



European Economic and Social Committee

ECO/LSO/233
Effective governance of the
renewed Lisbon Strategy

Brussels, 4 December 2008

OPINION

of the

European Economic and Social Committee

on

Effective governance of the renewed Lisbon Strategy

In a letter to Mr Dimitriadis dated 11 June 2008, the European Commission asked the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, to draw up an exploratory opinion on the

Effective governance of the renewed Lisbon Strategy

On 17 June 2008 the Committee Bureau instructed the Section for Economic and Monetary Union and Economic and Social Cohesion to prepare the Committee's work on the subject.

Given the urgent nature of the work, the European Economic and Social Committee appointed Ms Florio as rapporteur-general at its 449th plenary session, held on 3 and 4 December 2008 (meeting of 4 December 2008), and adopted the following opinion by 100 votes to 5 with 2 abstentions.

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Preamble

In times of great uncertainty there is a need for long-term vision, consistent policies and the participation of all stakeholders. The Lisbon Strategy offers an overarching framework which enables the European Union to strengthen its single voice at global level.

The more active inclusion of organised civil society will unleash hidden potential. The concept and implementation of the strategy proves that it should be a mixture between top-down and bottom-up approaches. A good governance of the Lisbon Strategy should be used to promote convergences of policies and economic growth and employment.

1. Conclusions and recommendations

- 1.1 The Lisbon Strategy is a project for European society as a whole enabling it to meet the challenges of a globalised world. The EESC considers that due to the current financial markets crisis and the subsequent economic consequences and increasing uncertainties, European competitiveness, sustainable development and social cohesion remain of key importance. The Committee underlines that the three pillars of the Agenda - growth and jobs, social cohesion and sustainability - require a continuous interactive and balanced approach.

- 1.2 This opinion is first and foremost an answer to the request of the European Commission¹. It is about the governance of the Lisbon Strategy and it represents the continuity of earlier contributions by both the EESC and EU's civil society organisations to the Lisbon process².
- 1.3 The EESC emphasises that the Strategy requires sufficient support from national governments and therefore underlines that they have a political and moral obligation to agree and envisage reforms with civil society organisations. It is of key importance that the non-governmental stakeholders in the Member States can fully participate in setting the agenda of the Lisbon process. The national Economic and Social Council's (ESC) or similar civil society organisations should fulfil the role that national legislation and practice assigns them with regard to the Lisbon Strategy³.
- 1.4 There are substantial differences in governance between the Member States. In some of them consultation and information procedures are well organised and in others they need considerable improvement. Exchange of practices should be promoted. Therefore, the EESC is conducting fact-finding missions to the Member States to discuss the exchange of best practices and the implementation of the reforms with civil society stakeholders⁴.
- 1.5 The EESC underlines that the reforms of the strategy provide the citizens with important economic and social stability combined with sustainable development objectives. The various players in the public and the private sector should each identify their own role and positive contribution, thus combining economic effectiveness with social justice in view of the well-being of people in Europe.
- 1.6 The EESC considers it highly desirable that all stakeholders (at national, regional and local level), be directly involved in defining effective governance at the appropriate level. The different levels of consultation require different forms of participation and working methods.
- 1.7 Taking into account differences between Member States; the EESC recommends the creation of permanent dialogues in Member States, involving on the one hand national ESCs and on the other the social partners, and which could also involve other social stakeholders (SMEs,

¹ Ms Wallström, the Vice-President of the European Commission requested in her letter of 11 June 2008 to Mr Dimitriadis, President of the EESC, that the EESC draw up an exploratory opinion on the Lisbon Growth and Jobs Strategy. This request to the EESC by the Commission is in line with the 2008 Spring Summit's general mandate which "... invites the Commission and Member States to strengthen the involvement of relevant stakeholders in the Lisbon process ...".

² The EESC has prepared Summary Reports for the Spring European Council in 2006 (CESE 1468/2005) and in 2008 (CESE 40/2008) and has worked on the EU Council's four priority areas (see Appendix 1). Therefore this opinion has to be seen in direct relation with the EESC's previous work.

³ The EESC notes that it is in no way interfering in Member States in the existing procedure of consultation, competencies and legitimacy of social partners.

⁴ Representatives from France, Spain, Belgium and the Netherlands expressed their satisfaction with governance of the process in their respective Member States. Please see the findings of the first mission in Appendix 2.

social economy⁵), and universities and think-tanks. Organisations that promote social cohesion and equal opportunities should also be involved.

