Imagine a Europe where:

- young people move across Europe for further education and prepare for new jobs and new activity areas
- older people age more actively, combining flexible retirement with other activities and living alongside other generations
- women play an active role in the different domains of public life and the choices they make can be compatible with family life
- people in general can benefit from basic social protection and access to lifelong learning as the basis for greater occupational mobility and flexibility throughout their life
- the unemployed and socially excluded can benefit from more effective targeted programmes
- there is widespread access to broadband communications and to the different uses of information technologies
- companies increase their competitiveness by designing and producing knowledge intensive goods and services, more able to answer to customised needs in European and global markets
- innovation networks enhance the partnerships between universities, research and technological centres and companies
- SMEs and start-ups find better conditions for their initiatives
- public administrations use modern management and information technologies to provide better quality services
- European markets are open and connected by telecommunications, energy and transport networks
- financial markets are better integrated and provide greater access to venture capital
- concerns for sustainable development are visible in various areas such as agriculture, energy, transport, manufacturing.

Seeming appealing or naïve, this is an outline of a possible scenario for Europe. Although it does not tell us about obstacles and problems that are always involved, and though very difficult to reach, this scenario is a possibility.
It was with this kind of vision and ambition that a long term strategy for economic and social development was adopted in 2000 by the European Council, which took place in Lisbon. Aiming at a more competitive economy with more and better jobs and social cohesion, a European way to a knowledge-based economy was translated into new orientations for a number of policies regarding information society, research, enterprises, economic reforms, education, employment, social protection and social inclusion.

This agenda for action is under way at European, national and local levels. Nevertheless, a larger participation of the various actors depends on the governance procedures at these different levels and can also be fostered by more information and debate. The purpose of this book is precisely to provide organised information on this European strategy and the policies for a knowledge-based economy. A special focus will be put on bridging the scientific and the political agendas.

Many difficult issues are involved in the implementation of this strategy and require further research as well as further political debate:

- What should the main priorities to exploit the potential of the information technologies be?
- How can Europe close the gap with the USA regarding its research and innovation capacity?
- How should companies adapt to a knowledge-based economy?
- What kind of human resources are required and what should the answer of the education and training systems be?
- How can all these changes be compatible with better working conditions and quality of life?
- What answers should be developed at European, national or local level?
- What are the implications of these political choices for the macroeconomic policies in Europe?
- And what are their implications for the institutional reform of the European Union, taking into account the ongoing enlargement?

After a presentation of the general background and of the general strategy in the first two chapters, the following chapters deal with each specific policy highlighting their challenges, new approaches, new adopted orientations and their preliminary assessment. We also
try to identify some key issues to be tackled in the years to come. An updated and detailed bibliography as well as the list of the main e-links completes each chapter.

We hope this book can become a useful tool for both researchers and policy-makers, for the multiplicity of actors already involved in this strategy as well as for a broader public with interest in these recent developments of the European agenda. Europe can only be made by an informed and participative public opinion.

This book is the outcome of many debates, conferences and meetings, which have been taking place in the European institutions and the European Member States since 2000. In that year, the European Union adopted a long-term strategy for economic and social modernisation.

As special adviser to the Portuguese Prime Minister António Guterres, in charge of preparing the Lisbon Summit, I was involved in this process from the beginning and it would be impossible to mention the hundreds of people I met to discuss different aspects of this strategy and to whom I am very grateful. Policy-makers, scholars and different actors of the civil society have been involved in this agenda for action which is also a research and innovation agenda. Nevertheless, in the academic field, I would like to make special reference to some authors who played an important role in shaping the point of departure – Bengt-Ake Lundvall, Gösta Esping-Andersen, Luc Soete, Manuel Castells, Mario Telò, Mark Tomlinson, Robert Boyer and Robert M. Lindley – and with whom I published *The New Knowledge Economy in Europe – a Strategy for International Competitiveness and Social Cohesion* (2002, Edward Elgar).

The follow-up of this process has also required regular and diversified work on a permanent flow of new documents. For her skilful collaboration in this large task, as well as for her support in editing this book, I am especially grateful to Patrícia Cadeiras, a very good example of the young people who can make Europe. My deepest gratitude also goes to Rachel Evans for her English editing and to Isabel Cernich for her very effective assistance to the many fronts of this undertaking.