The renewed EU SDS: policies, governance, actors and political relevance

Reinhard Steurer

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Institut für Wald-, Umwelt- und Ressourcenpolitik
Universität für Bodenkultur Wien
Feistmantelstr. 4
A – 1180 Wien
Tel: + 43 – 1 – 47 654 – 4400
Fax: + 43 – 1 – 47 654 – 4417
e-mail: edith.hoermann@boku.ac.at

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1 Introduction

This sub-section reviews key policy and governance aspects of the renewed EU SDS that was adopted by the European Council in 2006. It (i) retraces the lengthy renewing process leading to the policy document, (ii) summarises its contents (including thematic continuities and overlaps), (iii) explores its linkages to the so-called Lisbon Strategy and the 6th Environmental Action Programme (6 EAP), (iv) outlines the so-called “governance cycle” that is supposed to facilitate the implementation of the EU SDS, and, (v), it draws some conclusions regarding its deteriorating political relevance. By doing so, the chapter highlights the roles different actors played during the development and the implementation of the strategy, and it shows that the early governance of the renewed EU SDS resembled a “light form” of the Open Method of Coordination (OMC, a method that played an important role in the context of the Lisbon Strategy), but that several OMC features have deteriorated since 2008. The section concludes that the renewed EU SDS added momentum to SD policy making in Europe around its adoption in 2006 but that this momentum has faded away in recent years.

1.1 The lengthy renewing process

From 2002 onwards, SD policy making in EU Member States and at the EU level proceeded with different speeds. Based on a call by the Gothenburg European Council, many EU Member States developed comprehensive SD strategies and respective governance processes rather quickly around and after the Johannesburg World Summit in 2002. At the EU level a review of the Gothenburg strategy was scheduled for 2004, but the development of a more comprehensive EU SDS was not completed until 2006. This obvious delay in renewing the EU SDS had also consequences for the renewal of the Lisbon Strategy (see section (iii) below): Instead of renewing the two strategies jointly, the Lisbon Strategy was renewed in 2005 in time and the double-track pursuit of SD in Europe with two more or less separate strategies was continued until 2010.

As Kopp shows in detail, the renewing of the EU SDS started with a public consultation in 2004. It was open for three months for stakeholders from all over the world. In total, around 1100 questionnaires were filed by individuals and 153 organizations with various backgrounds (environmental and social NGOs, think tanks, associations, companies, ministries, national, local and regional agencies). In addition, the Commission consulted also the European Economic and Social Committee who issued its opinion in April 2004. The consultation phase was followed by the publication of numerous European Commission reports:

- A Commission staff working document compiled by Secretariat-General in March 2005 summarised the consultations.

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1 European Council (2001), Presidency Conclusions, Gothenburg European Council, 4.
• In February 2005, the European Commission presented a communication that took stock of the review process so far and gave some future orientations.\(^6\)

• Quickly thereafter, in May 2005, the Commission published a “Draft Declaration on Guiding Principles for Sustainable Development”, supposed to serve as a conceptual basis for the renewal of the EU SDS in particular, and for more integrated (SD) policies in general.\(^7\) The Guiding Principles were adopted unchanged by the Brussels European Council in June 2005,\(^8\) and they were included as an opening chapter of the renewed EU SDS in 2006.\(^9\) In December 2005, the European Commission finally presented its proposal for a renewed EU SDS (drafted by the Secretariat General).\(^10\) It describes some achievements of the last few years and “sets out further concrete actions for the coming years” (for the priority areas of this proposal, see Table 1).

The draft of the European Commission did not meet the expectations of several Member States (and stakeholder groups). However, contrary to the drafting process in 2002, the Member States most dedicated to SD did not simply reject the draft strategy put forward by the European Commission at the next European Council. They saw the need and were able to develop the draft of the Commission further to a more comprehensive EU SDS. Coordinating the drafting of a completely new SD strategy that should be able to find unanimous support at the European Council in June 2006 fell into the Austrian EU presidency. The so-called “Friends of the Presidency Group” (FoP) played a key role in producing the renewed EU SDS. The “FoP” is a group that consists of representatives from all Member States and the European Commission and that can be enacted by the Presidency in order to deal with a particular issue that is typically not covered by a council formation. The Austrian Presidency also tried to stimulate a broad political discussion, for example by involving all major Council formations in the review process, and by inviting a broad variety of political actors and stakeholders to comment on the draft of the European Commission.\(^11\) The renewal of the EU SDS was also subject of several public hearings and informative events. Ultimately, it was the FoP that worked hard on negotiating and formulating overall objectives, operational objectives/targets and desired actions for seven environmental and social key challenges (such as climate change/clean energy, sustainable transport and public health) and four cross-cutting policies (such as research and development, see below and Table 1). Based on the lengthy renewal process that started in 2004, the renewed EU SDS was drafted in less than six months, and was finally adopted by the European Council on 15-16 June 2006.\(^12\) Obviously, the decisive steps of the renewal process were driven by Member States rather than by EU institutions. Correspondingly, also the European Parliament hardly played a role in this phase.\(^13\)

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\(^11\) For details, see Kopp (2006).

\(^12\) European Council (2006).

\(^13\) The European Parliament issued two resolutions (one in January, the second one in June 2006). Both criticised the European Commission draft as “not sufficiently ambitious”.

