

# Should practices of non-governmental actors in climate policy be adopted across the board in EU policies?

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## Abstract

The ‘Europe 2020’ strategy – the document representing the supranational European development policy agenda – introduced two main innovations for the coordination of climate change issues within the EU: quantified target setting and a new governance framework – the “European Semester.” To design and assess the effectiveness of the new approach as regards EU climate change policy, multilevel, multi-stakeholder and integrated (across policy sectors) coordination mechanisms have been elaborated. In this new “hybrid governance” model, there is communication between the formal (e.g., laws, authorities, official rules, official standards) and the informal institutions (e.g., codes of conduct, shared values, behavioral norms, belief systems) as partners to achieve common goals. Hybrid governance represents evolution in other policy areas as well.

The article presents the evolution of “hybrid governance” in the human resource development policy of the EU, based on the history of the European Social Fund’s (ESF) management. The analytical focus is on the processes strengthening partnership – rather than on outcomes – in order to capture the similarities and differences in ESF and climate change policy-making. The article argues that the first period of the ESF management served as a good methodological example for climate change management design. While in the first decade of the new millennium similar approaches in consultation and involvement were introduced in both policy areas, in the recent years there have been differences in the implementation of these approaches.

The conclusion of the article argues that the two policy areas should cooperate closely together in the further elaboration of partnership management solutions in order

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to increase the efficacy of consultations. The mutual learning between them can be useful in other policy areas as well.

In the framework of European citizens' initiative (Initiative) Internet-based solutions have made it possible for EU citizens to be directly associated with the EU administration. Based on the experience of the first years of the Initiative, social and climate policy issues are the main concerns of EU citizens. As a consequence of the Initiative, further development is expected in the hybrid governance of the two examined areas.

**Keywords:** hybrid governance, Europe 2020 strategy, European Structural Fund, European Climate Change Programme, climate change

### **Introduction**

Speaking of the advancement of EU integration, we shall also look at the changes in the coordination of political, administrative and non-governmental actors, and as such at the novel “hybrid governance” solutions or methods employed. The concept of governance has come to be used commonly in the discussion of public administration, but the meaning of the term is possibly quite wide. “Governance without government” is a possibility, stressing as it does the importance of partnerships, and international networks and markets. In the terminology used in this article, the term “hybrid governance” is used related to public management methods where the government (public administration) is a natural partner and shares governance and leadership responsibilities with other partners, via networks.

The long-term history of involvement and participation of NGOs in EU development policy-making is worth studying in this respect. It is important to underline that EU development policy is a kind of governance method, which is based on the strategic planning of shared implementation and common monitoring and evaluation systems. In this governance system, the participation of the actors which are not part of the EU public administration is a new effect of the EU integration process.

In this context, the term “partnership” refers not only to cooperation between Member States, but also to communication and cooperation between various interest groups. For the programming period of 2014-2020, the extent and form of involvement of non-governmental (NGO) actors in the course of the strategic planning of EU

development policy and the use and the quality assurance of related financial resources has been a key issue.

In order to address related issues in an efficient and effective manner, the characteristics of public and private governance shall be defined and understood, with a focus on differences and similarities (Best and Gheciu, 2014).

There is a parallel between the evolution of Community climate policy and the increasing demand for the involvement of non-governmental actors in decisions-making processes in the field of EU development policy.

The “Resource-efficient Europe” flagship initiative in the Europe 2020 Strategy aims at introducing a coherent and coordinated approach as regards the mobilization of EU, public and private financial instruments and resources (EU Commission, 2010). This newly introduced approach under the climate change policy significantly differs from previous EU communications. The EU has clearly recognized that private and hybrid governance can contribute to achieving global development goals in the field of climate change policy. It is worth examining what kind of operational solutions, certification systems and professional fora (Auld and Cashore, 2012; Potoski and Prakash, 2013) are to be introduced and applied in order to deliver the expected results.

As regards EU development policy, there have already been similar initiatives, especially in the field of human development. As an example, it would be worthwhile to deal more with the tripartite consultations and look at its efficiency and efficacy (ILO, 2013).

