The Lisbon Strategy and sustainable development strategies across Europe: How different governance arrangements shape the European coherence of policy documents

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Abstract

The present paper compares two major political strategies that are being pursued across the EU, i.e. the Lisbon Strategy and sustainable development (SD) strategies. It first highlights their complementary character in implementing the societal guiding model known as SD, and it compares their different histories and governance arrangements. While the Lisbon Strategy is a genuinely European response to global pressures that employs the open method of coordination (OMC), guidance for SD strategies came from the international level, and OMC emerged only cautiously and temporarily after the renewal of the EU SD strategy in 2006. Based on an empirical stocktaking of policy objectives and indicators, the paper then assesses how the different supra-national governance arrangements shape the coherence of the respective national strategies across Europe. It shows that, so far, OMC was not able to facilitate a ‘standardised format’ of Lisbon Strategies across Europe as envisaged by the European Commission; to the contrary: OMC entailed only slightly more coherent National Reform Programmes than international guidance did in the SD context.

Keywords

Lisbon Strategy, sustainable development strategy, EU governance, European coherence

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1 Putting two complementary EU strategies into perspective

Europe is well known for combining economic and social policies and, more recently, for integrating environmental policies into the existing welfare state models. These policy integration efforts are at the heart of sustainable development (SD), which is a widely accepted societal guiding model that aims to balance economic, social and environmental interests and policies in a way that trade-offs (or negative effects) between them are minimised and the synergies (or win-win-win opportunities) maximised (Steurer 2008). This notion of SD seems to be more prominent in Europe than in most other developed parts of the world, and it is addressed by two EU-wide strategies: the Lisbon Strategy with its focus on growth and jobs, and the EU SD strategy with its focus on social and environmental issues. Relating and comparing these two major strategies across the EU-27 is at the core of the present paper for two reasons. First, the two strategies are best suited to explore what kind of effect different governance arrangements have on the European coherence of respective policies. Second, as the remainder of this introduction shows, the two strategies complement each other in the EU’s pursuit of SD, rendering it appropriate to relate them also in research.

In 2000, the European Council launched the Lisbon Strategy with a clear focus on economic and social policies. When the Gothenburg European Council agreed on a 14-paragraph ‘strategy for sustainable development’ in its Council Conclusions one year later, it emphasised that ‘it completes the Union’s political commitment to economic and social renewal, adds a third, environmental dimension to the Lisbon Strategy and establishes a new approach to policy making’ (European Council 2001, 4). However, since the 14 paragraphs on SD were too brief to be regarded as full-value EU strategy for SD (Steurer & Martinuzzi 2005), the adding of an environmental dimension to the Lisbon Strategy was imbalanced and ineffective from the outset. Since the political discourse on SD did not fade in the following years, and most EU Member States followed the Gothenburg Council invitation, ‘to draw up their own national sustainable development strategies’ (European Council 2001, 4; see also Steurer & Martinuzzi 2005), the EU revisited its strategic approach to SD a few years later. Under the Austrian EU presidency, the European Council adopted a comprehensive SD strategy document in June 2006 (European Council 2006b; see also Kopp 2006). The renewed EU SD strategy re-defined 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 (European Council 2006b, 6).

The Lisbon Strategy and the EU SDS are obviously framed as two major complementary policy-making processes, both aiming at SD, although with different emphases. The renewed EU SD strategy from 2006 specifies the foci of the two strategies as follows:

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 (European Council 2006b, 6).

Despite the complementary character of the Lisbon Strategy and the EU SDS, the two strategies are rarely analysed jointly (for exceptions, see Steurer et al. 2008; Berger & Zwirner 2008), perhaps because the political salience of the socio-economically dominated Lisbon agenda by far outweighs the environmental
focus of the EU SDS. This scholarly shortcoming is addressed here with the following research questions and findings:

- What are the key similarities and differences in the governance of the Lisbon and the SD strategies at both the EU and the Member State levels, and how does the complementary character of the two strategies materialise in everyday governance routines? Section 3 shows that the Lisbon Strategy resembles the European governance approach known as OMC whereas SD strategies followed rather international than European guidance. Furthermore, it is shown that the Council rhetoric regarding the complementarity of the two strategies does not materialise in every-day governance routines.

- How do the different supra-national governance arrangements of the two strategies affect their coherence across Europe? Based on the observation that EU governance and vertical coordination are significantly stronger in the Lisbon than in the SD strategy context (see section 3), one would assume accordingly that Lisbon Strategies are more coherent across Europe. However, by focusing on strategy structures, objectives and indicators, section 4 shows that OMC entailed only slightly more coherent national Lisbon Strategies than international guidance did in the SD context.

Before these findings are revealed in detail in the sections 3 and 4 and conclusions are drawn in section 5, the history of the two types of strategies is briefly summarised hereunder in section 2.