3
1.2 Principles, policy objectives and challenges of the renewed EU SDS

With the renewed EU SDS, the EU set itself the overall goal to “identify and develop actions to enable the EU to achieve continuous improvement of quality of life both for current and for future generations, through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion”\(^\text{14}\). For this purpose, the EU identified ten policy guiding principles, four key objectives and seven key challenges.

The policy guiding principles stated at the very beginning of the renewed EU SDS outline basic principles that prescribe how policies in all sectors should be shaped and implemented.\(^\text{15}\) Some of these principles are obviously drawn from the ‘good governance’ concept (e.g. to promote and protect fundamental rights, foster an open and democratic society, involve citizens, businesses and social partners); others are well known principles that (were supposed to) guide environmental policies since the 1970s (e.g. the precautionary principle and the polluters pay principle) and/or sustainable development policies since the late 1980s (e.g. to foster solidarity within and between generations). Some of the policy guiding principles (e.g. foster policy integration, policy coherence and governance, and use best available knowledge) can be subsumed under both ‘good governance’ and sustainable development concepts, illustrating that both normative concepts have many points in common.\(^\text{16}\)

Although the EU SDS addresses all three dimensions of sustainable development (plus international responsibilities) in its key objectives stated at the very beginning of the document,\(^\text{17}\) the seven key challenges that build the core of the document (accounting for about half of its volume) are obviously restricted to environmental and social issues. The seven key challenges of the EU SDS that characterise the EU’s understanding of sustainable development read as follows:\(^\text{18}\)

- Climate Change and clean energy: To limit climate change and its costs and negative effects to society and the environment (p. 7);
- Sustainable Transport: To ensure that our transport systems meet society’s economic, social and environmental needs whilst minimising their undesirable impacts on the economy, society and the environment (p. 10);
- Sustainable Consumption and Production: To promote sustainable consumption and production patterns (p. 12);
- Conservation and management of natural resources: To improve management and avoid overexploitation of natural resources, recognising the value of ecosystem services (p. 13);

\(^{14}\) European Council (2006), 3.

\(^{15}\) These principles were not new. They have been proposed by a European Commission’s Communication in May 2005, which has been adopted by the European Council in June 2005. See European Commission (2005): Draft Declaration on Guiding Principles for Sustainable Development. COM(2005) 218 final; European Council (2005): Presidency Conclusions – Brussels European Council, 16-17 June 2005. However, since the EU SDS is supposed to be a comprehensive EU document on sustainable development, it reiterates the principles on the outset.


\(^{17}\) Namely (i) environmental protection; (ii) social equity and cohesion; (iii) economic prosperity; (iv) meeting our international responsibilities. See European Council (2006), 3f.

\(^{18}\) Note that four of the seven challenges are addressed in detail in part II of this textbook.
• Public Health: To promote good public health on equal conditions and improve protection against health threats (p. 15);

• Social inclusion, demography and migration: To create a socially inclusive society by taking into account solidarity between and within generations and to secure and increase the quality of life of citizens as a precondition for lasting individual well-being (p. 17);

• Global poverty and sustainable development challenges: To actively promote sustainable development worldwide and ensure that the European Union’s internal and external policies are consistent with global sustainable development and its international commitments (p. 20).

For each of the seven key challenges, the EU SDS outlines further (“operational”) objectives and targets as well as actions that should be taken. These headings, however, raise expectations that are not fulfilled by the respective chapters. Most of the “operational objectives” and suggested actions stated in the EU SDS are very general, raising further questions (e.g. regarding how to achieve them) rather than providing meaningful policy answers to the challenges they are supposed to address. Good examples for vague actions that should help to address the challenge of “sustainable transport” are the following:

• “The EU and Member States will take measures to improve the economic and environmental performance of all modes of transport and, where appropriate, measures to effect a shift from road to rail, water and public passenger transport including lower transport intensity through production and logistic process reengineering and behavioural change combined with a better connection of the different transport modes.

• The EU and Member States should improve energy efficiency in the transport sector by making use of cost-effective instruments.”

From the strategic management and project management literature, one can learn that meaningful objectives should be SMART, i.e. specific, measurable, achievable, relevant, and timed. Since only relatively few objectives stated in the EU SDS fulfil these criteria, it is not surprising that these and other general objectives and actions failed in shaping EU policies in line with the EU SDS (for an illustration of current trends, see figure 1). Where “SMART” objectives were included in the EU SDS, they were usually taken from other strategies and policies, such as the EU’s climate policy framework. As a closer look into national SDSs in EU Member States shows, this weakness is not unique for the EU SDS but rather typical for this kind of policy instrument across Europe. Nevertheless, there are good practice examples of member states with “SMART” objectives in their national SDS (see chapter I.5 in this volume).

