

Integrating the Sustainable Development Goals into the Semester: a governance conundrum?

Webinar: the European Green Deal and beyond

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The objectives of the chapter (1)

Decision of the **European Commission** to integrate the UN SDGs into the European Semester (announced by President von der Leyen in in July and September 2019)

- European Semester: coordination of Member States' economic, fiscal and employment policies (since 2011)
- UN SDGs: 17 interrelated objectives of a broader, global framework that, besides pursuing economic and social objectives, also have a strong environmental dimension.

Council of the EU (December 2019): request for clarifications + elaboration of an EU strategy for the implementation of the SDGs.

The objectives of the chapter (2)

- **Why** integrating the UN SDGs in the Semester (rationale of the decision)?
- **How** (Semester 2020)?
- **Implications** and future **perspectives**
- **Historical background** (long-term)

Sustainable development defined as a path that ‘meets the needs of the present generation without compromising the ability of the future generations to meet their own needs’ (‘Our common future’ - report Brundtland Commission – 1987)

The historical background (1)

The UN and sustainable development

- Many UN initiatives since the 1970s (importantly, MDGs in 2000)
- **17 Sustainable Development Goals** to be reached by 2030 at the global level contained in the **UN Agenda 2030** for Sustainable Development (2015):
 - Encompassing the three constitutive dimensions of sustainability (social, economic, and environmental);
 - Integrated and indivisible: boosting synergies and tackling trade-offs
 - Global in nature & universally applicable.

The historical background (2)

The EU and Sustainable Development (2000 – 2010)

- Sustainable development as an **objective of the EU in the Treaties** since 1997
- EU Sustainable Development Strategy (SDS) (launched in 2001, renewed in 2006, revised in 2009):
 - Focussed on salient environmental issues & presented economic, social and environmental objectives as mutually reinforcing, while also recognizing their trade-offs (especially in the short term)
 - Weak governance arrangements; weak links with EU overarching strategies in the economic and social domain (Lisbon Strategy / Europe 2020)

The historical background (3)

Sustainable development, Europe 2020 and the European Semester

- The 'demise' of the EU SDS: implicit '**mainstreaming**' in the Europe 2020 strategy and, partially, in the Semester
- **The European Semester in the Europe 2020 period (2011-2019):**
 - smart, sustainable and inclusive growth only partially reflecting the three key dimensions of sustainability;
 - limited space for environmental concerns (never a priority in AGS);
 - emphasis on synergies between environmental protection, economic growth and social progress, with little attention paid to possible trade-offs.

The legacy of the Juncker Commission

State of the play after the launch of Agenda 2030 and SDGs (in 2015)

The **Juncker Commission**: **three scenarios for the future** (January 2019)

- 1) An overarching EU SDG strategy as the next 'EU grand-strategy' post-2020.
- 2) Mainstreaming the SDGs in all relevant EU policies by the Commission;
- 3) Limiting the focus on external actions for sustainability.

Council of the EU (April 2019) urging the Commission to draft comprehensive implementation strategy for Agenda 2030, with outlining timelines, objectives and concrete measures.

The von der Leyen Commission and the integration of the SDGs in the Semester (1)

The **European Green Deal** as the new EU overarching growth strategy (part of the EU effort to implement Agenda 2030);

Continuing the **mainstreaming** of the SDGs in EU policies

Refocussing the European Semester so as to integrate the UN SDGs

The von der Leyen Commission and the integration of the SDGs in the Semester (2)

Annual **Sustainable Growth** Strategy 2020 (December 2019):

The EGD and the SDGs as the **two strategic frameworks** at the heart of the Semester

Notion of **competitive sustainability** at the forefront (4 dimensions):

- **Environmental sustainability;**
- **Productivity growth;**
- **Fairness;**
- **Macro-economic stability**

The von der Leyen Commission and the integration of the SDGs in the Semester (3)

The four dimensions are considered as **closely interrelated and mutually reinforcing**

However, also attention to possible **trade-offs** between environmental, social and economic policies.

The integration of the SDGs into the Semester would allow to see better the 'big picture', helping to both exploit synergies and identify possible trade-offs.

The von der Leyen Commission and the integration of the SDGs in the Semester (4)

The Country Reports 2020 (February 2020)

- **‘Environmental sustainability’** included among the key reform priorities for the Member States (specific section);
- Specific parts of the Country Reports dedicated to **country’s performances in relation to the SDGs** (including Executive summary and Annex E on ‘Progress towards the SDGs’).
- **Selective references to the SDGs** throughout the reports.

Broadening of the analytical basis: Eurostat including country-chapters in their Annual monitoring report on the SDGS / increased inter-service coordination within the Commission.

The von der Leyen Commission and the integration of the SDGs in the Semester (5)

The CSRs 2020 and the COVID-19 pandemic:

- Temporary disregard of the constraints of the Stability and Growth Pact;
- Focus on addressing the socio-economic consequences of the pandemic;
- Priority on investments for the green and digital transitions

‘The pandemic underlines the interconnectedness of economic, social and environmental spheres and the need for a holistic strategy to recovery. For this reason, **the integration of the UN SDGs in the European Semester of economic policy coordination is even more important than before**’ (EC, Communication on the 2020 CSRs)

Implications (1)

Integrating the SDGs in the European Semester

Added value

- The notion of sustainable development brought at the heart of EU policy-making and linked to the main governance mechanism for economic and social coordination;
- The inclusion of the dimension of environmental sustainability and of the SDGs has allowed for analyses more in line with a sustainable development approach, helping to identify not only synergies between policy objectives but also possible trade-offs

Implications (2)

Integrating the SDGs in the European Semester

Limitations:

- Procedures more complex and time consuming;
- Multiplication of indicators and scoreboards;
- Selectivity in the usage of the SDGs:
 - focus on the macroeconomic implications of the SDGs and on how they can be achieved through economic, fiscal and social policies);
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 - impossibility to consider all the SDGs (importantly, external dimension of sustainable development)

Implications (2)

Alternative: set-up of a specific, comprehensive, SDG implementation strategy.

Risks:

- Peripheral to main strategies and governance procedures (as previous EU SDS);
- Overlaps with EGD and duplication of initiatives/ governance procedures

Governance conundrum still there

Future perspectives

- **Logic of mainstreaming prevalent** (EC Communication November 2020).
- **Uncertain role of the SDGs in the new governance framework**, in particular the Recovery and Resilience Facility/Plans:
- **European Semester** suspended;
- **SDGs scarcely mentioned in ASGS 2021 and Guidelines for national Recovery and Resilience Plans** (but focus on 'competitive sustainability' confirmed);
- **Back to a more positive narrative for a sustainable recovery** (focus on synergies between objectives, possible trade-offs left implicit)

Thank you for your attention!



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