As the priorities in the field of human development have gradually broadened, shifting from an employment focus to placing the emphasis on social inclusion, there was considerably more effort to involve non-governmental actors in the planning, implementation and monitoring of policies.

We attempt here to compare the efficiency and efficacy of development programs in the field of climate policy and social inclusion policy from the point of view of non-governmental actors’ involvement. In the specific case of climate change, non-governmental actors can play important roles: to bridge the gap between global or national decision-making and local implementation, to plan, implement and monitor activities or to contribute to improving accountability, transparency, equity and effectiveness at all levels (global, national, local) of decision-making and implementation (Sharma, 2011).

„Smart, sustainable and inclusive growth” has been announced as the comprehensive strategic objective of the European Union to be achieved till 2020. Eight

years after the adoption of the Europe 2020 Strategy, monitoring mechanisms and reports show that several changes can be observed in the economy contributing to the objectives set in the „slogan.” These changes are stemming from the so-called Open Methods of Coordination (OMC) approach, which is widely used in the present period. As part of this, the main part of structural funds are allocated with a view to economic developments. All calls for proposals contain so-called horizontal aspects which is contributing to sustainable and inclusive growth potential.

Still, a salient novelty can be identified in the changes in the approach to setting objectives: a change of focus from EU economic governance to a complex set of targets for the various aspects of the economy and society. The headline targets cover *Employment, Education, Poverty and Social Exclusion*, and *Climate Change and Energy* as non-financial development targets, while the targets set for investment in *Research and Development* and *EU Economic Governance* are concrete fiscal targets.

There is a strong reason to suppose that there is a convergence between the design of the methodology of the policy areas vertically placed in *Figure 1*. The non-financial, result-oriented target values listed in *Table 1* suggest a mode of actions that requires a broad professional and/or social consensus. This approach significantly differs from the purely financial considerations in *Table 2*, the planning and monitoring of which does not require external partnerships.

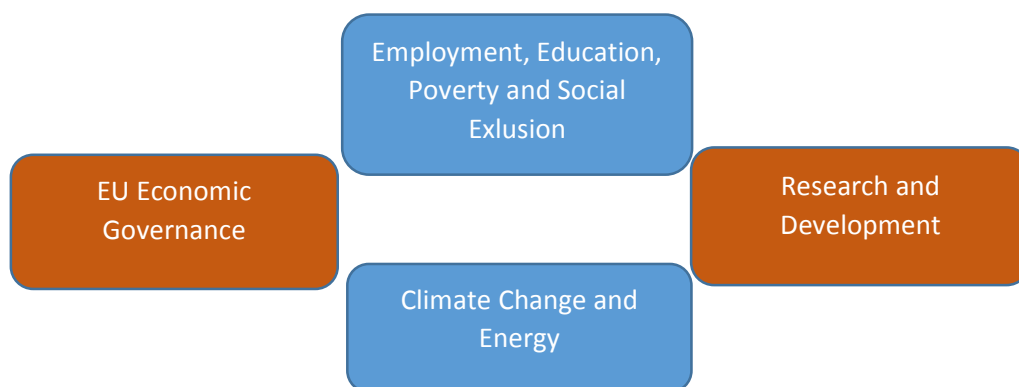


Figure 1: Key policy areas

Non-financial indicators by policy area in  
the period 2014-2020  
(Table 1)

*Social indicators in the EU 2020 strategy:*

- 75% of people aged 20–64 to be in work
- Rates of early school-leavers below 10%
- At least 40% of people aged 30–34 having completed higher education
- At least 20 million fewer people in – or at risk of – poverty/social exclusion

*Climate change and energy indicators in the EU 2020 strategy:*

- Greenhouse gas emissions 20% lower than 1990 levels
- 20% of energy coming from renewables
- 20% increase in energy efficiency

Financial indicators by policy area in the period 2014-2020  
(Table 2)

*Research and development (R&D) in the EU 2020 strategy:*

- Up to 3% of the EU's GDP to be invested in R&D

*EU economic policies as expressed in the Stability and Growth Pact as a main pillar of the EU's economic governance:*

- Headline deficit and debt limits: limits of 3% of GDP for deficits and 60% of GDP for debt.
- Expenditure benchmark public spending must not rise faster than medium-term potential GDP growth,
- The importance of the underlying budgetary position: The goal is to improve the structural balance and converge towards the medium-term budgetary objective, by 0.5% of GDP per year as a benchmark.

