

The goals of “more and better job” and “greater social cohesion” are as important as “competitiveness” and “growth”

A Social NGOs’ review of the Lisbon strategy

Adopted by the members of the Social Platform on the 20th of October 2004

In 2005 the Lisbon strategy will be halfway through its implementation. A mid-term review is now being carried by the Commission to take stock of the progress made in reaching the Lisbon objectives and to evaluate the methods. A high-level experts group, chaired by Wim Kok, and appointed by the European Council is also assessing the strategy and will make recommendations in November 2004 on how to give new impetus to the Lisbon process.

Social NGOs believe that the usefulness of this evaluation process will depend on how inclusive the debate around Lisbon is. For Member States to be perceived as accountable to their citizens, the evaluation process needs to be as transparent and open as possible following the good governance principles that guides the European Institutions.

The Social Platform has, at several occasions, called on the EU institutions to organise a consultation and so far neither the Kok group nor the European Commission have judged it necessary to put in practice one of the key element of the strategy which is the involvement of all stakeholders. Social NGOs have therefore decided to carry their own review of the Lisbon strategy. They have identified key social objectives of the Lisbon strategy and checked if they have been achieved and if the EU is moving forwards or backwards. Social NGOs call on the EU institutions to take into account the recommendations they have adopted as a result of their common evaluation.

1. Is the EU on course to achieve the Lisbon strategic goal of becoming “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”?

Answer of the Social Platform: **NO – the social aspects of Lisbon have been subordinated to economic stability, cost cutting and deficit reduction.** This limited focus has not succeeded in delivering either the social objectives (greater social cohesion, more and better jobs) or a sufficiently dynamic economy. A narrow focus on deficit does not allow for sufficient investment in social and economic objectives. Investments should be encouraged, not penalised.

Recommendation of the Social Platform: a sound management of public finances is a duty we have towards future generations. However, **well-targeted public investments - especially in sectors like education, public health, childcare and care for dependents, public transport and social services - can enhance the prosperity of European societies.** These sectors are not only an important source of employment but they also contribute to reinforce the fabric of European society by creating links of solidarity and a sense of well-being and trust among individuals. The importance of these “immaterial” elements need to be recognised by the EU institutions as the basis of a dynamic society where people feel they can take risks, create and invest. **Social NGOs therefore recommend that the quantitative approach used in the framework of the BEPG and the Stability and Growth Pact must be complemented by a qualitative assessment of public spending.**

2. Has the EU implemented the Lisbon process “in a manner consistent with its values and concepts of society”?

Answer of the Social Platform: **NO – the continuous erosion of the Lisbon goals from a sustainable development strategy to a “growth at any cost” approach has further weakened the European social model.** The Lisbon goals have been reduced to “competitiveness” and in many debates and initiatives on Lisbon the goals of “more and better jobs” and “greater social cohesion” have simply been ignored.

Recommendation of the Social Platform: The Lisbon conclusions are the strongest commitment made so far by the EU to link economic development to social progress. The essence of the strategy lies precisely in the recognition of the interdependence of these policies and on the recognition of the need to maximise their mutual positive reinforcement. **The proposed streamlining approach in the social protection and social inclusion areas must ensure that the key messages arising from the cooperation in the social areas are given equal consideration to the messages emerging in relation to employment, competitiveness and economic objectives in the development of all key policies and structures at EU level.**

3. Has Lisbon delivered “education and training for living and working in the knowledge society”?

Answer of the Social Platform: **SOME PROGRESS** – There is widespread recognition that education and life-long learning are an indispensable component of the Lisbon strategy. **However, it is worrying that education and training now appear almost entirely as employment factors within EU policies, despite some rare references to “personal fulfilment” and “active citizenship”.** The Commission, while underlining the need for further investment in education, frequently refers to the Stability and Growth Pact to justify a re-focus of public expenses on key economic sectors and a bigger contribution of the private sector in higher education. The Lisbon process has therefore encouraged an **instrumentalisation of people, leading to a lack of independence and responsiveness to new challenges.** Where training has been offered, this has been insufficiently linked to the creation of new jobs.

Recommendation of the Social Platform: **Heads of state and government have a responsibility to promote investment in education and training for social inclusion, personal fulfilment and active citizenship.** Life long learning has much broader individual and social benefits, which need to be valued and not undermined. Additionally, basic skills training should not be neglected. Access to education at all levels must be guaranteed for all. The role of voluntary activities as a form of learning should be recognised. Indeed it is well documented in several countries that young people take up professions more closely related to their voluntary activities than their academic studies.

4. Has the Lisbon process generated “more and better jobs”?

Answer of the Social Platform: **INITIAL PROGRESS HAS NOW STAGNATED- Employment rates are stagnating, and the focus on quality has now been lost.** What about the “better” jobs which were promised? Recent initiatives have focused more upon quantity than quality of employment. Furthermore, what progress is being made towards the specific objectives for the employment rates of women and older workers, groups facing particular barriers to employment? In this context, the language of “activation” and “incentives” is indicative of the underlying assumption that the key reason for unemployment is that most of those who don’t work are unwilling to do so, and therefore that employment can be stimulated by encouraging, even forcing, people to work. However, **the big problem is the lack of quality jobs and barriers to employment for Europeans who wish to work, not the attitude of the unemployed.**

Recommendation of the Social Platform: **A more holistic approach is required which takes into account the complex reasons for unemployment and finds suitable solutions, including creating more jobs, and which does not place the blame on those who are not employed but generates a supportive climate.** This is crucial for the empowerment of people experiencing poverty. **The importance of non-financial measures to help people work needs to be highlighted, especially childcare and care for other dependents, training opportunities and life-long learning.** It is also essential that EU leaders make a firm commitment to targeted measures for groups facing structural difficulties to integrate into the labour market and to the effective transposition and implementation of the anti-discrimination directives. This includes people with disabilities, migrants, ethnic minorities, single parents, early school leavers and older workers and people who are caring for dependent members of their family.