Setting objectives and measuring progress in achieving them with indicators are two closely related features of contemporary strategic management in general, and of SD strategies across Europe in particular. Accordingly, these two features are also emphasised in normative guidance documents for SD strategies. In the EU, the European Commission endorsed the development of a “framework for indicators

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22 See Steurer, R. & Hametner, M. (forthcoming): Objectives and indicators in sustainable development strategies: Similarities and variances across Europe; in: Sustainable Development. This paragraph is based on this reference.
based on themes and sub-themes, which are directly linked to EU policy priorities”. In 2005, the Commission eventually adopted a set of 155 SD indicators (SDIs) organised in three hierarchical levels. 98 indicators of this set were used in the first SD monitoring report published by Eurostat (the Statistical Office of the European Communities) in December 2005. Following the mandate of the renewed EU SDS, Eurostat reviewed this first EU SDI set in 2006-2007, inter alia to adjust it to the renewed EU SDS. The review of the EU SDI set was carried out by Eurostat in close cooperation with a working group on SDIs established in 2005 in order to “exchange and expand best practices to all Member States”. The revised EU SDI set was published in October 2007 in the annex to the Commission Staff Working Document accompanying the first EU SDS progress report. It covers 10 themes, each one monitored with 1-2 headline indicators and more than 100 single indicators in total (for an overview of the themes and headline indicators taken from the 2009 EU SDS monitoring report, see figure 1).

**Figure 1: Monitoring the EU SDS with SDI themes and headline indicators**

<table>
<thead>
<tr>
<th>SDI theme</th>
<th>Headline indicator</th>
<th>EU-27 evaluation of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socioeconomic development</td>
<td>Growth of GDP per capita</td>
<td></td>
</tr>
<tr>
<td>Climate change and energy</td>
<td>Greenhouse gas emissions*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consumption of renewables</td>
<td></td>
</tr>
<tr>
<td>Sustainable transport</td>
<td>Energy consumption of transport relative to GDP</td>
<td></td>
</tr>
<tr>
<td>Sustainable consumption and production</td>
<td>Resource productivity</td>
<td></td>
</tr>
<tr>
<td>Natural resources</td>
<td>Abundance of common birds**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conservation of fish stocks***</td>
<td></td>
</tr>
<tr>
<td>Public health</td>
<td>Healthy life years****</td>
<td></td>
</tr>
<tr>
<td>Social inclusion</td>
<td>Risk of poverty****</td>
<td></td>
</tr>
<tr>
<td>Demographic changes</td>
<td>Employment rate of older workers</td>
<td></td>
</tr>
<tr>
<td>Global partnership</td>
<td>Official development assistance*****</td>
<td></td>
</tr>
<tr>
<td>Good governance</td>
<td>[No headline indicator]</td>
<td></td>
</tr>
</tbody>
</table>

**LEGEND:**
- clearly favourable change/on target path
- moderately unfavourable change/far from target path
- no or moderately favourable change/close to target path
- clearly unfavourable change/moving away from target path

---

Although looking at the priority areas of various SD policy documents does not tell much about the substance of actual policy objectives and measures subsumed thereunder, the headlines give an impression of thematic continuities and overlaps. Table 1 illustrates that the priority areas of the renewed EU SDS are very similar to the themes the European Commission proposed to include in the EU SDS in 2001 and 2005. The only theme that deviates from the European Commission proposals is “sustainable production and consumption”.

Table 1: Thematic continuities and overlaps of European SD policies

<table>
<thead>
<tr>
<th>Renewed EU SDS from 2006</th>
<th>Commission proposal for a renewed EU SDS</th>
<th>EU SDS from 2001 (Gothenburg Council)</th>
<th>Declined Commission proposal for the EU SDS 2001</th>
<th>6th EAP 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Climate change and clean energy</td>
<td>(1) Climate change and clean energy</td>
<td>(1) Combating climate change</td>
<td>(1) Climate change and clean energy</td>
<td>(1) Climate change</td>
</tr>
<tr>
<td>(2) Sustainable transport</td>
<td>(5) Sustainable transport</td>
<td>(2) Ensuring sustainable transport</td>
<td>(6) Mobility, land use and territorial development</td>
<td></td>
</tr>
<tr>
<td>(3) Sustainable production and consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Conservation and management of natural resources</td>
<td>(4) Management of natural resources</td>
<td>(4) Managing natural resources more responsibly</td>
<td>(3) Management of natural resources</td>
<td>(2) Nature and biodiversity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(4) Natural resources and waste</td>
<td></td>
</tr>
<tr>
<td>(5) Public health</td>
<td>(2) Public health</td>
<td>(3) Addressing threats to public health</td>
<td>(2) Public health</td>
<td>(3) Environment and health and quality of life</td>
</tr>
<tr>
<td>(6) Social inclusion, demography and migration</td>
<td>(3) Social exclusion, demography and migration</td>
<td></td>
<td>(5) Ageing and demography</td>
<td></td>
</tr>
<tr>
<td>(7) Global poverty and sustainable development challenges</td>
<td>(6) Global poverty and development</td>
<td></td>
<td>(4) Poverty and social exclusion</td>
<td></td>
</tr>
</tbody>
</table>

Since sustainable development is concerned with the integration of environmental, social and economic issues, one is left wondering why the economic dimension of sustainable development is largely omitted in the EU SDS (except for the socioeconomic headline indicator “Growth of GDP per Capita”, see figure 1), and why only two social issues were included in the renewed EU SDS (for details see Table 1). The ‘economic ignorance’ and the comparatively weak social pillar of the EU SDS (in particular in the original but also in the renewed strategy) are due to the fact that these issues were addressed in the so-called Lisbon Strategy, another broad European Union strategy that focussed on economic growth and employment. While the Lisbon Strategy and the EU SDS address economic and social issues in a complementary way, Table 1 also shows that several of the environmental issues in the EU SDS are addressed in parallel by the 6th Environmental Action Programme/EAP. As the next section shows, both the complementary roles of the Lisbon Strategy and the EU SDS on the one hand as well as the parallel structure of the EU SDS and the 6th EAP on the other have been problematic.

