SUMMARY The Lisbon agenda was reborn a year ago with its economic goals prioritised and a new system of governance. Of the three key changes advocated in the Kok report, only National Reao3s1(w s)14.2(y)17.1(s)ygrtiow d0.8((NRP(v)1s) drtio)15.wn

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a specific euro area dimension.

The European dimension first stems from purely economic factors. Since the EU is more closely integrated than the world economy at large, interdependence within it is gene-

Can such advances in ownership be observed in practice? To answer this question, we rely on the following three criteria:

- Criterion 1: Attention devoted to the development of National Reform Programmes (NRPs) by national governments.
- Criterion 2: Involvement of respective national parliaments and other stakeholders in the design and adoption of the reform programmes.
- Criterion 3: Media coverage surrounding the design and adoption of the NRPs.

A comprehensive evaluation of these three criteria is beyond the scope of this study. Instead, we offer an indication with regards to the first two and provide informed speculation about the third one.

Criterion 1: The Commission had called upon member states to appoint a "Mr or Ms Lisbon at government level"[4]. It turns out that only 11 out of 25 countries

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[3]See Kok (2004).

[4]European Commission (2005a).

[5]Source: Radlo and Bates (2006), Table 3, plus own research for the member states not covered there.

[6]Three countries did not appoint a Mr./Ms Lisbon at all.

In some cases, however, the guidelines are unambiguous and the policy emphasis is unmistakable. It is useful to analyse two such cases: the participation rate of older workers (Lisbon target: 50% in 2010) and R&D spending (Lisbon target: 3% of GDP in 2010). Most EU members are underperforming on both accounts.

With regards to the participation of older workers, of the 19 member states currently below the 50% target, only seven set a target in their NRP, sometimes actually below 50% or for a date later than 2010.

The results for R&D are also patchy. Here, of the 23 member states that currently invest less than 3% of GDP in R&D, 18 set a target in the NRP[7], although sometimes it is less than 3%, or for a date different than 2010.

In evaluating the NRPs, the Commission does not appear to follow the letter of the guidelines very closely and instead focuses on national prioritisation. We found it instructive to compare the reform priorities as implied by the Commission to those identified by the OECD. As a proxy for the Commission's take on national priorities, we use the "major strengths and weaknesses" spelled out in the conclusion of the Commission's assessment of the NRPs[8].

Regarding the participation rate of older workers there seems to be a

national strategies. Thereby, the European Commission adds value in this collective exercise of reflection and assessment.

In general, governments seem to have largely ignored the Integrated Guidelines when drafting their NRPs. Even more disturbingly, in its assessments of the NRPs the Commission also refers to them very loosely.

for the future of Europe. The Lisbon goals continue to reflect the major challenges that European economies are confronted with in this age of accelerated globalisation and technological change. What is more, a greater common ownership of reform programmes in the euro area. This should call for extending the practice of holding meetings of ministers of the euro area beyond the Eurogroup, including, if well prepared, at the European Council level.

Second, the National Reform Programmes and their evaluation by the Commission should derive policy priorities from the need to improve the functioning of the euro area and to redress harmful divergence within it. The euro area evaluation should go beyond a mere aggregation and be used as a basis for developing a euro area reform programme discussed within the Eurogroup.

The definition of a reform agenda for the countries in the euro area is urgently needed. The economy seems set to rebound in the short run, but for the recovery to be lasting the reforms that will pay off in two or three years and enhance the potential for non-inflationary g91 Tw[(p)16.1(e)14.2(e7dp)164Sdpa (e)14.2(d)0(t)27.8(o)0(b).2(o)131(d)0.1(d(r5.1(n)8.8(-1341 Tc0.0043)