2 Short history of European SD strategies and the Lisbon Strategy

This section shows that the key features of SD strategies across Europe rely more on international policy documents and guidelines than on EU governance characteristics, whereas the Lisbon Strategy is a genuinely European governance process.

2.1 SD strategies in Europe

A key driver for introducing SD strategies in Europe was the global environmental governance regime agreed upon at the 1992 Rio Earth Summit. Among the numerous sets of policy actions asked for in the Agenda 21 is one about adopting ‘a national strategy for sustainable development’ (UNCED 1992, chapter 8). By specifying the purpose of SD strategies, Agenda 21 refers to the classic Brundtlandian definition of SD. Country-driven SD strategies should, it claims, ‘ensure socially responsible economic development while protecting the resource base and the environment for the benefit of future generations’ (UNCED 1992, para. 8.7; for the Brundtland Report, see WCED 1987). As Agenda 21 contains no submission date, only a few countries developed an SD strategy in the 1990s. In June 1997, the Rio +5 summit agreed that the formulation of SD strategies ought to be completed in all countries by the year 2002 (UNGASS 1997, para. 24). In June 2001, the Gothenburg European Council reiterated this call (see above). Consequently, many EU Member States developed their SD strategy rather quickly in time for the Johannesburg World Summit for SD in late 2002 (European Commission 2004; Steurer & Martinuzzi 2005). Although the Gothenburg European Council proved to be another major driver towards the development of SD strategies in EU Member States, EU governance arrangements were not introduced until the EU SDS was renewed in 2006 (see section 3).

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Supra-national governance arrangements include (or combine) global (i.e. UN) as well as EU governance regimes that are taken up at the national level. We avoid speaking of multi-level governance (Marks & Hoghe 2001) because the Lisbon Strategy follows more a dual-level than a multi-level governance approach.
In order to ensure that SD strategies did not collect dust on shelves like most of the earlier environmental plans (IIED, UNDP & UKDFID 2002, 1; Meadowcroft 2000, 122), the UN and the OECD formulated sets of guidelines that define them as cyclical processes (UNCED 1992, chapter 8A; UNDESA 2001; OECD-DAC 2001, 18ff; IIED 2002, 33-36; for a summary, see Steurer & Martinuzzi 2005). According to the IIED’s Resource Book for SD strategies:

Being strategic is about developing an underlying vision through a consensual, effective and iterative process; and going on to set objectives, identify the means of achieving them, and then monitor that achievement as a guide to the next round of this learning process (IIED 2002, 29).

In other words, SD strategies are continuing strategic processes that combine aspects of formal planning and incremental learning, and that put strong emphasis on the procedural and institutional aspects of policy-making (Steurer & Martinuzzi 2005).

2.2 The Lisbon Strategy

While national SD strategies in Europe obviously have an international background, the Lisbon Strategy is a genuinely European response to global pressures, such as economic globalisation, the rise of neo-liberal ideas, deregulation and self-regulation policies, and demographic changes (such as ageing societies and migration) (Pierson 1998; Tharakan 2003; Sapir et al. 2004; European Commission 2005a, c). Faced with these and other global pressures on the one hand, and different social models across Europe on the other, the limitations of the conventional and rather formal ‘Community Method’ were recognised in the late 1990s (Trubek & Mosher 2003; Trubek & Trubek 2005). To facilitate tailor-made, rather than uniform, socio-economic reforms across the EU, the OMC was introduced with the Lisbon Strategy as a new governance approach (European Council 2005, 2006a; European Commission 2005a, c, 2006; see also Heidenreich 2008; Büchs 2008; Kaiser & Prange 2005; Borrás & Jacobsson 2004; Radulova 2006). The main objectives of the OMC (and the Lisbon Strategy), as defined in the Lisbon Presidency Conclusions, are (i) fixing guidelines and timetables, (ii) establishing indicators as a means of comparing best practice, (iii) translating the European guidelines into national policies, and, (iv) periodic monitoring and peer review to support mutual learning (European Council, 2000, 12). Another key characteristic of the OMC is that the actual implementation of the guidelines in national policies is left to the discretion of the Member States.

In 2004, a mid-term review of the Lisbon Strategy was conducted by a high-level group that was led by the former Dutch Prime Minister Wim Kok. It observed a ‘disappointing delivery [which] is due to an overloaded agenda, poor coordination and conflicting priorities’, in which it concluded that ‘the Lisbon strategy is even more urgent today’ and therefore, ‘better implementation is needed now to make up for lost time’ (Kok 2004, 6). Consequently, the reform programme was overhauled and a renewed Lisbon Strategy with a strengthened OMC approach was adopted by the European Council in March 2005. The governance of the Lisbon Strategy and the renewed EU SDS are summarised and compared in the following section.