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1.3 The Lisbon Strategy and its linkages to the EU SDS.

Based on a formal acknowledgement of sustainable development as policy objective for the EU in the Treaty of Amsterdam, the EU and its Member States addressed the societal guiding model not with one but with two overarching cross-sectoral strategies throughout the 2000s, and it seems that this ‘double-track pursuit of SD’ will be continued with the strategy “Europe 2020” from 2010 onwards. How did the Lisbon Strategy come into being and what is it about? In March 2000 (i.e. a year prior to the adoption of the first EU SDS), the Lisbon European Council of the then 15 EU Member States agreed upon the 10-year strategic goal to make Europe ‘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.’ Obviously, the focus of the Lisbon Strategy was on economic and employment issues, and the renewed Lisbon Strategy from 2005 largely perpetuated this focus. The latter proposed a set of 24 so-called ‘integrated guidelines for growth and jobs’, a cornerstone of the governance approach that was supposed to implement the Lisbon agenda, also known as the ‘Open Method of Coordination’ (see below). As box 1 shows, approximately two-thirds of the guidelines set macroeconomic and microeconomic objectives (such as ‘secure economic stability’ or ‘facilitate all forms of innovation’), another approximately one-third focused on employment (such as ‘expand and improve investment in human capital’), and one single (microeconomic) guideline addressed ‘the sustainable use of resources and strengthen the synergies between environmental protection and growth’.

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31 This section is mainly based on Steurer, R. & Berger, G. (forthcoming). The EU’s double-track pursuit of sustainable development: How Lisbon and sustainable development strategies ran past each other.


### Box 1: The Integrated Guidelines for Growth and Jobs of the renewed Lisbon Strategy

**Macroeconomic guidelines**

1. To secure economic stability.
2. To safeguard economic and fiscal sustainability.
3. To promote a growth- and employment-oriented and efficient allocation of resources.
4. To secure economic stability for sustainable growth.
5. To ensure that wage developments contribute to macroeconomic stability and growth.
6. To contribute to a dynamic and well-functioning EMU.

**Microeconomic guidelines**

7. To increase and improve investment in R&D, in particular by private business.
8. To facilitate all forms of innovation.
9. To facilitate the spread and effective use of ICT and build a fully inclusive information society.
10. To strengthen the competitive advantages of its industrial base.
11. To encourage the sustainable use of resources and strengthen the synergies between environmental protection and growth.
12. To extend and deepen the internal market.
13. To ensure open and competitive markets inside and outside Europe and to reap the benefits of globalisation;
14. To create a more competitive business environment and encourage private initiative through better regulation.
15. To promote a more entrepreneurial culture and create a supportive environment for SMEs.
16. To expand, improve and link up European infrastructure and complete priority cross-border projects.

**Employment guidelines**

17. To implement employment policies aimed at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.
18. To promote a lifecycle approach to work.
19. To ensure inclusive labour markets, enhance work attractiveness and make work pay for job-seekers, including disadvantaged people, and the inactive.
20. To improve matching of labour market needs.
21. To promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners.
22. To ensure employment-friendly labour cost developments and wage-setting mechanisms.
23. To expand and improve investment in human capital.
24. To adapt

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While SD strategies have an international background, the Lisbon Strategy was a genuinely European response to global pressures, such as economic globalisation, the rise of neo-liberal ideas, and demographic changes (such as ageing societies and migration). However, faced with global pressures on the one hand, and different socio-economic models across Europe on the other, the limitations of the traditional ‘Community Method’ (i.e. the interplay of the European Commission, Council formations and the European Parliament) were recognised in the late 1990s. The Open Method of Coordination (OMC) was introduced with the Lisbon Strategy in 2000 as a new governance approach that complements the traditional Community Method. Its key purpose is to facilitate tailor-made rather than uniform socio-economic reforms across the EU, i.e. to improve European coherence in policy fields in which the European Commission has only very restricted competencies. The main objectives of the OMC (and the Lisbon Strategy), as defined in the Lisbon Presidency Conclusions, were (i) fixing guidelines and timetables, (ii) establishing indicators as a means of benchmarking best practice, (iii) translating the European guidelines into national policies, and, (iv) periodic monitoring and peer review to support mutual learning.

Although the OMC was introduced with the Lisbon strategy in 2000, it was not until the renewal of the Lisbon process in 2005 that the strategy and its governance approach really gained momentum. This illustrates that it is not only difficult to coordinate European environmental policies. Based on a very critical mid-term review conducted by a high-level group that was led by the former Dutch Prime Minister Wim Kok, the Lisbon Strategy was quickly renewed and adopted by the European Council in March 2005. With the renewed Lisbon Strategy, the OMC approach was strengthened to speed up the implementation of the strategy across Europe. Thus, between 2005 and 2010, the Secretariat General was very active in coordinating the Lisbon agenda across the EU by making extensive use of the OMC mechanisms outlined above: The Secretariat General defined not only Integrated Guidelines which outline the objectives of the Lisbon Strategy (see Box 1 above), it also developed a comprehensive set of so-called “Structural Indicators” to monitor the strategy’s implementation. The Structural Indicators focused on the themes economic reform, employment, social cohesion, innovation/research, and the environment (mainly climate change).


