

# Democratising economic policymaking - Yes, we can!

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**Organised by:** SDG Watch Europe & the EESC's ECO section

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## Report

The session was moderated by **Ingeborg Niestroy, SDG Watch Europe & RIFS (Research Institute for Sustainability)**. She introduced the session and the panel, as well as the Horizon Europe project REAL DEAL ([www.realdeal.eu](http://www.realdeal.eu)).

The panel discussion addressed the participation of citizens, civil society and stakeholders in the European Semester and economic policymaking.

**Lucianajulia Pace**, Policy Officer in the Secretariat-General, Recovery & Resilience Task Force, explained the background, purpose and structure of the European Semester cycle and stressed the key role played by the Annual Sustainable Growth Surveys (ASGS) as chapeau document. She described the four dimensions of competitive sustainability around which the report was structured: fairness, productivity, environmental sustainability and macroeconomic stability. Ms. Pace also pointed to the documents to be issued as part of the 2024 autumn package, such as the alert mechanism and the joint employment report. She spoke about the ways in which the social partners and civil society organisations (CSOs) were already included in the various steps of the Semester cycle.

**Luca Jahier**, President of the EESC's European Semester Group, felt that the issue tackled by this session was key because of the changes made to the ASGS over the last three years. He considered that including environmental sustainability in the ASGS was not just a name change, but a meaningful change of the the ASGS's core structure, and the systemic interconnection of the four pillars of competitive sustainability has been achieved. The increase in the financial capabilities and national ownership of the National Reform Programmes (NRP) had made the European Semester mechanism more effective. Mr Jahier said that all aspects of the green transition needed consensus in society. This required a process and the social partners had to be involved in a structured, permanent and effective way. The national governments of the Member States should realise that they need to involve all stakeholders,

people, enterprises, trade unions, civil society organisations and local authorities in order to implement their NRP. Some Member States had established the capacity to facilitate the processes needed for this, but there were still shortcomings across in the EU.

**Judith Hermann**, sustainability officer at the German NGO Forum on Environment and Development, presented the Forum's current webinar series on economics, growth and sustainability, as currently conducted for interested citizens. She explained how economic policy was perceived by citizens and why it is an important topic for them. Economic policy was still a blind spot for many environmental NGOs and the Forum was encouraging them to get involved in this area. As part of the REAL DEAL research project the Forum is also planning a testcase in Germany on economics, which will include a deliberative format with randomly selected citizens.

**Mathias Zachau**, political consultant at the Danish NGO NytEuropa ("New Europe"), presented the testcase of the REAL DEAL research project in Denmark, one of two covering the European Semester. In this Danish case, NytEuropa ensured that participants had a common ground of understanding of the subject matter by providing a 'knowledge upgrade' through three webinars prior to the in-person deliberative event, which took place in December 2023. This event produced recommendations which NytEuropa gave as input to a stakeholder consultation meeting. The meeting took place during the European Commission's country visit to Denmark, part of the European Semester cycle.

**Andrea Bonicatti**, political scientist at the Italian NGO ASviS (*Alleanza Italiana per lo Sviluppo Sostenibile*), presented the ASviS' work on economic policymaking. ASviS produced annual reports and proposals on sustainability, economics and Italy's national budget. These proposals sought to create coherence of EU policy and Italy's country specific recommendations (CSRs). ASviS is currently planning the testcase of the REAL DEAL project in Italy, set to be a deliberative citizen event on economics to be held online in April. In addition, a joint event for participants from the Danish and Italian events would take place in May, where they would be able to discuss and compare the findings and the links to the European Semester.

After this first round, **Ingeborg Niestroy** asked the panellist for their views on the other presentations.

**Luca Jahier** felt that all the contributions showed that it was possible to democratise economic policymaking. There had been a number of improvements, but sufficient capacity for a structured permanent dialogue still needs to be created. The national governments should do so because it was in their own self-interest. Participatory bodies, whether or not they were enshrined in the constitution, and deliberative formats beyond such bodies were purely consultative. The legislative powers remain with the parliaments.

**Lucianajulia Pace** was interested in the 'knowledge upgrades' for citizen deliberation. In her view, such deliberations are important and beneficial for both parties: the economic experts working for the European Commission may gain valuable input and insights from citizens, and citizens and CSOs may have valuable insights and spark discussion on economic policy. One improvement on the Commission side had been to make the published documents shorter and more easily understandable for average citizens. European Semester country officers in the Member States could play an important role in connecting up national CSOs and citizens with the European Commission.

**Ingeborg Niestroy** concluded the session by saying how important it was that all European Semester country officers worked together and supported deliberation initiatives. The average level of economic understanding needed to be increased in order to enable more inclusive,

balanced and deliberative discussions of these topics. The social partners had a specific role to play, which is even stronger where anchored in the constitution. However, the whole spectrum of civil society organisations is needed, as well as the direct involvement of citizens, in order to democratise economic policymaking.

The session produced recommendations broken down into three action steps:

**Step 1: Who? (...should be involved in economic policymaking?)**

- Widen the spectrum of involved actors in the European Semester consultative mechanism: rather than just the social partners, a broad variety of civil society organisations should be involved. This should be extended to direct citizen involvement with specific formats.
- Take efforts to bringing more actors to the table to contribute with different types of knowledge and experience, including reflections on the economic system, and to support the implementation of country specific recommendations (CSRs).

**Step 2: How?**

- Widen the classic consultative approaches with hearings to include deliberative processes and practices, and establish quality criteria for these processes and their facilitators.
- For the topic of economics there is a special need to lowering the entry barriers for engagement. Therefore, capacity must be built by organising knowledge upgrades and providing accessible material etc.

**Step 3: Which architecture?**

- Establish multi-stakeholder platforms for economics and sustainability in the Member States, modelled on the EU-level multi-stakeholder platform (MSP) on the SDGs. This would be a space to develop joint policy input for economic policymaking at all levels, including for the European Semester.
- Existing bodies such as advisory councils and national economic and social committees should be part of the multi-stakeholder platform, which should also organise direct citizen deliberations in support of its work.



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