

Comments on the Future "EU 2020" Strategy
4 January 2010
Filippo Strati
Studio Ricerche Sociali (SRS), Italy
www.srseuropa.eu/eng/index.php
srs@srseuropa.eu

Introduction

The following comments aim to contribute to the Consultation on the Future "EU 2020" Strategy (COM(2009)647), promoted by the EU Commission the 24th of November 2009 (hereinafter referred to as "the Commission Document"). The comments take into consideration the correlations between the state-of-the-art policies, key aspects of the EU Treaties, key aspects of the EU 2020 Strategy and recent developments in publications and debate. These correlations set the basis for suggestions in terms of policy and operational consequences.

1) The state-of-the-art policies

The revision of the Lisbon Strategy (2005) and Sustainable Development Strategy (2006) introduced clearer terms of reference for an integrated multi-dimensional approach, supported by streamlined processes of decision-making based on the open method of co-ordination (OMC).

The OMC, as a main instrument of "soft law", orients the governance mechanisms of each Member State towards planning development according to common guidelines, objectives, indicators and mutual learning processes (e.g. peer reviews) throughout the EU territory.

Improvements in planning capacity, institutional mechanisms and processes of each Member State are visible in three main documents: National Reform Programme (NRP) aimed at integrating the employment, economic, social and environmental strands of the Lisbon Strategy; National Strategy Report on Social Protection and Social Inclusion (NSRSPSI) that concerns social inclusion, pensions, health care and long-term care policies; National Progress Report on the European Sustainable Development Strategy (NSDS) aimed at integrating environmental policies (e.g. natural resources, climate change, energy, transport, consumption and production) and public health, social inclusion and poverty, demography and migration policies.

These three documents are founded on the four pillars of the EU strategic structure (social, employment, economic and environmental). However, weaknesses in this approach have been identified by analysts, researchers and networks (among them, the European Sustainable Development Network and the EU Network of independent experts on social inclusion). The most evident weaknesses are linked to the fact that these documents (NRP, NSRSPSI and NSDS) are often considered as a reporting exercise, to be submitted to the EU Commission, rather than strategic action plans. The pervading bureaucratic and administrative attitude (e.g. "copy and paste") hampers a coherent and constructive integration of the documents, as well as a reasoned analysis of the "feeding in" and "feeding out" interrelationships between different policies. Economic and employment matters are considered more important than environmental, poverty and social exclusion issues. Mere consultation of stakeholders prevails rather than an effective participation in decision-making processes. Small circles of policy makers, practitioners and experts prepare the documents. General objectives and guidelines prevail on precise qualitative and quantitative targets.

Different OMC processes may contribute to these weaknesses. The OMC process is more effective in the Lisbon Strategy (NRP) with respect to the social inclusion and social protection policies (the so-called Social OMC of the NSRSPSI), while the OMC process concerning sustainable development (NSDS) remains substantially voluntary.

As an example, the EU Commission formulates country-specific recommendations and “points to watch” for the NRP, but, in the case of the Social OMC (NSDS), it provides only general comments in terms of country-challenges. The three OMC processes lack a clear synchronisation.

However, this situation is tied to a deeper imbalance linked to the clear dominance of the economic dimension, for which growth and jobs (a cornerstone of the Lisbon Strategy) are also instruments to fight against poverty and social exclusion. Unfortunately these instruments are necessary but not sufficient to tackle income disparities, regional disparities, gender and ethnic disparities, household hardships, environmental degradation and quality of life as a whole.

The 24 Integrated Guidelines, which orient the Lisbon Strategy, are clearly influenced by the overwhelming importance given to the economic dimension: only two of them (number 17 and 18) make a reference to social and territorial cohesion and to inclusive labour markets; only one of them (number 11) encourages the sustainable use of resources and strengthens the synergies between environmental protection and growth.

2) Key aspects of the EU Treaties

The overarching objectives stated by the Article 3 of the Treaty on European Union (TEU) are: peace and well-being; sustainable development; a highly competitive social market economy; economic, social and territorial cohesion; full employment and social progress; a high protection and improvement of the quality of the environment; scientific and technological advancement; social justice and protection; equality between women and men; solidarity between generations and among Member States. With these objectives, the Union “shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child”.

Sustainable development, the quality of the environment, the protection of the rights of the child, the fight against social exclusion and discrimination (Art. 3 TEU) are some aims of the Union embedded in its founding values: respect for human dignity, freedom, democracy, equality and human rights, including the rights of persons belonging to minorities (Art 2 TEU). “These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail” (Art. 2 TEU).