41 The review observed a ‘disappointing delivery [which] is due to an overloaded agenda, poor coordination and conflicting priorities’, and it concluded that ‘the Lisbon strategy is even more urgent today’ and therefore, ‘better implementation is needed now to make up for lost time’. See Kok, W. (2004). Facing the Challenge: The Lisbon strategy for growth and employment. Report from the High Level Group chaired by Wim Kok, 6.

change), and some of the indicators overlapped with SDI indicators used to monitor the EU SDS.\textsuperscript{43} Moreover, all EU Member States developed National Reform Programmes in order to translate and implement the Integrated Guidelines in national economic and social policies, they reported annually about the progress made, and based on these reports the Secretariat General reviewed national policies critically.\textsuperscript{44} An internal evaluation of the Lisbon Strategy concludes, “Whilst much has been achieved, the overall pace of implementing reforms was both slow and uneven”.\textsuperscript{45} In 2010, the Lisbon Strategy has been replaced by the strategy “Europe 2020” (see section (v) below).\textsuperscript{46}

If the EU SDS addresses mainly the environmental dimension and the Lisbon Strategy mainly the economic and social dimensions of sustainable development, how do the two strategies relate to each other? The initial mandate for the development of the SDS that came from the Helsinki European Council 1999 envisioned a strategy “dovetailing policies for economically, socially and ecologically sustainable development”.\textsuperscript{47} However, the adoption of the Lisbon Strategy on “growth and jobs” in 2000 effectively preempted a truly integrated approach so that the EU SDS found itself reduced to the environmental dimension. As the Stockholm European Council put it prior to Göteborg, “Lisbon has successfully integrated economic and social matters. The sustainable development strategy, including the environmental dimension, to be adopted at the Göteborg European Council in June will complete and build on the political commitment under the Lisbon strategy.”\textsuperscript{48} Against this historical background, the renewed EU SDS from 2006 described its link to the Lisbon Strategy as follows: “The EU SDS forms the overall framework within which the Lisbon strategy, with its renewed focus on growth and jobs, provides the motor of a more dynamic economy. These two strategies recognise that economic, social and environmental objectives can reinforce each other and they should therefore advance together. Both strategies aim at supporting the necessary structural changes which enable the Member States’ economies to cope with the challenges of globalisation by creating a level playing field in which dynamism, innovation and creative entrepreneurship can flourish whilst ensuring social equity and a healthy environment”.\textsuperscript{49} As the EU SDS describes in more detail, it obviously complemented the Lisbon Strategy, both aiming at SD although with different emphases: “The SDS is primarily concerned with quality of life, intra- and inter-generational equity and coherence between all policy areas, including external aspects. It recognises the role of economic development in facilitating the transition to a more sustainable society. The Lisbon strategy makes an essential contribution to the overarching objective of sustainable development focusing primarily on actions and measures aimed at increasing competitiveness and economic growth and enhancing job creation”.\textsuperscript{50}

Although the governance of SD is a complex challenge that goes well beyond the scope of policy strategies,\textsuperscript{51} the two cross-sectoral strategies introduced above were supposed to play a key role in this respect. To assure that they fulfill their complementary roles in coherent ways, one would expect close

\begin{itemize}
\item\textsuperscript{43} Steurer, R.; Berger, G. & Hametner, M. (2010).
\item\textsuperscript{44} For an overview of Structural Indicators, National Reform Programmes, and progress reports, see ibid.; Steurer, R. & Berger, G. (forthcoming). For the original documents, see the archived website \url{http://ec.europa.eu/archives/growthandjobs_2009/documentation/index_en.htm}
\item\textsuperscript{47} European Council (1999): Presidency Conclusions, Helsinki European Council, 10-11 December 1999, para. 50.
\item\textsuperscript{48} European Council (2001): Presidency Conclusions, Stockholm European Council, 23-24 March 2001, para. 50. This paragraph benefitted from an unpublished paper by Marc Pallemaerts.
\item\textsuperscript{49} European Council (2006), 6.
\item\textsuperscript{50} Ibid., 6.
governance linkages between the EU SDS and the Lisbon Strategy. Interestingly, the linkages between the two strategies were emphasised rhetorically in the EU SDS as quoted above, but they never materialised in daily governance routines. For several reasons that are explored elsewhere, and despite the fact that the Secretariat General was responsible for the coordination of both strategies across the EU, the EU SDS and the Lisbon Strategy co-existed for about a decade at both the EU level and in Member States with no noteworthy coordination taking place between them. Therefore, Steurer and Berger speak of a ‘double-track pursuit of sustainable development in Europe’ that obviously failed to deliver. Throughout the co-existence of the two strategies, the EU SDS was never able to step out of the shadow of the Lisbon Strategy. This applies in particular to the renewed versions of the two strategies (see section (v) below). In the internal evaluation of the Lisbon Strategy, the self-critique of the Secretariat General that is concerned with this issue reads as follows: “Links between the Lisbon Strategy and other EU instruments and/or strategies, such as the Stability and Growth Pact, the Sustainable Development Strategy or the Social Agenda, have not been sufficiently strong, so that rather than being mutually reinforcing some of the strategies have been operating in isolation.”

