

**Remarks of Martin Westlake, EESC Secretary General, at the 3-4 May 2012
Dublin meeting of the Secretaries-General of the national Economic and Social
Councils and the European Economic and Social Committee**

In the first place, my warmest thanks and congratulations go to our Chairman here today, Rory O'Donnell, and to the Irish National Economic and Social Council for their generous hospitality and for the excellent organisation of this meeting. I have of course listened with great interest and some concern to the many strong interventions from our friends and colleagues over the past two half-days of this meeting. As you all know, as an institution the European Economic and Social Committee is not primarily concerned with social dialogue although, in a sense, social dialogue is subsumed within it. Rather, the European Economic and Social Committee embodies the broader concept of civic dialogue. However, it has always been and will always be a strong supporter of dialogue and the consultative process and it is in that spirit that I am speaking to you this morning. I would like, if I may, to talk to three inter-related themes: the first is what I would characterise as being the perverse effects of the ongoing crisis; the second is what I would term the mystery of the disappearing solutions; and the last is what I see as being the paradox of austerity.

The perverse effects of the crisis

Many of our colleagues have spoken to the consequences of the ongoing crisis. You will recall that there was a tendency in the beginning for the crisis to be portrayed as being mainly, if not purely, a financial and economic issue – a technical matter, almost. But from the very outset the European Economic and Social Committee and its President at the time, the late Mario Sepi, was loudly warning about the social consequences of the crisis and the social cost that would have to be paid in resolving the crisis. The Committee has consistently drawn attention to the need for a holistic approach as well as to the need to safeguard social Europe and all the advances that have been made, and not simply to panic itself into the abandonment of a socio-economic model of which it is rightly proud. The current President, Staffan Nilsson, has been at the forefront of these calls, notably championing the adoption of a resolution by the Committee in February on the eve of the European Council meeting and leading the way in debates with such as the President of the European Council, Mr Van Rompuy, the President of the European Commission, Mr Barroso, and most recently in our February Plenary Session with European Parliament President Martin Schulz and in the March Bureau with European Commissioner Olli Rehn – to give but a few examples.

Naturally, fundamental questions require fundamental answers, but many of the interventions in this meeting have underlined the need for vigilance. Our Union is based on transparency, the rule of law and well-established processes designed to encourage consensus through inclusive dialogue. It is a consensual, inclusive vision. We are surely all agreed on the need to face up to the crisis effectively, but what has this meant, or seemed to mean, in practice?

- the intergovernmental (particularly the European Council, but also the Stability Treaty) has been preferred to the Community method;
- there has been a degree of deliberate obscurity (because, understandably, many of the solutions have had to be found away from the eyes of the markets);
- political expediency has been preferred – arguably, at times to a stricter interpretation of the rule of law (for example, the European Stability Treaty is a stand-alone treaty but could probably have been negotiated within the existing treaty basis – but this would have required time, the one precious commodity the Heads of State or Government did not have at the January 2012 Brussels summit);
- related to this, speed and urgent action – neither of which lend themselves to the slower processes of due deliberation and the building of consensus.

In frankness, there has been a generalised acceptance that the ends (above all, overcoming the crisis) have to justify the means, and this has been combined with a certain passiveness (remarked upon by several colleagues in our meeting) on the part of Europeans, aware of the gravity of the situation that the Union faces. But we, representing institutions of dialogue and consensus-building, should be aware of the medium- to longer-term risks of such a situation:

- representative democracy risks getting 'frozen out' (the most obvious example being the way the European Parliament's traditional and hard-fought for role is marginalized the more executive decisions are taken in the European Council or in other, even more inter-governmental, extra-treaty contexts);
- the intergovernmental is preferred to the Community method. Mr van Rompuy has been eloquent in explaining how this has come about. In the first place, the crisis is so serious that Heads of State or Government feel understandably that they should be dealing with it. In the second place, treasuries and ministries of finance are more cautious in their approaches and probably privately prefer to see such issues booted 'upstairs' where, thirdly, such unfeasibly large amounts of money are involved that probably only Heads of State or Government have sufficient power and responsibility to commit themselves (and pay the consequences, in electoral terms, as we have been seeing). All this and yet, as Mr van Rompuy points out himself, the sovereign debt crisis wasn't even on the horizon when he was appointed;
- lastly, the consultative function and the habit of engaging in dialogue and building consensus risk being neglected.