Based on the observations on the connections between indicators, we should raise the question: *What may be the practical reasons to speak of the interconnections of the strategic planning tasks of human resource development and climate change?*

It should be emphasized that on the one hand, both of these policy areas are cross-border issues, and, on the other hand, the consequences of changes in economy and technology.

The labor market environment is mainly influenced by the competitive advantages of corporate solutions applying more and more advanced technologies. This poses a serious burden on members of society who are vulnerable due to lack, or low level, of education, living in less developed or marginalized areas, disabled or disadvantaged in some way.

The same considerations hold for issues concerning the natural environment as the widespread application of polluting technologies is also the negative consequence of the increase of industrial production and economic growth.

As regards the threefold relationship of society, nature and economy, we can conclude that economic growth has a significant and in some sense a negative impact on

climate change and in the meantime leads to inequalities in society.

This means that the focus of government policies shall shift from the quest for economic growth to promoting well-being, social justice and sustainable development.

Policies concerning these issues, however, are not simply policies, but also assume a partnership. Generally, these policies are not solely national policies, but are elaborated and recommended within a system of cooperation, usually with the involvement of international organizations as well (the European Union, OECD, WHO, etc.).

One important consequence of globalization is that the primacy of political governance (i.e., that of public policies) has been questioned, and there has been an increasing need for wider cooperation with stakeholders. The role of the private sector in economic development at least pars with that of governments elected in democratic elections.

The financial and economic crisis of 2008 is an example of this: the roots of the crisis primarily lay in the deregulation of the financial industry. The actions of private financial enterprises, with whom the co-operation of individual governments was not transparent, played a key role in the process.

Similarly significant is the transformation of the relationship between private banks, citizens and states. Data collected from citizens by the financial sector is an indispensable source of information for the public sector institutions.

In another example of the need to think globally about the intersection of politics, economy and society: environmental pollution, e.g., the pollution of oceans with plastic and other wastes, cannot be merely the domestic affairs of a country. Global organizations and global NGOs play important roles in this context.

The political participation of social actors is not new, of course. As to the labour market, it may be enough to refer to trade unions in this respect.

There are many similarities that can be observed regarding the involvement of non-governmental organizations in the field of human development and climate change, respectively. Our working hypotheses are the following:

**Hypothesis 1:** On the basis of the EU 2020 target indicators, there should be methodological similarities in terms of strategical planning, monitoring and evaluation in the fields of human resource development and climate change policies of the EU.

**Hypothesis 2:** There was two-way interaction between these fields, and the partnership mechanisms of human resources development and climate change policy development in fact may have served as models for each other.

To be able to respond to the research questions implied by the above hypotheses, we overview the development of coordination mechanisms in the field of environmental protection on the one hand, and European Social Fund practices on the other.

By finding key common points in the timeline of developments, we can detect causal links relevant to our hypotheses above.

### **Comparison of the partnerships in the two policy areas**

#### *European Social Fund mechanisms*

The European Social Fund (ESF) is the EU's most important tool in support of job-seekers, for young as well as older workers. The Fund, which was established in 1957, promotes measures to avoid and combat unemployment, to expand the range of training offered and to improve the functioning of the labour market overall. It was based on the social dialogue established by the Treaty of Rome in 1957, which is the continuous process of sharing information and consultation between governments, trade unions and employers' organizations in order to reach agreements regarding key economic and social issues.

This tripartite social dialogue is a basis of the non-governmental organization participation in policy-making, not only on the sectoral or the national level, but also on

the international (European) level. This dialogue plays an important role in the strategic planning of ESF.