To make the governance of sustainable development in Europe even more complex, not only economic and social issues are addressed in two separate strategies, but so are environmental issues: While the EU SDS aims to better integrate social and environmental issues, the prime environmental policy strategy of the EU are its Environmental Action Programmes (EAPs). The 6th EU’s EAP covers the period 2002-2012. As Marc Pallemaerts explains in Box 2, the co-existence of these two strategies is as problematic as the coexistence of the EU SDS and the Lisbon Strategy.

**Box 2: The EU SDS and the 6th Environmental Action Programme**

By Marc Pallemaerts, University of Amsterdam/IEEP

It is not only the coexistence of the EU SDS and the Lisbon Strategy that is problematic. The relationship between the SDS and the 6th Environmental Action Programme, adopted one year later and covering the period 2002-2012, also raises questions of policy coherence and precedence. The periodical adoption of multi-annual action programmes has been a feature of EC environmental policy since its inception in the early 1970s. In 1992 this practice was codified by the Treaty of Maastricht and given a legal basis in what was then Article 130s(3) of the EC Treaty. This provision, now Article 175(3) EC, provides for ‘general action programmes setting out priority objectives to be attained’ to be adopted by the Council through the co-decision procedure with Parliament. Accordingly, the 6th Environmental Action Programme (EAP) was under consideration by both institutions at the time of the Göteborg European Council. Both the Council and the Parliament had in fact just completed their first reading when the SDS was agreed by the European Council. The Göteborg Presidency Conclusions actually refer to the 6th EAP in a clause in which the Council is invited to ‘examine, for the purposes of implementing the [sustainable development] strategy’, not only the proposals in the Commission’s communication on the SDS, but also the 6th EAP. In defining the environmental priority objectives of the SDS, the European Council affirms that it is ‘building on’, inter alia, the 6th EAP. Actually, some specific objectives with respect to climate change and biodiversity contained in the 6th EAP are explicitly endorsed in the Göteborg Presidency Conclusions. Finally, the European Council calls for ‘relevant objectives set out in the forthcoming 6th Environmental Action

54 European Council (2001), para. 25, 1st indent.
55 Ibid., para. 27.
Programme’, alongside those of the SDS itself, to be taken into account by the Council in its further work on the sectoral strategies for environmental integration pursuant to the Cardiff mandate.  

The European Parliament and Council Decision of 22 July 2002, formally laying down the 6th EAP, in turn contains several cross-references to the SDS. The main such reference addresses the relationship between the EAP and the SDS in the following terms: “The Programme shall form a basis for the environmental dimension of the European Sustainable Development Strategy and contribute to the integration of environmental concerns into all Community policies, inter alia by setting out environmental priorities for the Strategy.”

A preambular clause further provides that the 6th EAP ‘should be taken into account when bringing forward actions under the Strategy.’ The programme sees it as its aim to set ‘the key environmental objectives and priorities’, to ‘promote the integration of environmental concerns in all Community policies and contribute to the achievement of sustainable development.’ An examination of the ‘key environmental objectives’ set forth in the 6th EAP reveals that there is a considerable measure of substantive overlap between them and the ‘environmental priorities for sustainability’ of the SDS. In fact, all of the priority environmental objectives of the SDS are all also reflected, in one form or another, in the EAP. However, the 6th EAP is much more comprehensive in terms of the objectives it sets and the range of environmental issues it addresses.

This, obviously, begs the question of the status of the EAP’s objectives relative to those laid down in the SDS. Since the SDS was effectively reduced to a set of environmental objectives to complement the economic and social objectives of the Lisbon Strategy, wouldn’t it have been more logical and straightforward in terms of policy coherence simply to have used the objectives of the 6th EAP for this purpose? Does the adoption of a limited number of environmental objectives by the European Council in its SDS imply that not all the objectives of the 6th EAP are deemed equally important for the achievement of sustainable development? Does the fact that the SDS objectives were endorsed by the European Council whereas those of the 6th EAP were ‘merely’ adopted by the Council and European Parliament, albeit as a result of a formal inter-institutional decision-making process mandated by the Treaty, effectively give the former more political weight than the latter? As these questions indicate, the SDS may actually have had the perverse effect of devaluing the 6th EAP and distracting attention from its implementation.

The wording of the Decision on the 6th EAP itself suggests an awareness of some sort of subordinate status, where it states that the EAP ‘shall form a basis’ – not the basis – for the environmental dimension of the SDS and expresses the mere expectation that the priorities of the EAP ‘should be taken into account’ in the measures taken pursuant to the SDS. This implies recognition that some objectives set out in the EAP, notwithstanding their legal basis in Article 175(3) of the Treaty, may not in fact be regarded as imperative for the purposes of the SDS, when balanced against economic and social objectives. Another provision of the Decision, interpreting the principle of integration as laid down in Article 6 EC in reverse, acknowledges that ‘measures proposed and adopted in favour of the environment should be coherent with the objectives of the economic and social dimensions of sustainable development and vice versa.’ To be sure, the 6th EAP also calls for further integration of environmental concerns in other policies and for ‘consideration, prior to their adoption, of whether action in the economic and social fields, contribute to and are coherent

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56 Ibid., para. 32.
58 Ibid., art. 2, para. 1 (emphasis added).
59 Ibid., preamble, recital 7 (emphasis added).
60 Ibid., art. 1, para. 1.
61 Ibid., art. 2, para. 4.
with the objectives, targets and time frame of the Programme’, but it lacks the means to guarantee as much.