The Treaty on the Functioning of the European Union (TFEU) provides details on all policy fields. Horizontal clauses allow the Union activities to be consistent with: sustainable development and environmental protection (Art. 11); equality (Art. 8) and the fight against discrimination (Art. 10); social protection, the fight against social exclusion, the promotion of a high level of employment, education and training, the protection of human health (Art. 9). Furthermore, the TFEU confirms that the reduction and eradication of poverty are primary objectives in development cooperation with third countries (Art. 208).

The Charter of Fundamental Rights of the European Union has the same legal value as the Treaties (Art. 6 TEU) and its values-based nature plays a primary role in the constitutional evolution of the Union (“The peoples of Europe, in creating an ever closer union among them, are resolved to share a peaceful future based on common values” – Charter Preamble). Key drivers of this evolution are (Art. 6 TEU combined with the Charter Preamble and Article 52.3): the principle of subsidiarity; the accession of the Union to the European Convention for the Protection of Human Rights and Fundamental Freedoms; the permanent dialogue between the Charter and the constitutional traditions and international obligations common to the Member States.

An example of permanent dialogue is constituted by the “inviolability of human dignity”. This principle is stated by the first article of the German Constitution and recognised in different extents by other Member States (such as Portugal, Spain, Ireland, Belgium, Sweden and Italy). Taking into account the mutual support of different constitutions, the Charter places the principle of human dignity as its first Article and Title, through which all other rights are formulated and pursued: freedom, equality, solidarity, citizenship and justice.

Human dignity includes the right to: a high level of environmental quality and protection (Art. 37 Charter); social security benefits, social protection and services, social and housing assistance, sufficient resources for a decent existence in order to combat risks of social exclusion and poverty (Art. 34 Charter).

3) Key aspects of the EU 2020 Strategy

According to the Commission Document, the EU 2020 vision should become “a new sustainable social market economy”, where “social, economic and environmental objectives must go hand in hand”. The Commission Document defines three missions (or thematic priorities) towards the EU 2020 vision: creating value by basing growth on knowledge; empowering people in inclusive societies; creating a competitive, connected and greener economy.

The three missions are associated with specific considerations, some of them can be summarised as follows. The conservation and a more efficient utilisation of energy, natural resources and raw materials are key drivers of economic competitiveness and productivity, as well as the application of greener technologies constitutes new sources of employment. Growth and jobs alone do not secure a reduction in poverty and social exclusion. Gender equality, social cohesion and solidarity, integration of immigrant population, lifelong learning and education, income support, social services and pension systems are effective ways to fight inequality, poverty and child poverty with a close attention to vulnerable groups in an ageing society.

Fully recognising that “no single Member State can successfully address these challenges”, the Commission Document identifies multi-layer governance mechanisms such as: policy co-ordination, integration of different policy instruments, institutional reforms, better regulation, synergies based on effective subsidiarity, improved partnership between the EU and Member States, and active support of stakeholders (e.g. social partners and civil society). These mechanisms are necessary to perform a strategy for convergence and integration, which take into account an increasing interdependence at a global level, between the EU Member States, different level of government, policies and instruments.

The Commission Document fosters the role of the European and national Parliaments in developing the EU 2020 Strategy, for which the Spring European Council in 2010 should define “integrated guidelines” (a small number of headline objectives with the corresponding policy actions) to be pursued at EU and Member State level in the next 5 years.

4) Definitions developed by the current literature and debate

Sustainable development is universally recognised as “a development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, World Commission on Environment and Development chaired by Gro Harlem Brundtland).

However the meaning of development and sustainability can be further investigated, along with the relationship between needs, freedom and rights.

As affirmed by Edgar Morin, the metamorphosis of the concept of development in that of “flourishing” is useful to progressively overcome the traditional thinking based on economic growth and the associated quantitative parameters. According to Amartya Sen, development is an empowering process that can be used to preserve and enrich the environment. Taking into account the contribution of other scholars (inter alia, Serge Latouche, Gilbert Rist, Leslie Sklair and Robert Nisbet, Fritjof Capra, Pierre Teilhard de Chardin, Humberto Maturana and Francisco Varela), development can be better defined as the process whereby human beings use their knowledge, understanding and capacity to improve the quality of the ecosystems with which they interact, including the other components of nature.