- 1.8 The EESC proposes that at the end of each Lisbon cycle a conference (as a follow-up to the national permanent dialogue) could be held with stakeholders and civil society organisations concerned to address successes and shortcomings. In general, emphasizing and promoting successes and achievements will provide society with a stronger basis for continuing the reform process.
- 1.9 The EESC stresses that there is a need for a better and more detailed monitoring system (role and actions of different stakeholders in the implementation process) and therefore proposes more general use of the quantitative and qualitative benchmarking model (see point 2.8) which is being tested in some countries, thus enabling a stronger role for civil society organisations in the implementation and monitoring processes.
- 1.10 The EESC estimates that there is an urgent need for a wider public discussion of the methodology and implementation aspects of the strategy and calls upon all organised civil society actors to engage in a wider and more in-depth debate of the Lisbon reforms at the different levels. The special role of national ESCs or similar civil society organisations in Member States without national ESCs should be strengthened in those cases where this role is underdeveloped. Other consultative bodies dealing with particular aspects of the Lisbon Strategy (national councils on sustainable development, equal opportunities or combating poverty) must also be involved, alongside bodies for the consultation of the social partners.
- 1.11 The EESC considers it necessary that new concrete steps are taken by the European Commission and Member States to enhance the implementation, using different communication methods, especially the electronic communication ones (identification of best practices, scoreboards etc). Cross-border cooperation and the sharing of best-practices should be promoted.
- 1.12 The EESC may be instrumental both as a platform for the exchange of information between national ESCs, social partners and other civil society actors and the European institutions and as a platform for the exchange of views and experiences between national non-government related players. The EESC highly appreciates the contributions to the discussions made by national ESCs and other civil society organisations.
- 1.13 The EESC stresses that in all cases the national Lisbon coordinators should have regular cooperation during the elaboration, implementation and evaluation of the NRPs with all well-defined stakeholders. The EESC calls on the Member States governments to step up activity

⁵ "Social economy is structured around three large families of organisations: co-operatives, mutual societies and associations, with the recent addition of foundations", The Social Economy in the EU, pg 11, CESE/COMM/05/2005.

to inform their citizens on the results of civil and social dialogue in relation to the Lisbon objectives.

2. **Stakeholders role in the governance process - new forms and tools for effective governance**

2.1 As the international economy is facing very serious challenges and uncertainties, positive economic sentiment has declined significantly in Europe. In this situation the Lisbon Agenda and implementation of balanced structural reforms becomes ever more important and immediate solutions are needed.

2.2 The EESC sees the effective governance of the Strategy as extremely important for its coherent implementation and underlines that the empowerment of different levels (national, regional and local) could encourage proposals and solutions.

2.3 The EESC notes that in many Member States the Strategy was initially perceived as an interaction between national governments and EU institutions. The EESC played a key part together with national ESCs and other civil society organisations in improving governance compared to the initial situation. The Committee notes with regret that participation has not progressed to the same extent in all Member States.

2.4 The national Lisbon coordinators should more actively involve civil society organisations and social partners in the activities and reforms necessary to support the Lisbon Strategy (e.g. timely information, joint event planning, etc), and communicate the strategy to the wider public more effectively.

2.5 Close cooperation between national ESCs, social partners and other civil society organisations would contribute to positive policy externalities and create new synergies. Participation by all the stakeholders including representatives of disfavoured groups (people with disabilities, immigrants, etc.) should be ensured.

2.6 Successful implementation will require more effective use of EU financing of the various Funds (Structural Funds etc) consistent with the Lisbon objectives.

2.7 **Effective multi-level governance**

2.7.1 New and innovative forms of governance are needed to respond adequately to global challenges. The EESC recommends establishing *permanent dialogues* (including national ESCs, social partners, SMEs, universities, other civil society stakeholders including social economy organisations and those working to promote social cohesion and equal opportunities for all). These dialogues should help to identify bottlenecks in the implementation process and to promote new incentives for the areas which are lagging behind. In this way national

ESCs or similar organisations can contribute in formulating proposals in order to respond to the problems which have been raised.

- 2.7.2 These permanent dialogues could, in the countries where it is deemed necessary, serve as instruments for effective multi-level governance, in cooperation with the national Lisbon coordinator's office. They could help to evaluate actions taken in each priority area (based on country-specific recommendations of the Commission) possibly using a quantitative and qualitative benchmarking system at national, regional and local level (see point 2.8). This can also be of help in cross-border benchmarking.
- 2.7.3 *Transparency* (access to data, compliance with deadlines) should be guaranteed during meetings between the European Commission and social partners, NGOs and the various civil society organisations.
- 2.7.4 One instrument that could assist in the implementation of the Lisbon Agenda is the *Open Method of Cooperation* (OMC). The Committee has stated on several occasions that the OMC could be used better and more effectively. This can be achieved by using the newly introduced "*common principles*"⁶ approach and by allowing organised civil society's participation in formulating and even negotiating the objectives of the Lisbon Strategy at European level. However, in the present severe financial and economic situation, further steps need to be made by all the governments and stakeholders to fix better objectives.
- 2.7.5 Stakeholders should develop new methods for sharing best-practices: multi-level networking would involve the two-way exchange of information between the various levels of government, while the setting up of cross-border objectives would result from closer cooperation between bordering areas in two or more Member States.