Although the Göteborg Presidency Conclusions provided for the 6th EAP to be taken into account in the implementation and further development of the SDS and the sectoral integration strategies, and the Barcelona European Council again referred to the Programme as ‘a key instrument for progress towards sustainable development’, the review process, as has been mentioned above, did not in fact result in any further elaboration of the environmental objectives of the SDS based on the 6th EAP. Furthermore, contrary to the ‘new approach to policy making’ proclaimed in Göteborg, the economic and social objectives of the Lisbon Strategy were never reviewed from a sustainable development perspective to ensure their coherence with the environmental objectives of the SDS, let alone the 6th EAP. Nevertheless, as we have seen, the 6th EAP, in the wake of the SDS, unilaterally internalised economic and social constraints, while the Lisbon Strategy failed to incorporate any reciprocal commitment to guarantee the consistency of its economic and social priorities with environmental policy objectives. This self-inflicted subordination of the 6th EAP clearly shows that the SDS has, quite paradoxically, had more of an impact on environmental policy than on economic and social policy.

1.4 The “governance cycle” of the renewed EU SDS

As is customary for a comprehensive SD strategy (and as described in respective UN and OECD guidelines), the renewed EU SDS specifies not only SD policy objectives, challenges, respective actions to be taken and indicators (see section (ii) above). Moreover, it outlines the governance process that is foreseen to ensure their implementation. Since the process is cyclical with recurring features it is also referred to as the “governance cycle” of the EU SDS. Concurring with the renewed Lisbon Strategy, a key purpose of this governance cycle is to strengthen the vertical integration of SD policies between the EU level and Member States. To fully understand the EU SDS governance cycle one has to be familiar with the Open Method of Coordination (OMC; for details see section (iii) above). While the Lisbon Strategy fully embodied the OMC, the EU SDS has developed cautiously into a ‘light form of OMC’ around its adoption in 2006. The key aspects of the EU SDS governance cycle that aim explicitly to strengthen European coherence in SD policy making can be summarised as follows:

- European coordination and learning: As the Lisbon Strategy, the renewed EU SDS is coordinated by the Secretariat-General of the European Commission. In order to foster the exchange with and among Member States, national ‘SDS coordinators’ were nominated and the ‘SDS coordinators group’ was established in late 2006. Public administrators from Environment Departments dominate the group, and so far, the Secretariat-General convened it twice in 2007, and never since. The purpose of the two meetings was not to coordinate policies but rather to prepare the first national progress reports on SD strategies (see below). In 2007/2008, DG Environment tried to establish peer reviews of SDS as a new learning tool as suggested in the EU SDS (para. 41).

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62 Ibid., art. 3, para. 3, 2nd indent.
However, the Netherlands were the only country that made use of the offered subsidy. Germany followed in 2009, but without support from the European Commission.  

- Reporting: The EU SDS requires the European Commission to publish a progress report on its implementation in the EU and the Member States every two years (para. 33). Reviews of the EU SDS were published in 2007 and 2009, but with quite different qualities (see below).

- EU SDS update and renewal of national SDSs: On the basis of the Commission’s progress report, the EU SDS requires the December European Council to “review progress and priorities every two years and provide general orientations on policies, strategies and instruments for sustainable development” (para. 38). This political review was scheduled in December so that the Spring European Council was able to discuss progress related to the Lisbon Strategy, based on the insights regarding the EU SDS. So far, however, no notable update of the EU SDS has taken place (for details, see below). Member States were a bit more active in this respect. While most of them have developed their SD strategies based on international (i.e. UN and OECD) rather than European guidance before the EU SDS was renewed in 2006, they were now asked to update their national SD strategies “in the light of the revised EU SDS, to ensure consistency, coherence and mutual supportiveness, bearing in mind specific circumstances in the Members States”. Empirical evidence suggests that some Member States have updated their national SDS, but that European coherence has not increased significantly (at least not with respect to SD indicator sets used).

While the Secretariat-General was an important pacemaker in the Lisbon context (see section (iii) above), it has become increasingly inactive in the context of the EU SDS. Consequently, the governance cycle of the EU SDS, and with this the relevance of the strategy itself, has deteriorated during the last few years.

1.5 Some signs of deterioration of the EU SDS

Although the environmental and social focus of the EU SDS has always stood in the shadow of the Lisbon Strategy, the ‘light form of OMC’ that characterised the early phase of the renewed EU SDS process has deteriorated. The following developments indicate that, coinciding with this deterioration, also its political relevance has faded away to some extent. Secretariat-General became increasingly passive in fulfilling its coordination and reporting tasks. Firstly, it lost interest in fostering exchange of knowledge and experience among Member States. As mentioned above, it convened the ‘SDS coordinators group’ twice in 2007 and never since. Secondly, it downscaled the initially comprehensive reporting activities to a rather symbolic act that fulfils the reporting commitment on paper: In 2007, Secretariat-General issued the first progress report on the EU SDS based on national progress reports and an SD Monitoring Report from Eurostat, showing the performance of selected SD indicators in Europe (for details see section (ii) above). In 2009, this

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69 European Council (2006).


