1. Climate change policy and the Lisbon Strategy

The Lisbon Summit in March 2000 was designed to mark a turning point for EU enterprise and innovation policy. European Union Heads of States and Governments agreed on making the European Union ‘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’. To achieve this goal, an overall strategy should be applied, aimed at preparing the transition to a knowledge-based economy and society by better policies for the information society and R&D, as well as by stepping up the process of structural reform for competitiveness and innovation and by completing the internal market; modernising the European social model, investing in people and combating social exclusion; and sustaining the healthy economic outlook and favourable growth prospects by applying an appropriate macro-economic policy mix.

However, nearly half-way through the implementation period, many critics complained that not much progress has been made on achieving these ambitious goals. In its Spring Report, which served as a basis for the Spring Summit in March 2004, the European Commission set out to assess the progress made towards the Lisbon goals. This report, as well as the Implementation Report of the Broad Economic Policy Guidelines 2003-2005, the Joint Employment Report, and the Implementation Report on the Internal Market Strategy, provided a dark picture of the state of the EU’s competitiveness.

Marking the half-way point for the Lisbon Action Programme, the spring European Council of 22-23 March 2005 placed renewed focus on growth, innovation and employment and encouraged the strengthening of social cohesion and the mobilisation of national and community resources in the Strategy’s economic, social and environmental dimensions. Simultaneously the European Commission named sustainable development as the general framework for the Lisbon strategy. Europe was urged to continue to take a lead in addressing the causes of climate change by improving energy efficiency and showing that alternatives can be found through market-based solutions.