The medium- to longer-term risk is that expediency turns into permanency, that in dealing effectively and urgently with a crisis we fall out of good habits that have served us so well. The European Economic and Social Committee is therefore following these trends closely and warily. Who could not welcome solutions? And the Committee of course sees the logic of enhancing economic governance, but we must make sure that the urgent and the expedient is well articulated with the work that the Union and its member states have already undertaken. The EESC has distributed two opinions today. Both are available at the back of the room and I commend them to you. To give you an example of what I am talking about, the opinion on the social impact of the new economic governance legislation (rapporteur: Gabriele Bischoff, Employees' Group, Germany) points to the 'inherent conflict of goals' between the

Europe 2020 Strategy and European economic governance. Implementation of the European Semester and the 'six pack' must not undermine, for example, the poverty reduction target set out in the Europe 2020 strategy. It is only through representative democracy – the European Parliament and national parliaments – as well as through continued dialogue with, inter alia, organised civil society, including social partners and all stakeholders, that such inarticulacy can be avoided. That is why the European Economic and Social Committee has strongly and consistently supported the role of the European Parliament and of social and civil dialogue and the consultative function.

The mystery of the disappearing solutions

The December 2001 Laeken Declaration, which led eventually to the Lisbon Treaty, identified two challenges facing the European Union. One was impending enlargement. The Union successfully rose to that challenge and, indeed, is looking forward to welcoming Croatia as its twenty-eighth member state in July 2013. But the second challenge was the growing gap between the Union and its institutions on the one hand and the citizens they purported to serve on the other. The ensuing Convention on the Future of Europe and Intergovernmental Conferences expended a great deal of time reflecting on how to face up to that challenge. The result of those reflections is to be found in Title II in the Lisbon Treaty, in the Treaty's 'provisions on democratic principles'. The conclusion reached was that in a Union so complex, with so many countries, regions and cultures, with so many different layers of governance, what was needed was a sort of composite democracy. That is why, under Title II, provisions on representative democracy – the European Parliament and national parliaments – are juxtaposed with provisions for direct democracy (the European citizens' initiative) and for participatory democracy and, in particular, an 'open, transparent and regular dialogue with representative associations and civil society' (Article 11.2).

The second opinion that the EESC has distributed today is an opinion on participatory democracy and the citizens' initiative (rapporteur: Anne-Marie Sigmund, Various Interests Group, Austria). Again, I commend it to you for its analysis, not only of the significance of this provision in its own right, but also the role the Committee intends to play in contributing to the development of civil dialogue as a partner and intermediary. A role that will begin now that, since 1 April of this year, the provision on the European citizens' initiative is at last operational. There is a third opinion that I cannot distribute today because it hasn't been adopted yet. Nevertheless, I would like to recommend to you the Committee's forthcoming initiative opinion on principles, procedures and action for the implementation of Articles 11(1) and 11(2) of the Lisbon Treaty (rapporteur: Luca Jahier, Various Interests' Group, Italy) because it embodies a thorough-going analysis of the concept of participatory democracy and a series of practical recommendations about how the vision set out in the Lisbon Treaty can be fleshed out in practice. A last important document that I should mention in this context is the new Protocol on Cooperation between the European Commission and the European Economic and Social Committee, signed by President Jose Manuel Barroso and President Staffan Nilsson on 22 February of this year. The protocol sets out a series of arrangements designed to create 'an environment conducive to a greater involvement of civil society organisations, at both national and European levels, in the policy-shaping and decision-making processes of the European Union and to the development of an ongoing structured dialogue between those organisations and the

Union institutions, as provided for in Article 11(1) and (2) of the Treaty on European Union (TEU).¹ I point out, in passing, that the Protocol refers explicitly to the role, in that context, of this network of national economic and social councils.

It is clear that, as institutions fostering dialogue and the consultative process, we all have a role to play in bringing the Lisbon Treaty's vision to life and also, as Luca Jahier argues in his forthcoming opinion, in preventing what was intended to be prescriptive from becoming simply descriptive: in ensuring, in other words, that the intended solution of participatory democracy does not simply disappear.