This definition allows sustainability to be restored to its original meaning as the capacity to reconcile humanity and nature, following the developments made in scientific and philosophical research in the last four decades and reflected in official documents (e.g. from the 1992 Rio Declaration to the 2000 Earth Charter).

Since sustainable development depends on human capacity, the relationship between needs, freedom and rights becomes of paramount importance.

The capability approach, elaborated by Amartya Sen, proposes a departure from concentrating on the means of living to the actual opportunities of living, from needs to rights, from quantity to quality of life. Individuals, with their plural identities and different types of social interactions, think, choose and act according to values, cultures and knowledge.

Following the capability approach, it is possible to define social inclusion as a multidimensional process of civilisation, based on solidarity, whereby individuals and their communities feel valued, their differences are respected, their rights (citizenship included) are fully recognised, opportunities are created to allow them to meet their own needs. In other words, the way in which a society cares for its most vulnerable members is “the test of civilisation”, as affirmed by Pearl S. Buck.

There must be well-functioning systems and a variety of interrelated instruments (legislation included) to guarantee human rights, freedoms, opportunities and responsibilities. According to Anthony Giddens, a “good society” is based on an effective balance between a competitive marketplace, a robust civil society (e.g. trades unions, self-help groups, social movements and the so-called third sectors) and the democratic state, even though the boundaries between them are often blurred, conflicting and negotiated.

All these components are also present in the social market economy approach, although poorly defined. According to the political philosophy of Ordoliberalism from the Freiburg School (e.g. Ludwig Erhard, Alfred Müller-Armack, Wilhelm Röpke, Walter Eucken) and other analysts (e.g. Michael Borchard), social market economy can be understood as: a form of market economy intentionally managed in accordance with social priorities; an economic and social order where the measure of the economy is the human being; regulatory policies that allow competition to be utilised as a means to equally guarantee economic activity and humane living conditions; an economy shaped by values of solidarity and subsidiarity, human dignity and freedom, harmony between humanity and nature.

In conclusion, the concepts present in the social market economy should be more attentively combined with those that define sustainable development in order to become “a new sustainable social market economy”, as declared in the EU 2020 Strategy.

The key point is of a scientific and strategic nature: the three main dimensions of development (environmental, social and economic) must be considered to an equal extent, must have the same political status and importance, must work together in order “to go hand in hand”.

5) Policy and operational consequences

The Future "EU 2020" Strategy "is being designed as the successor to the current Lisbon Strategy" (COM(2009)647). This is an important opportunity to: A) assign equal political status to the main dimensions of development in order to balance the EU overarching strategic structure; B) provide strong values-based objectives in order to support the EU policies; C) harmonise the current fragmentary architecture of the OMC processes in order to coordinate the implementation of policy actions.

A) New Integrated Guidelines for the next 5 years should decisively raise the political status and importance of the fight against poverty and social exclusion, as well as the fight against environmental degradation, climate change and unsustainable use of natural resources. This orientation means that equilibrium should be determined between the headline objectives and the corresponding policy actions concerning the social, economic and environmental dimensions of sustainable development (e.g. 1/3 for each dimension).

B) Having the same legal value as the Treaties, the Charter of Fundamental Rights of the European Union rises to the rank of primary legal system. The Charter is becoming a source of the "Community Method" (or "hard law"). The Charter values and principles should harmonise legislation (e.g. by directives and basic standards) and should guide the definition and implementation of policies and activities throughout the EU territory while respecting the subsidiarity principle.

C) The OMC processes should not substitute for the Community Method but should be complementary. Three OMC processes should be maintained but specifically oriented to the achievement of clear targets in the three development dimensions (economic, social and environmental). The analysis of the "feeding in" and "feeding out" relationships between these dimensions should be incorporated in each OMC process. The Sustainable Development Indicators should be used to monitor and assess policies and targets of each OMC process. The three OMC processes should follow similar criteria, procedures, governance mechanisms and timing. Improvement should be made to: increase awareness of the OMC processes at EU national and sub-national level through the involvement of the respective Parliaments and government authorities; involve relevant stakeholders in decision making through minimum standards for participation (e.g. range of actors, time for consultation and follow-up, resources); make the common guidelines and policy priorities more binding through recommendations formulated by the EU Commission, negotiated with the specific Member State, endorsed by the EU Council and implemented to achieve the agreed national targets.