation of the Lisbon Strategy, namely in the official EU discourse on the issue. Annual Commission reports on the Lisbon Strategy could include a specific section dedicated to the pursuing of Lisbon objectives through the external relations of the EU;

(2) the streamlining of the external initiatives of the policy areas that comprise the Lisbon Strategy. This would require a coordination effort among the various directorates-general in the Commission to ensure that there is a link between their various actions;

(3) in the revision of the Country Strategy papers for the next five-year period, a particular emphasis should be given to the upgrading of Lisbon Strategy subjects as areas of common interest where concrete joint projects should be developed. Bilateral annual summits should include a regular dialogue on such issues;

(4) Lisbon Strategy objectives and model of governance should become a more explicit topic in EU dialogue with other regional initiatives, especially with those that already have initiated a reflection on similar topics (for instance, the Mercosur). The stress in this case should be on the suitability of regional integration schemes for facing current social, economic and environmental challenges;

(5) The EU's presence in multilateral frameworks – especially the UN, the WTO and the ILO – would benefit also from a more integrated approach to the various dimensions of the Lisbon Strategy. The Union's long-standing efforts for the setting of international regulations in areas such as sustainable development, labour and social issues, competition practices, research and propriety rights must be continued, but with a stronger emphasis on the inter-twinning of the three pillars of the Lisbon Strategy: social, economic and environmental.

(6) Finally, the old question of the articulation and coherence between the Union and the Member states is also crucial in this area, especially given the role of the Member states in the implementation of the Lisbon objectives. Instead of involving solely the respective ministries in the Member states, it is important to raise the awareness at the national level of how foreign policy initiatives may boost internal policies. In other words, the change of paradigm that is called for at the European level, must also have its equivalent at the national level.