3 Comparing the governance of the two major EU strategy processes

With the comparative character of the present paper in mind, the key governance characteristics of the renewed Lisbon Strategy at both the EU and Member State levels can be summarised with the following three points:

- Contents: The renewed Lisbon Strategy defines the direction of the reform process in a set of 24 so-called ‘integrated guidelines for growth and jobs’ (European Commission 2005b, d; European Commission 2008). 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 focuses on employment (such as ‘expand and improve investment in human capital’), and one single guideline addresses ‘the sustainable use of resources and strengthen the synergies between environmental protection and growth’ (listed under microeconomic guidelines).

- EU-Member State interface: The renewed Lisbon Strategy requires Member States to (i) appoint a national coordinator of the Lisbon Strategy (often a minister or another high-level politician from the economic affairs sector), (ii) implement the integrated guidelines through ‘National Reform Programmes’ (NRPs); (ii) measure the progress made towards the 24 integrated guidelines with a short list of 14 and a long list of 127 Structural Indicators that were developed as a blueprint set of indicators for the entire EU; and (iii) report annually to the Commission about the progress made. According to the European Commission (2006, 9), NRPs are ‘the main tools to implement the new Lisbon strategy, to translate the integrated policy guidelines into reform owned by the Member States and which Member States are responsible for delivering’.

- European Commission: Based on the annual national reports, the Secretariat-General of the European Commission assesses all the NRPs, gives country-specific recommendations, and reports to the European Spring Council (see, for example, European Commission 2006). Thus far, the European Commission has published four progress reports.

After the renewal of the Lisbon Strategy in 2005, all the activities summarised above were enacted. All the Member States have, for example, developed NRPs and submitted them to the European Commission for the first time in 2005, covering the 3-year period until 2008 (European Environmental Bureau 2005). In its first progress report from January 2006, the European Commission (2006) provided a detailed assessment of the NRPs in the then 25 Member States. A key conclusion was that NRPs vary considerably across Member States, for instance, regarding the formulation of objectives and measures foreseen to reach them. While some Member States have attempted to integrate EU and national priorities in a set of quantified and timed objectives and measures, many NRPs were criticised for leaving objectives as well as implementation measures in many areas open (European Commission 2006, 13-14). In 2006, the European Council argued in its Presidency Conclusions that now, as all NRPs are in place, it would be essential to ensure their ‘effective, timely and comprehensive implementation, and if necessary, strengthening of measures agreed in the NRPs’ (European Council 2006a, para. 15).

According to the 3-year cycle of the renewed Lisbon Strategy, the European Council confirmed in March 2008 that the Integrated Guidelines remain valid for the period 2008-2010. Moreover, it reiterated that ‘Member States should set out detailed and concrete actions addressing their specific policy response to the Integrated Guidelines, country-specific recommendations and “points to watch” in their National Reform Programmes and the subsequent annual implementation reports’ (European Council 2008b, para. 4). Consequently, all the EU Member States updated their NRPs for the period 2008-2011 at the same time.

Concurringly to the relaunch of the Lisbon Strategy, the renewed EU SDS also aimed to strengthen the EU-Member State interface of SD policy making. While most EU Member States have developed a national SD strategy more or less independently from the EU level before the EU SDS was renewed in 2006 (Steurer & Martinuzzi 2005), they were now diplomatically 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’ (European Council 2006b, 28). In 2008, 25 EU Member States had an SD strategy in place, and 14 of them were revising it. While the Lisbon Strategy fully embodies OMC, the EU SDS has develop cautiously into a ‘light form of OMC’ (Berger & Steurer 2007; 78).

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2 For the EU progress reports, see http://ec.europa.eu/growthandjobs/european-dimension/index_en.htm; for the EU Member State progress reports, see http://ec.europa.eu/growthandjobs/national-dimension/index_en.htm.


4 For an overview, see http://www.sd-network.eu/?k=country%20profiles.
Berger & Zwirner 2008), at least temporarily around its political adoption in 2006. This development can be characterised as follows:

- **Contents:** The renewed EU SDS identifies seven key challenges, each one differentiated in detailed ‘operational objectives and targets’ as well as ‘actions’ that are necessary to achieve them. They provide guidance for SD policy-making not only at the EU level, but also for the 27 Member States. The key challenges are restricted to four environmental and three social issues (European Council 2006b), leaving the third economic dimension of SD to the Lisbon Strategy.

- **EU-Member State interface:** In order to foster the exchange between the Secretariat-General of the European Commission who is coordinating the EU SDS (as well as the Lisbon Strategy) and the 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, 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 (Berger & Zwirner 2008). While all the EU countries monitor NRPs with a customised set of Structural Indicators, many but not all of them monitor their SD strategies with country-specific SD indicator sets (for details, see section 4).