Historically, there is an adjustment of ESF objectives to social and economic challenges:

- The first funding period from 1958 to 1971 was dedicated to professional and geographical mobility in order to bring about adjustment between the Member States.
- The second programming period in between 1972-1983 was about re-structuring labour market mechanisms.
- In the programming period 1984-1988 the funding was used for re-training and for assistance in re-employment. 90 percent of all funds were deployed for professional training and other training measures. The fight against youth unemployment also took on importance, and youth organizations as NGOs played high important role in this.
- The programming period between 1989-1994 means a significant change of cooperation at the EU level. The Single European Act (SEA) has guaranteed the free movement of goods, individuals, services and capital (1987). The Maastricht Treaty (1993), the agreement establishing the European Union and starting Community initiatives „age” was a further milestone.
- The Euroform Community Initiative, besides supporting actions to obtain new qualifications, to develop competencies and create employment opportunities, was to build partnerships between various sectors in the economy and society. Accordingly, Euroform's objective was to coordinate the work of various groups working in the field of training and employment and to share good practices and increase the efficiency of participants. By sharing good practices the aim was to reduce the development gap between advanced regions and regions having a less evolved training system and worse labor market opportunities. Enterprises and various other interest groups, such as civil organizations, were involved in the planning and the implementation. The expression of a “non-governmental organization” is not explicitly found in the documents, but, as in the case of most community initiatives, these actors were ultimately involved in the consultations.



These Community initiatives supported the capacity-building of NGOs which were actively involved in the policy areas concerned.

- Programming period 1994-1999 was to support adaptation to industrial change. Employee skill-building was to be promoted, as was change in production systems. This reform was the result of a transition from a pure adjustment fund to become an innovative instrument of structural policy promoting structural changes. The Community Initiative ADAPT was significant to this end. The Commission outlined its vision in this way: „The distinguishing features which seek to achieve a special added value for the Community include its emphasis on transnational cooperation and networking, its focus on innovation and change and the accent put on encouraging a bottom-up approach involving all those interested in the process of industrial change.”<sup>2</sup>
- “Bottom-up approach” here means a strong interest in cooperation without an exact advance knowledge of the relevant partners (NGO) from a given field.
- The 6th programming period of 2000 to 2006 was the period of coordinating labour market policy. Support was provided for the Member States’ labour market policies and its institutions. NGOs’ influence over the process was dependent upon the member states’ practices. The main area of focus was professional training in the context of life-long learning.

In this period, new Community Initiatives were launched, among which the EQUAL Community Initiative was a means to support transnational employment actions. EQUAL differed from other community actions by applying thematic approach.

EQUAL projects were classified according to the five pillars of the European Employment Strategy, into the following categories:

- Employability;
- Entrepreneurship;
- Adaptability;
- Equal Opportunities for women and men;
- Integrating asylum seekers.

Connected to the ESF, the Commission established thematic networks in order to strengthen cooperation, help adaptation and share best practices. Each of the groups

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<sup>2</sup> Quoting Mr. Pdraig Flynn, Commissioner responsible for Employment and Social Affairs, 16 February 1994.

consisted of at least 10 Member States representatives and 5 other stakeholders, such as NGO representatives or other social partners. The largest network was the one focusing on simplification of administrative regulations, in which 25 of the 28 Member States participated. The networks' mutual learning activities included conducting seminars, study visits and peer reviews, preparing white papers and studies of good practice, and holding workshops as part of larger conferences.

We should recognize that in the EQUAL pillars and some of the thematic networks the representation of NGOs was strong. We can thus see the EQUAL program and the related thematic networks as a milestone of the distributed planning, implementation and evaluation framework.

The funding period 2007-2013 was for strengthening transnational cooperation. The main goals for this funding period were full employment, job quality and work productivity, as well as social cohesion and social integration. Since transnational cooperation would continue to play an important role related to all of these goals, the approach of the Community's EQUAL Initiative has been integrated into the program planning 2007-2013. The governance method from EQUAL was thus adapted in mainstream ESF actions from hereon. NGO influence was thus further recognized and formally established in this period.

### **The climate change policy area**

The adoption of the Single European Act (1986) was very important for EU employment and social policy, but it carried even more significance for EU environmental policy, because it opened a door for Community-level programs in the field. Along with the Fifth Environment Action Programme, approved in 1993, the LIFE funding mechanism came into force. The LIFE programme was one of the EU's essential environmental tools, i.e., LIFE I (1992-1995) and LIFE II (1996-1999). LIFE-Nature meanwhile was set out specifically to contribute to the implementation of the Birds and Habitats Directives, in particular the Natura 2000 network, which promotes the conservation of natural habitats and the habitats of wild fauna and flora. LIFE III (2000-2006) focused on multinational projects, and networking amongst projects.