72 The European Sustainable Development Network (ESDN) tries to fill this vacuum by facilitating informal exchange among public administrators responsible for SD strategies. For details, see www.sd-network.eu.

activity was downscaled to a comparatively brief report that was based neither on input from Member States nor on Eurostat’s SD Monitoring Report.\textsuperscript{74} Ironically, the 2009 review report states, “unsustainable trends persist and the EU still needs to intensify its efforts”.\textsuperscript{75} Neither the efforts of the Swedish Presidency in the second half of 2009, nor the critical opinion of the European Economic and Social Committee\textsuperscript{76} were able to revitalise the EU SDS then. The European Council Conclusions from December 2009 stated briefly, “[G]overnance, including implementation, monitoring and follow-up mechanisms should be reinforced for example through clearer links to the future Europe 2020 strategy and other cross-cutting strategies.”\textsuperscript{77} This leads us to the next point, illustrating the political weakness (or deterioration) of the renewed EU SDS.

A fading relevance of the EU SDS is also indicated by the fact that the successor of the Lisbon Strategy, the “Europe 2020” strategy, has been defined without input from those responsible for SD strategies. Although the European Council stressed in its March 2008 conclusions ‘that a continued EU-level commitment to structural reforms and sustainable development and social cohesion will be necessary after 2010 in order to lock in the progress achieved by the renewed Lisbon strategy for growth and jobs’, it invited only ‘the Commission, the Council and the National Lisbon coordinators to start reflecting on the future of the Lisbon Strategy in the post-2010 period’.\textsuperscript{78} In March 2010, the European Commission presented the “Europe 2020” strategy: although it refers frequently to “sustainable growth” and it contains the 20-20-20 climate policy objectives as one of five headline targets, it does not even mention the EU SDS, let alone governance linkages to the EU SDS as demanded by the European Council in December 2009.\textsuperscript{79} In 2011 at the latest, the European Council will decide when to conduct a comprehensive review of the EU SDS\textsuperscript{80} (which will eventually also address how to link it with the new “Europe 2020” strategy).

Another sign of deterioration of the EU SDS may have to do with the overall weak performance of SD strategies across Europe. While national SD strategies were regarded as promising new governance tools in the first half of the 2000s,\textsuperscript{81} more recent empirical evidence suggests that most of them fail to live up to their key purpose, i.e. to better coordinate SD policies horizontally across sectors and vertically across levels of policy making.\textsuperscript{82} If SD strategies face difficulties as a coordinating policy instrument across Europe, it is likely that these difficulties also weaken the status of the EU SDS (a policy instrument that never really engaged in coordinating EU policies). These developments given, the final section explores what functions the EU SDS and national SD strategies can (and should) realistically achieve.


\textsuperscript{75} European Commission (2009), 15.

\textsuperscript{76} European Economic and Social Committee (2009): Opinion of the European Economic and Social Committee on the Outlook for the sustainable development strategy. NAT/440.


\textsuperscript{80} European Council (2006), para. 45.

1.6 Conclusion

While policy integration is a politically and administratively difficult (and politically often ignored) but tangible task between two (or more) sectors, it seems to become rather symbolic when political strategies are too broad, or when two comprehensive cross-sectoral strategies (i.e. the Lisbon Strategy and the EU SDS) are supposed to complement each other (in coordinated or uncoordinated ways).

As Giddens summarises in ‘Europe in the global age’, Commission President Barroso justified the EU’s focus on economic competitiveness (and employment) quite frankly during the relaunch of the Lisbon Strategy in 2005 by saying: “If one of my children is ill [i.e. the economy], I focus on that one, but that does not mean I love the others less”. According to Eurostat, the real GDP growth rate for the EU-25 was 2% in 2005 and 3.1% in 2006. One can wonder what the financial and economic crisis in 2009/2010 implies for the recent past and the future of the EU SDS, and how the rhetoric on ‘green recovery’, ‘green new deal’ and ‘sustainable growth’ will actually materialise in the years to come. As it seems, ‘green issues’ have found their way at least into political rhetoric, and into the “Europe 2020” strategy even in times of economic crisis, but as it looks this did not happen as a result of SD strategies. As Jordan und Lenschow conclude, “It is telling that by the mid-2000s the key drivers of environmental policy development at the national level in the EU were not EPI [Environmental Policy Integration] or even sustainable development-related programmes and measures, but more straightforwardly ‘environmental’ problems such as climate change, water scarcity and urban air quality”. The concepts known as sustainable development and EPI may have helped to raise awareness for economic opportunities in environmental protection, and to better integrate environmental policies in other sectors, but the roles SD strategies actually played in this development were marginal. What SD strategies (including the EU SDS) can (and should) realistically achieve is, however, (i) to provide guidance on how societal development should look like in the near and far future, (ii) to translate this general vision into operational priorities that serve as reference points for other (sectoral) strategies and policies, and, (iii), to communicate both vision and priorities to policy makers, businesses (as a quest for more voluntary Corporate Social Responsibility/CSR), and to society at large.

In short, most SD strategies (in particular the EU SDS) have failed as coordination instruments, but they may have a future as (well-adjusted) communication and awareness raising tools. As chapter I.5. shows, some national SD strategies have been more successful in (coordinating and) communicating SD policies than others.