- **European Commission:** Based on the national progress reports\(^5\) and an SD Monitoring Report from Eurostat (2007), the Secretariat-General issued a progress report on the EU SDS in 2007 (European Commission 2007a). In 2009, EU reporting activities on SD were downscaled to a progress report that is dominated by the SD Monitoring Report from Eurostat (2009) without input from Member States. Apart from the reporting task, the Secretariat-General is largely inactive in the context of SD. In contrast to the Lisbon Strategy where it functions as an important EU pacemaker, it does not foster effective exchange among the Member States, does not assess national SD progress reports, and does not formulate recommendations on how to improve SD policy making across the EU.

In the first EU progress report, the European Commission (2007a) acknowledged that SD policy initiatives at both EU and Member State levels have been strengthened recently. Nevertheless, it argued that ‘relatively modest progress on the ground’ has been achieved. The report also highlighted that, ‘At EU level, the challenge is to work towards convergence of the overarching long term objective of sustainable development, focusing on quality of life, inter-generational equity and the long-term viability of European society, and the medium term goal of growth, competitiveness and jobs under the Lisbon strategy’ (European Commission 2007a, 4). In December 2007, the European Council reviewed the EU SDS for the first time and concluded that ‘the objectives and priorities under the seven key challenges contained in that strategy remain fully valid’, ‘the main focus should therefore be on effective implementation at all levels’, and that ‘[t]he renewed EU Strategy and national strategies for sustainable development also need to be linked up more closely’ (European Council 2008a, 16). Improving the coordination between the EU SDS and the Lisbon Strategy was not an issue for the Council. Instead of highlighting this need for coordination, the Council stated vaguely, ‘The EU's integrated climate and energy policy and an integrated approach to the sustainable management of natural resources, the protection of biodiversity and ecosystem services and sustainable production and consumption are among the drivers for achieving objectives under both the SDS and the Lisbon strategy’ (European Council 2008a, 16).

Table 1: Similarities and differences of the Lisbon Strategy and the EU SDS

<table>
<thead>
<tr>
<th>Lisbon Strategy</th>
<th>EU SDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year of adoption/renewal</strong></td>
<td>2000 (Lisbon Council)/2005</td>
</tr>
<tr>
<td><strong>Key purpose</strong></td>
<td>Economic and social policy reforms across the EU that enhance competitiveness, economic growth and employment in the mid-term</td>
</tr>
<tr>
<td><strong>Coordination at the EU level</strong></td>
<td>Secretariat-General March European Council, annually</td>
</tr>
<tr>
<td><strong>National strategies and their focus</strong></td>
<td>National Reform Programmes (NRPs): economic and social policies</td>
</tr>
<tr>
<td><strong>Coordination at the Member State level and interaction with European Commission</strong></td>
<td>High-level politicians (often ministers) or public administrators from Economic Affairs Ministries; the ‘Lisbon coordinators’ group is regularly convened by the Secretariat-General</td>
</tr>
<tr>
<td><strong>Historical link between EU and Member State strategies</strong></td>
<td>NRPs are mirror strategies of the EU’s Lisbon Strategy with a top-down genesis and an exclusive EU history</td>
</tr>
<tr>
<td><strong>OMC features</strong></td>
<td>Ideal-type OMC from the beginning: - Integrated guidelines guide policy reforms throughout the EU; - Coordination meetings are convened regularly by the Secretariat-General; - Sets of ‘Structural Indicators’ help to monitor progress coherently across Europe; - Annual reporting obligations at the EU and Member State levels go hand in hand; - Member States are regularly assessed, benchmarked and guided with recommendations by the European Commission; etc.</td>
</tr>
<tr>
<td><strong>Interim updates and thorough reviews</strong></td>
<td>3 year update cycle for EU Lisbon Strategy and NRPs; thorough review in 2010/2011</td>
</tr>
</tbody>
</table>

Obviously, the OMC manifests itself in the (renewed) Lisbon Strategy to an increasing degree, and it spilled over to SD strategies around the renewal of the EU SDS, at least temporarily, in the years 2006 and 2007 (for a comparison, see Table 1). Since then, the ‘light form of OMC’ applied in the EU SDS deteriorated, together with the political salience of the strategy itself.

While the European Commission (2007a) expressed concern about the lack of horizontal integration between the Lisbon and the EU SDS at the EU level, and the European Council (2007) addressed the weak vertical link between SD strategies at the EU and Member State levels, an often overlooked challenge is the linkage between the Lisbon and SD strategies at the Member State level. This horizontal linkage is key, not only because the two strategies are regarded as complementary in the pursuit of SD (see section 1), but in particular because the objectives of both strategies have to primarily be delivered by