In LIFE+ (2007-2013) there were three policy areas involved, LIFE+ Nature & Biodiversity continued and extended the former LIFE Nature programme, LIFE+ Environment Policy & Governance was part of European environmental policy and the development of innovative policy ideas, technologies, methods and instruments. Several

NGOs participated in these projects. LIFE+ Information & Communication was a component that co-financed campaigns on environmental and nature protection, and biodiversity conservation, together with governmental and non-governmental organizations.

To compare the LIFE program with ESF-type actions, it has some similarities with the traditional employment policy measures of ESF: both are financing concrete actions with measurable output and result indicators, and the participation of NGOs is strongly dependent on member state practices and legislation.

At the same time when the ESF strategic planning, monitoring and partnership processes were redesigned, the European Commission established the European Climate Change Programme (ECCP) in 2000 to help identify the most environmentally effective and most cost-efficient policies and measures that can be taken at the European level to cut greenhouse gas emissions. The immediate goal was to help ensure that the EU meets its target for reducing emissions under the Kyoto Protocol. This requires the countries that were EU members before 2004 to cut their combined emissions of greenhouse gases to 8% below the 1990 level, by 2012.

It was the same year when the EQUAL Initiative started, and thematic networks were established. The ECCP immediately started a multi-stakeholder consultation process that has brought together all relevant actors, such as the Commission, national experts, industry and the NGO community. It is a very similar construction to what we have already seen in the case of EQUAL.

Stakeholder involvement is an essential element of the ECCP because it enables the programme to draw on a broad spectrum of expertise and helps in building consensus, thereby facilitating the implementation of policies and measures.

The 11 working groups established covered the main interest areas of NGO initiatives as well.

The first ECCP (2000-2004) examined an extensive range of policy sectors and instruments with potential for reducing greenhouse gas emissions.

A new approach was introduced in the EU Life Climate Action which funded actions through two new financial instruments, the Private Finance for Energy Efficiency (PF4EE) and the Natural Capital Financing Facility (NCOFF). The financial resources of the funds was the European Investment Bank (EIB). The most interesting elements were the operating grants allocated to support NGOs. Operating grants aimed to strengthen civil society participation in EU environmental and climate policy through funding for

non-governmental organizations. The idea was strongly related to the capacity-building approach used in the programming period 1989-1994 in the case of ESF.

The grants co-financed the operational and administrative costs of EU-level climate and/or environmental NGOs in relation to activities included in their annual work programme that involved contributing to the implementation and/or the development of EU environmental and/or climate policy and legislation.

The Commission launched an evaluation of the EU Adaptation Strategy in 2016 to examine the actual implementation and performance of the strategy. The evaluation is planned to be completed by the end of 2018. The evaluation follows the standard framework for evaluation of EU policies and examines the dimensions of relevance, effectiveness, efficiency, coherence and the “EU added value” of achieving development targets.

A stakeholder consultation process has been launched and maintained all along the course of the evaluation process, using different tools and methodologies such as:

- Interviews with the Commission, European Parliament, and Member States' officials from line ministries working on the implementation of the EU Adaptation Strategy.
- Interviews/surveys with key stakeholders (e.g. regional authorities, representatives of city and local governments, Civil Society Organisations and NGOs, private sector and business entities) in Member States.
- Open web-based public consultation, addressing all categories of stakeholders, on the Your Voice in Europe website.
- Two experts' workshops, one at the beginning of the evaluation, one at the end, to present draft methodologies, questions as well as findings and answers in order to test and validate approaches and results.

## **Discussion**

Comparing the coordination mechanism of development policy in the two sectors, we can conclude that the ESF has a history 35 years longer than that of environmental protection and 40 years longer than that of climate change policy in the EU. This could imply that ESF methodologies served as models for climate change methodologies, but we did not find any similarities in the initial period. This is due to the fact that the tripartite negotiation was introduced for ESF-type programs based on its close relation to

employment policy. This entailed, basically, that the existing national-level tripartite partnership mechanisms were raised to the EU level.

