Situation of the European economy: report on the broad economic policy guidelines for 2008

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The Council held a policy debate on the next three-year cycle of the EU's Lisbon strategy for growth and jobs (2008-10), to be launched by the European Council at its meeting on 13 and 14 March.

The debate covered the following elements:

- a report from the Commission on the renewed Lisbon strategy and the launch of the new cycle; " Keeping up the pace of change;
- draft broad economic policy guidelines (BEPGs) for the 2008-10 period;
- draft country-specific integrated recommendations;
- a proposal for a new Community-level Lisbon strategy programme for the 2008-10 period.

The Commission suggests that the main focus of the new three-year cycle be on implementation and delivery of reforms, given that the Lisbon strategy is now considered to be delivering on its objectives. The four current pillars of the strategy – knowledge and innovation, employment, the business environment and energy and climate change – continue to be valid. And whilst evolving challenges need to be addressed, the current guidelines are not considered to require a fundamental overhaul.

Nevertheless, implementation of reforms and recommendations needs to be improved in a number of areas. These include research, innovation mechanisms, SMEs, the single market, the modernisation of public administration, education and skills, "flexicurity" (flexibility and security on labour markets), social inclusion, territorial cohesion, energy, climate change, visibility of the social dimension, and the sustainability and quality of public finances.

The Lisbon strategy is implemented under national reform programmes for the member states, with a Community-level Lisbon programme to complement these.

The Council is scheduled to approve, at its meeting on 4 March, a report to the European Council on the BEPGs and on the country-specific recommendations.