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6 For similar comparisons, see Steurer et al. (2008), Pirgmaier (2008), and Berger & Zwirner (2008).
Member States. Consequently, one would expect relatively close ties between NRPs and national SD strategies. However, as three years of personal experience\(^7\) and three qualitative country studies on Austria, Sweden and the UK (Pirgmaier 2008) have shown, everyday governance routines do not match the SD rhetoric in Council Conclusions. In all three cases, the responsibility for Lisbon and SD strategies is assumed by different coordinators and inter-ministerial bodies, and the ties between them are rather weak. In Austria and the UK, officials from the Environment Ministry are responsible for commenting on the NRP and the annual progress reports, in particular on policies regarding the sustainable use of natural resources and strengthening synergies between environmental protection and economic growth. Likewise, the administrators who are responsible for the Lisbon Strategy comment on those drafts related to SD policies of their country. Although Sweden has established at least stronger personal ties between the Lisbon and the SDS groups, Pirgmaier (2008) concludes, ‘All [interviewed] government officials across the three countries agree that both strategic processes co-exist side by side’ instead of being intertwined.

4 The coherence of Lisbon NRPs and SD strategies across the EU-25

Based on the observation that EU governance and vertical coordination are significantly stronger in the Lisbon than in the SD strategy context (see section 3), one would assume accordingly that NRPs are more coherent across Europe. This assumption is explored here not by looking at actual policies (which the OMC allows to differ, and which would be difficult to assess), but by focussing on easily comparable policy outputs that are at the focal point of the Lisbon OMC. This section compares the coherence of (i) the structure of the NRPs and SD strategies (in particular the document structure and the number of objectives and measures formulated), and, (ii), the Structural and SD Indicators employed to monitor them. The structure of NRPs is relevant to better understand the European governance of the Lisbon Strategy because the European Council and the Commission ‘proposed that these national Lisbon programmes be organised in a standardised format in three parts: the first dealing with macro-economic and budgetary policy measures (with the aim of providing sound macroeconomic conditions), the second with labour market policies and the third with structural/microeconomic reform issues’ (European Commission 2005b, 4; emphasis in the original). The NRPs should consist of 30-40 pages (plus annexes), describing the key policy priorities and those actions related to the Integrated Guidelines, and if no actions are suggested, Member States are asked to provide an explanation (European Environmental Bureau 2005, 9). The ‘standardised format’ of the NRPs should facilitate comparability among the EU Member States (Pirgmaier 2008, 18, 101). Indicators also play a key role in the OMC of the Lisbon Strategy because they should facilitate the benchmarking of the reform progress made across Europe and provide the data basis for deriving policy guidance and recommendations. Of course, benchmarking also requires coherent sets of indicators.

The quantitative data presented here is based on an extensive empirical stocktaking study of the objectives and indicators in Lisbon and SD strategies across Europe. The study was commissioned by Eurostat and carried out between January and June 2007 for the then EU-25 (for a summary of the purposes, the methodology and the samples of the study, see Hametner & Steurer 2007 and Steurer et al. 2008; for the complete study, see Rametsteiner et al. 2007). The evidence summarised below shows that NRPs are a bit more coherent than SD strategies (at least regarding the use of indicators), but that stark differences persist across the EU in both processes.

\(^7\) Between 2006 and 2008, Reinhard Steurer was the coordinator of a supporting unit for a network of public administrators who were responsible for SD strategies (the European Sustainable Development Network/ESDN Office). Gerald Berger succeeded him in this function. For details on the ESDN, see www.sd-network.eu.
4.1 The structure of NRPs and national SD strategies

Some countries followed the structural suggestions on how to compile an NRP as summarised above; many others did not, or only partially. In contrast to the suggestions of the European Commission (2005b), first generation NRPs vary considerably in terms of length (50-150 pages), report structure, topics covered, and the linkage of objectives and actions proposed in the strategy. Regarding the linkage between objectives and actions, 15 of the 25 analysed NRPs of the first generation employed a hierarchical structure in the sense that the main objectives were broken down into sub-objectives and actions. The remaining 10 NRPs did not specify how the main objectives should be implemented, but they formulated the sub-objectives and actions in separate chapters or parts of the NRPs without reference to the main objectives. If we explore how visible the 24 Integrated Guidelines of the updated Lisbon Strategy from 2005 were in first generation NRPs across Europe, three patterns can be distinguished, none of which correlates with the hierarchical or non-hierarchical structures (for details, see Annex 1):

- Only approximately one-third of first generation NRPs showed a strong orientation towards the 24 IGs in the sense that they structured their (main) objectives or policy measures closely in line with them.

- In 10 of the 25 NRPs (or 40 per cent), the guidelines agreed upon at the EU level were hardly recognisable, i.e. these NRPs contained either no reference to the IGs, or the NRPs were structured in line with the three main policy areas of the IGs (macroeconomic, microeconomic and employment policies) but not with single IGs; or some main objectives summarised the IGs rather symbolically.

- The remaining seven NRPs showed a medium orientation towards the IGs in the sense that some actions referred to some guidelines, or respective linkages were specified in an annex.