There is no doubt that the EQUAL program and the thematic working groups for ESF actions have introduced hybrid governance solutions in the ESF other than tripartite coordination. But the same solutions can be observed in the field of climate change during the first period of the ECCP. The partnership, consultation and involvement mechanisms were introduced in both areas on the basis of content considerations and followed the same mechanisms and regulations. Methodologically, the sub-groups were created according to development targets in which stakeholders could participate depending on their operational experience, and for each sub-group common goals and target values were defined.

Reflecting on our first hypothesis, we can conclude that in EU development policy in the human resources and climate change fields, it proved possible to formulate non-financial targets because both areas have been using hybrid governance for many years. In other areas of development, this process could not be accomplished in a similarly straightforward manner.

The most important shift in the level of hybrid governance was achieved almost at the same time in the two examined fields. Given that EQUAL started as a separate programme within the ESF, the culture of the tripartite hybrid governance methods of the ESF has obviously had an impact on the consultation mechanisms of EQUAL. The same timing for the introduction of similar consultation methodologies demonstrates that the first ECCP program was launched on the same grounds. Thus, the ESF partnership culture had an impact on the initial consultation mechanisms of climate policy.

The public consultation process that started in 2016 for the EU Adaptation Strategy represented a significant breakthrough in the practice of hybrid governance, as it featured numerous social partnership consultations in a transparent manner. It is assumed, therefore, that there may be similar mechanisms to be launched in the future in the field of the ESF as well.

The numerous ESF communications within the European Semester in 2017 may further support this assumption. Thus, our second hypothesis may be seen as verified: the partnership mechanisms of human development and climate change policy development served as models for each other.

### **Conclusions and a perspective on the future**

Globalization has rendered non-state actors an integral part of global governance. Hybrid governance solutions and the preferred policy areas where these are employed are different in different geographical contexts. In the EU, human resources development policies and “green” policies are far ahead of other sectors in the application of hybrid governance initiatives.

Without the two areas examined here, the European citizens' initiative would not have become as meaningful as it is by now. The European citizens' initiative is an instrument of participatory democracy that allows citizens to suggest concrete legal changes in any field where the European Commission has the power to propose legislation, such as the environment, agriculture, energy, matters related to society or societal challenges. The rules and procedures governing the citizens' initiative were set out in an EU Regulation adopted by the European Parliament and the Council of the European Union in February 2011.

The initiative enables citizens from different member states to come together around an issue with a view to influencing EU policy-making. To launch an initiative, it takes seven EU citizens, living in at least seven different Member States, who are old enough to vote. Once an initiative gathers one-million signatures with a specified minimum threshold reached in at least seven countries, the European Commission must decide whether or not to take action. Depending on the issues concerned, the organizational capacities of NGOs have an important influence on the success of citizens' initiatives. The method also results in the validation of an NGO's strength. It will be transparent how vital the membership mobilization capacity of each NGO may be. Citizens' initiatives can be useful tools to shape development goals, and it can also be a useful tool for citizens in their everyday lives.

An example of where this may be the case is any kind of public concern that may arise related the EU's actions themselves, e.g., related to the ways in which the transnational flow of goods, people, and services has been subjected to unprecedented levels of monitoring by public authorities due to fears of the threat of terrorism and organized crime.

Some researchers criticize the kind of social negotiation technique inherent to the citizens' initiative. They express the view that it is not clear if the EU could really support the direct participation of its citizens in effective (hybrid) governance in this way. Strengthened international economic governance institutions with direct representation

not just of governments but also of other stakeholders is needed in a broader effort to legitimize globalization (Higgott et al., 2000; Levy and Prakash, 2003; Scherer et al., 2006; de Burca et al., 2014)

At the end of the day we should express that technological development has a contradictory role: whereas it contributed to climate change and also to unfavorable changes in society, it is one of the most important driving forces of economic development and a way to offer efficient means to communication and opening up opportunities for supranational hybrid governance.

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