A second solution that should not disappear is the Europe 2020 strategy. It has been said recently that the French presidential candidate, François Hollande, has been responsible for bringing the issue of growth to the table. But the truth of the matter is that the European Union has had a plan for sustainable, inclusive and job-rich growth for some time. Here, too, the Committee, led energetically by its President, Staffan Nilsson, has been at the forefront of efforts to keep the Europe 2020 strategy firmly in the picture and to ensure an open, transparent and structured dialogue with organised civil society, notably through the Europe 2020 steering committee. This brings me on to the way in which the Committee has, as a general strategy, sought to bring more voices into the dialogues it fosters and to provide a broader platform for those voices. The Consultative Commission on Industrial Change, for example, brings expertise, in the form of its delegates, from sectors that are experiencing change, whether of a positive or a negative type. The Liaison Group brings the voices of European civil society organisations; the European Integration Forum brings in the expertise of those working on immigration issues. In the same philosophy, the Europe 2020 Steering Committee deliberately plugs into the network of national economic and social councils. In that context I should remind you of President Staffan Nilsson's invitation to the 25 September conference the Committee is organising precisely on the theme of civil society in the Europe 2020 strategy. I should also point out that the new Protocol on Cooperation between the European Commission and the European Economic and Social Committee makes explicit reference to the role of the network as follows: 'Each year, the Committee presents a report assessing, with the close cooperation of the network of national Economic and Social Councils and Similar Institutions, the civil society involvement in the elaboration of National Reform Programmes. That report is debated in the plenary session before the Spring European Council.' This is just the most advanced example of the way in which the network's value is increasingly being recognised.

The paradox of austerity

A lot of what we have been hearing about during this meeting has been about economies arising out of the responses to the crisis. As Rory quite rightly pointed out, this is as it should be. As public institutions, we cannot escape our responsibilities and must take our part of the burden. There are different ways in which those consequences are being felt. Overall budgets are being frozen or cut. (The European Economic and Social Committee will have at best a zero growth budget for 2013 for the third year running.) Personnel are being cut (the European Union institutions will have to cut 5% of their posts between 2013 and 2018) or borrowed (the Irish example Rory explained to us). Membership is being reduced (Ireland, Italy). (Though not strictly-speaking a response to the crisis, in the European Economic and

Social Committee's case, the 350 cap on membership established by the Lisbon Treaty will effectively lead to a relative reduction in the size of the Committee's membership with each new accession, with consequences for the composition and representativeness of the national delegations within the overall membership.) Travel expenses have been cut and other savings identified. But we have been hearing about graver, more existential, menaces. Of course, for those looking for populist gestures, doing away with an institution may be tempting. Cutting down on institutions sounds and looks good. But to get to such proposals the economic and social councils and participatory democracy have to be portrayed as optional extras that we can no longer afford or as living fossils that we should no longer support rather than as important, if not vital, elements in maintaining social and civil dialogue and as essential parts of the vision of participatory democracy set out in the Lisbon Treaty. It would be a huge irony if the institutions of civil and social dialogue were to be undermined at precisely the moment in which their collective worth is increasingly being recognised by the European Commission and the gap with the citizen identified at Laeken is still growing alarmingly!

For institutions to be obliged to prove their worth is not a bad thing. On the contrary, it is a healthy discipline to which we should constantly submit ourselves in any case. And part of that worth, a growing part, is this network. For its part, the European Economic and Social Committee will continue to support and plug into the network. Exchanges like the ones we have enjoyed during this meeting are mutually enriching for fellow institutions that are all seeking to foster participatory democracy. The Committee will continue to encourage the other institutions, but particularly the European Commission, to plug into the network on themes such as Europe 2020, Rio + 20 and climate change, participatory democracy and structured dialogue with organised civil society and social Europe. I can also inform you that President Staffan Nilsson is currently exploring ways of encouraging the European Commission to support the network where it wishes to consult with it, particularly on a thematic basis. Staffan will be reporting to his fellow Presidents in November, if not earlier, about his progress.

In closing, I would like to thank Rory and the Irish NESC for having taken on the responsibility of chairing the network at such an important time. As you know, Rory, Staffan Nilsson has been here twice already and will be here again in November and we very much look forward to further cooperation in the context of the forthcoming Irish Presidency of the Council of the European Union.

Thank you.