In other words, the Integrated Guidelines formulated in the renewed EU Lisbon Strategy, which are supposed to provide a pan-European orientation, obviously failed to organise actual NRPs in a clearly structured way. If we briefly review the number of objectives and measures identified in first generation NRPs, a similarly inconsistent picture emerges (for details see Annex 1). While the number of the main policy objectives ranged from three (Lithuania and Finland) to 21 (Sweden), the number of policy measures identified in first generation NRPs ranged from 53 (Malta) to 268 (Lithuania).

Overall, we can conclude that the structures of first generation NRPs were definitely less coherent than the European Commission had envisaged when it spoke of a ‘standardised format in three parts’ (European Commission 2005b, 5; emphasis in the original). This quantitative impression is confirmed by a qualitative assessment. In its first Lisbon progress report, the European Commission (2006) complained, ‘in addition to the fact that Member States had different points of departure, there is considerable variation in the pace, intensity and commitment towards reforms across Member States’. Similar statements can be found in the second Lisbon progress report (European Commission 2007b), whereas the third progress report shows to be fully absorbed by promoting an EU-wide response to the financial and economic crisis (European Commission 2008).

The structures of national SD strategies were similarly coherent (or incoherent) as the structures of first generation NRPs, although most of them were developed before the EU SDS was renewed in 2006. While most SD strategies are organised in line with the three dimensions of SD (i.e. economic, social and environmental policies, plus one or two additional dimensions in some countries), they also vary considerably regarding the number of policy objectives and measures specified (for details, see Hametner & Steurer 2007, and Annex 2 of the present paper). Furthermore, a coordination of policy objectives between the Lisbon and SD strategies is neither visible in the respective strategy documents, nor is it supported by respective governance structures (see section 3). Consequently, overlapping objectives (e.g. on employment issues and climate change) are duplicated rather than coordinated or enriched between strategies, and they did not enter the Lisbon agenda because of SD strategies.
4.2 Indicator sets in NRPs and national SD strategies

If we compare the use of indicators in both the Lisbon and SD strategies, a similarly disconnected and incoherent picture emerges, with slight ‘advantages’ for the Lisbon Strategy. Regarding disconnectedness, it is to note that, despite the complementary character of the two strategies, not a single EU country monitors its NRP and SD strategy with a common set of indicators or a common progress report. EU Member States are coherent in this respect because common monitoring and reporting is not foreseen in the respective EU strategies. Owing to OMC, all the EU Member States have an NRP in place that is monitored with indicators. However, if we look into the details of the indicator sets used across the EU-25, it becomes obvious that the coordinating arm of OMC is, again, not as long as the European Commission had sought.

As for the number of objectives and measures formulated in NRPs, the size of the Lisbon indicator sets also varied considerably (for details, see Annex 3). While five countries used less than 15 indicators to monitor their NRP, others (including Denmark, Hungary and Spain) used comprehensive sets with more than 100 indicators. Just as Member States rarely addressed the Integrated Guidelines explicitly in their first generation NRPs (see above), they more or less also ignored the EU Structural Indicators (SIs) that were developed to benchmark progress towards the Lisbon objectives across the EU, with the exception of one country. Until 2006, Luxembourg was the only EU Member State that monitored its NRP with the EU Structural Indicators. Only six other countries included the short list of 14 SIs in their NRPs or respective progress reports, and two countries included the so-called EMCO indicators that are used to monitor the Integrated Guidelines on employment. Consequently, the coherence of the Lisbon indicators employed across the EU also lagged behind expectations.

Figure 1 shows the degree to which the NRP indicator sets of the EU-25 addressed the SIs that were developed at the EU level when the study was conducted. While national and EU indicator sets were compared based on individual indicators, the results presented here are aggregated for the six themes of the EU SIs, namely general economic background, employment, innovation and research, economic reform, social cohesion and the environment. If we first look at the horizontal axis, the EU SI theme ‘general economic background’ is obviously the one that was addressed, by far, the most coherently across Europe. The most prominent indicators under this theme are, for example, ‘public balance’, ‘real GDP growth’ and ‘GDP per capita’. ‘Employment’ and ‘innovation and research’ are other prominent themes in all the national indicator sets. The indicators used here frequently are ‘total employment rate’, ‘employment rate of older workers’, ‘life-long learning’ (theme ‘employment’), and ‘gross domestic expenditure on R&D’ as well as ‘broadband internet penetration rate’ (theme ‘innovation and research’). In contrast, countries obviously used fewer or different indicators for the themes ‘economic reform’ and ‘social cohesion’. Since a key purpose of the Lisbon Strategy is to facilitate economic and welfare state reforms, it is remarkable that Member States obviously used different monitoring approaches in these two respects.