2.8 **Quantitative and qualitative benchmarking**

- 2.8.1 Among the differences between Member States there are divergences in collecting relevant data for structural indicators. Ways and means have to be found in order to get high standard objective information on the indicators across the Member States. To that end strengthening existing links between the responsible agencies (for instance national statistical offices) as Eurostat is striving to do, is even more desirable in order to create the indispensable common statistical base. This data should be broadly accessible and the discussions on the criteria to be selected should be as transparent as possible.
- 2.8.2 Quantitative and qualitative benchmarking, based on the NRP objectives and set up by stakeholders in cooperation with government representatives, would provide effective and concrete information for measuring the progress made in each Member State based on

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The common principle method focuses on very specific themes where Member States want progress to be made even if EU competence is limited, ref. EESC Opinion *A New European Social Action Programme*, CESE 1209/2008 of 9 July 2008.

structural indicators⁷ as well as on the general objectives of the Lisbon Strategy. Each national ESC or similar organisation would need to analyse and establish its own priority criteria. National ESCs in countries such as Belgium, Bulgaria and France have already started benchmarking at regular intervals (e.g. every two years) the 14 indicators agreed by the governments of Member States and some additional structural indicators, using statistics which are freely accessible on the Eurostat website. Other national ESCs could follow suit if they chose to do so.

2.8.3 National criteria could be modified based on the requirements of each level (national, regional, local and sectoral⁸) and adapted accordingly. National benchmarks in each priority area (as defined by the 2006 Spring European Council) would focus on the collection of national and regional data in order to provide concrete performance indicators and measures. The database should be open to national ESCs as well as to social partners and other civil society stakeholders. The following practical steps are proposed:

- An accessible internet-based benchmarking on the EESC website (CESLink website⁹) for the real-time and efficient gathering and analysis of data¹⁰.
- Data could be collected once or more per three-year Lisbon cycle by national ESCs or similar organisations or have to be guaranteed by the existent national participation systems.
- Results could also be analysed by periodically-held round tables and presented during an annual conference organised by the EESC.

⁷ In December 2003 14 structural indicators were commonly agreed by the governments of the Member States. The 14 structural indicators are: GDP per capita in PPS, labour productivity, employment rate, employment rate of older workers, youth education attainment level, gross domestic expenditure on R&D, comparative price levels, business investment, at risk-of-poverty rate after social transfers, long-term unemployment rate, dispersion of regional employment rates, greenhouse gas emissions, energy intensity of the economy, and volume of freight transport relative to GDP. Eurostat regularly provides information about structural indicators:

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1133.47800773.1133_47802588&_dad=portal&_schema=PORTAL.

⁸ Sectoral – each sector of economic activity would also need to define the steps needed to reach the Lisbon objectives (e.g.: innovation and competitiveness).

⁹ <http://www.eesc.europa.eu/ceslink/09-fr/presentation-ceslink-fr.html>.

¹⁰ The EESC can contribute to the process by making webspace available for sharing results and exchanging of information..

2.8.4 In this way stakeholders would be able to set realistic targets and provide coherent information for the revision of NRPs. Furthermore, they will be easy to update and enable continuous evaluation. At the same time it will facilitate the identification of best practices across the Member States.

Brussels, 4 December 2008.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Mario Sepi

Martin Westlake

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N.B.: Appendices overleaf.

Appendix 1

MAIN CONTRIBUTIONS ON THE LISBON STRATEGY PREPARED BY THE EESC TOGETHER WITH ITS NETWORK OF NATIONAL ESC'S AND SIMILAR ORGANISATIONS

Summary Reports to the Spring European Council:

- **Implementation of the Lisbon Strategy - Contributions further to the European Council of 22-23 March 2005 - A summary report prepared in collaboration with national ESCs of the EU - Contributions of two candidate countries - Report by the Liaison Group**
CESE 1468/2005 rev. (on website CESE:
http://www.eesc.europa.eu/lisbon_strategy/events/09_03_06_improving/documents/ces1468-2005_rev_d_en.pdf)
- **Lisbon Strategy 2008-2010. The Role of Organised Civil Society. Summary Report to the European Council (13 and 14 March 2008). Implementation of the Lisbon Strategy: Current Situation and Future Prospects.**
CESE 40/2008