5. Has Lisbon helped in “modernising social protection”?

Answer of the Social Platform: **NO – The “making work pay” and “activation” approaches have dominated the debate on the modernisation of social protection systems.** Here again it is clear that **these approaches are determined by short-term concerns about the funding of social protection systems and employment promotion, rather than social inclusion objectives.** While this may appear to make economic sense, such approaches have all the costs associated with a “non-social policy”, by increasing poverty and exclusion. These trends have also generated a negative relationship between public authorities and citizens, which is counter-productive in a period where open debates and partnership are more needed than ever in finding solutions to increased inequalities.

Recommendation of the Social Platform: **the modernisation of social protection system should not only be about cost-cutting and risk-shifting from society to the individual. Heads of state and government have a duty to ensure that social protection systems are reformed in such a way as to respond to the demands of the modern world while at the same time fulfilling their crucial role as a collective guarantee against poverty and social exclusion.** “Activation” measures are positive when they genuinely avoid “poverty traps”, like for instance those catching disabled people who lose a substantial part of their social benefits when they take a paid work (even a temporary one) or parents who see their child allowances diminished when they take a job. However, **for people who are discriminated against on the labour market, job opportunities need first to be created before any “activation” measures can be considered.** Comprehensive implementation of the Racial Equality Directive and of the Employment Equality Directive on grounds of race, sexual orientation, disability and other grounds must be undertaken without delay. It is indeed a contradiction that while the EU systematically highlights the importance of prolonging working life the framework directive on anti-discrimination in employment practically gives a “carte blanche” to employers to discriminate against older people and people with disabilities thanks to some large exemptions for these groups.

6. Has the Lisbon process made “a decisive impact on the eradication of poverty”?

Answer of the Social Platform: **PROGRESS UNCLEAR. There is no evidence that there has been any progress in reducing the number of people living below the poverty line.** The inclusion strategy is an undoubted step forward in European integration. It has kept the fight against poverty and social exclusion on the political agenda, and helped shape policies and the national dialogue on this important topic but the mechanisms available within the strategy have not been sufficient in making a decisive impact on poverty.

Recommendation of the Social Platform: In order for the EU Inclusion strategy to gain in importance and visibility the heads of states need to agree on a **headline EU-wide target for the reduction of poverty and social exclusion by 2010.** In the framework of the Open Method of Coordination, **NGOs and those who are directly affected, including people living in extreme poverty, must be encouraged to play a large role in the**

development of indicators, the selection of targets and policies, and, crucially, the evaluation of measures. In addition, the impact assessment mechanism used by the European Commission should **systematically evaluate the impact of European policies (in particular economic and monetary policies) on poverty and social exclusion.**

7. Are the right processes in place to deliver on the Lisbon Objectives?

Answer of the Social Platform: **NO – The Spring Summit exercise has not provided the necessary impetus to maintain the momentum throughout the year on the Lisbon objectives.** The goals of “more and better jobs” and “greater social cohesion” are not firmly established and too often subjected to review depending on the ideology of governments. The synthesis report prepared by the Commission considers each policy area in isolation and reflects the lack of cohesion within the process as a whole.

Recommendation of the Social Platform: **Economic and financial policies, including the Broad Economic Policy Guidelines and the Stability and Growth pact, should support the Lisbon goals of “more and better jobs” and “greater social cohesion”.** EU leaders need to reaffirm that economic growth in itself does not produce a socially integrated society if not accompanied by strong policies to ensure improved quality of jobs, social protection and health promotion, gender equality, equality, anti-discrimination measures and social inclusion. **The Social Platform therefore calls for a closer institutional co-operation between different EU bodies to lead to a more equal relationship between the different policy areas and the full inclusion of the ministers of employment and social affairs in the annual evaluation round at the Spring European Council.** Social NGOs also support a streamlining of the Lisbon process and of the European Sustainable Strategy in order to fully implement the Gothenburg’s commitment to add an environment dimension to the Lisbon strategy.

As a final recommendation social NGOs want to remind head of states and of governments as well as the EU institutions that the respect of the principles of good governance and participatory democracy, as now recognised in the EU Constitution under Article 1.47, are indispensable pre-requisite of the success of any political initiatives. In the last years the EU has made significant progress in developing at the level of its institutions a culture of transparent and inclusive dialogue. Under the principle of good governance major changes have taken place, from which all have gained important benefits. Indeed participatory processes increase the empowerment of stakeholders as well as their sense of ownership of the result achieved. They also reinforce democracy, help create new partnerships and increase the quality of the decisions, and are an additional guarantee for their implementation.

Future Spring Summits should improve the transparency of the processes leading up to the Summit, and from the earliest stages provide clear information and involve all the relevant stakeholders, including civil society. In that respect the mid-term review of the Lisbon Strategy in 2005 is again a missed opportunity to open a larger debate.

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