For the complete list of Structural Indicators and the assignment of individual indicators to the six themes, see http://ec.europa.eu/eurostat/structuralindicators.
Regarding the different country scores across the vertical axis of figure 1 it is important to note that, since the EU SI set comprises 132 indicators, those countries with small indicator sets (in particular Greece, France and the UK) cannot cover them as comprehensively as countries with large indicator sets (such as Austria, Denmark, Hungary, Luxembourg and Spain). Hungary is the only country that addresses all the EU SI themes to a high degree. This is not necessarily the case because it has based its indicator selection on the EU set, but rather because it monitors its Lisbon Strategy with 309 single indicators, which is by far the largest set used.

If we switch sides and compare how coherently the national sets of SD indicators (SDIs) address the SDI framework, which Eurostat developed to monitor SD at the EU level in 2005, we finally see that the international rather than European history of SD strategies materialises in slightly lower levels of coherence for most themes and countries (for details, see figure 2 and Annex 3).
Regarding the themes, the SI theme ‘general economic background’ and the EU SDI theme ‘economic development’ show the strongest coherence. This suggests that there are already well established sets of indicators covering the economic dimension of SD, whereas particular governance indicators, but also social and environmental ones seem to be less well established and, therefore, less coherent (see also figure 4).

By displaying the degree of coherence in percentage scores per country across all themes, figure 3 shows that most EU Member States used the Lisbon Structural Indicators more coherently than SD indicators. While six countries (Austria, Denmark, Luxembourg, Malta, the Netherlands and Sweden) addressed between 40 and 50 per cent of the EU Structural Indicators, no country reached this percentage rate in the context of SD. Only four countries (the Czech Republic, Estonia, Italy and the UK; highlighted in grey at the bottom of figure 3) show a stronger coherence for SDIs than for SIs with degrees of coherence around 30 per cent. Since the SDI set at the EU level is as comprehensive as the SI set, again the size of the national indicator sets has to be emphasised as a key feature of European coherence: On the one hand, Austria, Denmark and Sweden employed quite comprehensive indicator sets in both strategies and showed relatively high scores of coherence. On the other hand, France, Belgium, Germany and Greece employed very small indicator sets and showed low coherence scores. Since most other countries showed different degrees of coherence in the two strategy processes, it is not possible to categorise EU Member States in terms of high and low levels of coherence in the use of indicators.

9 Countries with highly coherent SI sets but incoherent SDI sets are Luxembourg, Malta, the Netherlands, Slovakia and Slovenia; countries with highly coherent SDI sets but incoherent SI sets are Italy and the UK; and countries with a comparatively low coherence for both SI and SDI sets are Belgium, France, Germany and Greece.
Thus far, we have explored the coherence of the indicators for themes and countries. Yet, how coherent are the indicators on economic, social and environmental policies overall? As figure four shows, economic indicators are obviously used most coherently across the EU-25 in both strategy processes, and it reiterates that SD indicators are used consistently less coherent than Lisbon indicators. However, if we put these differences, ranging between 7 per cent (economic and environmental themes) and 9 per cent (social themes), into perspective with the different history and the different governance of the two strategies (see sections 2 and 3), the question to discuss further is not why these differences exist, but rather why they are not more significant.

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10 Figure 3 displays only those countries that had SDI and SI sets in place at the time of the analysis. For an additional overview of EU countries with a Structural Indicator set only (i.e. Cyprus, Hungary, Poland, Portugal and Spain), see Steurer et al. 2008, figure 6.
5 Discussion and conclusions

Although Lisbon NRPs have an unequivocal common foundation (i.e. the European Council Conclusions from March 2005), serve the same purpose (i.e. coping with global pressures by implementing the Integrated Guidelines at the Member State level), and are held together through ideal-type OMC arrangements (i.e. Integrated Guidelines, Structural Indicators, annual reporting schemes, etc.), the present paper has shown that they are not much more coherent than SD strategies in terms of structures, objectives and indicators. How can this finding be explained, and what conclusions can be drawn from this?

On the one hand, the incoherencies of the Lisbon NRPs across the EU-25 described here illustrate the limited capacities of the OMC to determine policy outputs. By definition, the OMC leaves Member States a considerable scope on how to follow up on policy objectives agreed-upon at the EU level. Obviously, this applies not only to the design and implementation of policies but also to the basic features of how the Lisbon agenda is translated into National Reform Programmes in terms of strategy structure, number of objectives, and indicators employed. Thus far, the OMC failed to facilitate a ‘standardised format’ of NRPs across the EU, as envisaged by the European Commission (2005b). On the other hand, the data presented here also suggest that international guidance can be similarly effective in framing policy issues at the national level. In light of the more stringent global governance regimes, such as the UN Framework

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**Economic indicators:**
- 3 SIs: ‘general economic background’, ‘innovation and research’, ‘economic reform’
- 1 SDIs: ‘economic development’

**Social indicators:**
- 2 SIs: ‘employment’ and ‘social cohesion’
- 3 SDIs: ‘poverty and social exclusion’, ‘ageing society’ and ‘public health’

**Environmental themes aggregated:**
- 1 SIs: ‘environment’
- 4 SDIs: ‘climate change and clean energy’, ‘production and consumption patterns’, ‘management of natural resources’ and ‘transport’

The SDIs on ‘good governance’ and ‘global partnership’ have been excluded in this comparison because they do not fit into one of the three dimensions of SD.
Convention on Climate Change (which requires countries to file standardised greenhouse gas inventories and national reports), the coordination achievements of European OMC look even paler.