Resolution to the Spring European Council:

- **Resolution of the European Economic and Social Committee on *The implementation of the renewed Lisbon Strategy* (Spring 2007 Resolution)**
CESE 298/2007
Rapporteur: **Mr van Iersel**
Co-rapporteur: **Mr Barabas**

OPINIONS ON THE PRIORITY AREAS OF THE LISBON STRATEGY

- **The road to the European knowledge-based society – the contribution of organised civil society to the Lisbon Strategy** (exploratory opinion)
OJ C 65 of 17.03.2006, p. 94
Rapporteur: **Mr Olsson**
Co-rapporteurs: **Ms Belabed, Mr van Iersel**
- **Business potential, especially of SMEs (Lisbon Strategy) (own-initiative opinion)**
OJ C 256 of 27.10.2007, p. 8
Rapporteur: **Ms Faes**
- **Investment in Knowledge and Innovation (Lisbon Strategy) (own-initiative opinion)**
OJ C 256 of 27.10.2007, p. 17
Rapporteur: **Mr Wolf**

- **Employment of priority categories (Lisbon Strategy)**
OJ C 256 of 27.10.2007, p. 93
Rapporteur: **Mr Greif**
- **The definition of an energy policy for Europe (Lisbon Strategy) (own-initiative opinion)**
OJ C 256 of 27.10.2007, p. 31
Rapporteur: **Ms Sirkeinen**

OTHER DOCUMENTS STEMMING FROM THE LISBON WORKING STRUCTURES

- **Brochure on 58 concrete measures to ensure the success of the Lisbon Strategy**

FURTHER OPINIONS DRAWN UP BY THE SECTIONS INDEPENDENTLY OF THE LISBON WORKING STRUCTURES

- **Climate Change and the Lisbon Strategy (own-initiative opinion)**
OJ C 44 of 16.02.2008, p. 69
Rapporteur: **Mr Ehnmark**
- **Entrepreneurship mindsets and the Lisbon Agenda (own-initiative opinion)**
OJ C 44 of 16.02.2008, p. 84
Rapporteur: **Ms Sharma**
Co-rapporteur: **Mr Olsson**

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Appendix 2

Summary Report of the mission to Bucharest on 13 October 2008

The EESC delegation met with Romanian civil society organisations at the premises of the national ESC. Discussions were held with representatives of 17 civil society organisations.

Employers and trade unions agree on a number of issues, but they are not listened to by the Government. The following findings were made:

General points:

- The Government consults the social partners on the NRP, but the timetable is often unrealistically short. Very rarely are any suggestions made by the social partners considered or reflected in the NRP.
- The NRP is properly addressing energy/climate challenges in the country.
- Social dialogue is not functioning well and its advantages should be better communicated to the citizens. Therefore, all social partners should cooperate better and join their efforts to represent socio-economic interests.
- Due to the unbalanced wage policy over three million of the most competitive workers have left the country and it faces serious shortages of labour supply. At least 500 000 workers are required in order to be able to respond to the needs of different sectors.
- The legal framework for the creation and functioning of SMEs should be reformed.
- There is a need for more fiscal instruments supporting growth and jobs in Romania, particular attention should be paid to the 750 000 people with disabilities.
- Life-long learning system is seriously underdeveloped.
- Romanian civil society is worried about the security of supplies of commodities, energy etc.
- Corruption is still undermining development in various sectors.

Specific points:

- Labour law implementation remains problematic and the National Labour Inspection is underperforming (*black economy*).
- Flexicurity implementation is problematic; interpretation and implementation by the authorities is creating insecurity.
- Vocational training system, in parallel with the so-called "certification system", needs to respond better to the needs of the different sectors. The present situation is seriously undermining the competitiveness of the whole economy. Assistance is needed in the creation, implementation and assessment phase.
- Parafiscal taxes are hindering SMEs.

- Civil society organisations have permanent capacity/funding problem, and are not yet properly developed. A coalition of NGOs is present in the Structural Funds Steering Committees, but more involvement is needed.
- Educational programmes (in general school curricula need better coordination) should address energy/climate and sustainability challenges.

The social partners do receive information from the European Commission. At the national level all partners called on the Government to consult other civil society organisations and develop better structured civil dialogue. This should be mirrored in the reform of the Romanian national ESC, as the legal base exists and was initially proposed by the Government, but other civil society organisations are not yet represented.