If OMC in the context of the Lisbon Strategy does not result in significantly more coherent strategy documents and indicator sets as international agreements do in the context of SD strategies, what are the merits of OMC after all? At this point, the limitations of the present paper come into play. By focussing on the coherence of specific strategy features, it has neglected general issues such as the political salience of the Lisbon Strategy and its power to shape policy agendas across Europe. Of course, OMC is not limited to standardising strategy documents and harmonising indicator sets. OMC in the Lisbon context is essentially about establishing governance mechanisms that are able to reframe particular policy issues throughout the EU-27 towards common priorities such as competitiveness and economic growth. As various case studies show, the Lisbon Strategy was much more successful in this general respect than SD strategies (for agenda setting through the Lisbon Strategy, see Radulova 2009; Sánchez 2009; Domorenok 2009; for SD strategies, see Steurer & Martinuzzi 2007). While the renewed EU SDS has created some momentum in SD policy making across Europe around its adoption in 2006, this momentum has long faded. Consequently, administrators working on SD often envy the Lisbon Strategy for its application of OMC and the resulting agenda setting and pace-making role, for the active role the Secretariat General plays in this respect, and the political will and commitment in the Lisbon context. Although the Lisbon Strategy is far from living up to its OMC ideal and it is not in the position to facilitate a ‘standardised format’ of NRPs across the EU, it relishes considerably more political salience than its SD counterparts do. According to Steurer (2008, 106), most SD strategies in Europe have become ‘administered strategy processes’ […], that is, fragmented processes driven by a few administrators, who are not capable of shaping key policy decisions in line with sustainable development objectives. Thus, high-profile policy decisions such as the subsidy of alternative energies in Austria or the social policy reform programme Agenda 2010 in Germany (Tils 2005: 276 and 282; Tils 2007), are hardly discussed in the context of the [SD] strategy process, at least not in public.

Let us shift the attention one more time from the vertical coordination of the two major EU strategies to their horizontal relationship. This paper started out by reciting Council rhetoric stressing the complementarity of the Lisbon Strategy and the EU SDS. Since the complementary character of the two strategies neither materialises in the coordination of policy objectives, nor in the corresponding governance structures, we conclude that the complementarity rhetoric is not filled with substance. However, why are the two strategies linked rhetorically but not practically? One reason may be that the Council rhetoric is paying tribute to the European self-conception of being a leader in social and environmental policymaking. Stressing the link between the Lisbon Strategy and the EU SDS can be regarded as ‘quality of life rhetoric’ that softens the economic focus of the Lisbon Strategy on paper, whereas the deliberate lack of coordination between the two processes keeps the Lisbon Strategy focused on what really counts for EU decision makers, namely European competitiveness and economic growth. Furthermore, the fact that the ‘quality of life rhetoric’ is not matched with respective governance linkages may also have to do with the fact that the governance of the Lisbon Strategy is challenging enough so that keeping it separate from equally complex SD strategies is not only a question of political priorities but also one of strategic manageability.

The thorough review and re-launch of the Lisbon Strategy in 2010 will provide opportunities to improve its European governance, and to redesign the horizontal linkage to SD strategies in general, or to environmental issues in particular. Although those responsible for SD strategies show interest in discussing a merger of the two complementary, but so far separated, strategies into a single integrated strategy, several signs indicate that this is not a serious option. 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’ (European Council 2008b, para 6). If the National Lisbon coordinators are invited to also reflect on the governance of SD, one can wonder what functions the EU SDS and national SD strategies have at all
besides for political symbolism. Apparently, there is some (administrative) scope between political symbolism and key policy decisions that is occupied by some SD strategies: 'The fact that politicians do not care much about sustainable development strategies implies not only that key decisions are made frequently without reference to the sustainable development strategy process, but also that administrators can make use of their limited scope', e.g. in initiating small- and medium scale projects and programmes, and in trying to shape the political agenda setting from a distance (Steurer 2008, 106f). Obviously, this distance is also too large to take part in the Lisbon reflection process. How the current economic crisis shapes the substantial and procedural nature of the Lisbon Strategy and its linkage to the EU SDS remains to be seen. In case it enhances SD and environmental (in particular climate) policies (in the sense of a 'new green deal'), it would be for the first time in recent history that environmental policies were not kept steady or cut back in times of recession.

References


