

**Position of the Union of Towns and Municipalities of the Czech Republic to the
European Commission's consultation on the future "EU 2020" Strategy
(COM(2009) 647/2).**

The Union of Towns and Municipalities of the Czech Republic (hereinafter as SMOCR) welcomes the European Commission's initiative to debate the future direction of the whole EU until the year 2020. SMOCR therefore, through its position, joins the public Consultation on the future "EU 2020" Strategy of the European Commission (hereinafter as the "EU 2020" Strategy).

By its position SMOCR also expresses its support for its Brussels based overarching organisation representing local and regional authorities at the European level, the Council of European Municipalities and Regions (hereinafter as CEMR). The CEMR stresses that the "EU 2020" Strategy should better acknowledge the things that stood behind the current economic and financial crisis, while anticipating the future movement of the European Union for it to become more competitive.

Contextual draft of the „EU 2020“ Strategy

SMOCR agrees with CEMR's opinion that excessive stress on growth and quantity without proper reflection of sustainable development and quality is unsustainable in the future. Struggling for a higher performance and consumption under all circumstances leads to the spiral of a consumption society. That is why it is more than reasonable to concentrate on quality public services that are in compliance with consumers' demands and needs. It is possible that in the future we shall, thanks to globalisation, speak of local services and products, i. e. those which are produced by, or provided by local providers. This could lead to reduction in transport load, higher employment or support for local economies.

We greatly support the European Commission's statement that **the "EU 2020" Strategy must be based on the needs resulting from the EU's demographic development**. Even today population ageing predetermines the current as well as the future use of a large part of public expenditures; in that sense the Czech Republic is more at risk than the other EU member states¹. The expected development shall necessarily bring more pressure on public finance. Not only the states, but also regional and local authorities will repeatedly face the question how to stabilise their budgets and balance their incomes and expenditures. Looking for balanced public (social and health services, pension schemes), family (informal care) and personal responsibilities (pension insurance) shall be core to ensuring quality lives of the current as well as the coming generations.

But to SMOCR's mind the "EU 2020" Strategy entirely neglects some of the, in local authorities' estimation, important issues. It concentrates primarily on "soft" investments into human capital. However, **it insufficiently reflects the need for building up, restoration or modernisation of infrastructure**, which is in our opinion (or the opinion of the Central and Eastern European countries) essential. Infrastructure is still *conditio sine qua non* for any kind of further development.

¹ „The demographic prognosis show that the share of people above 60 shall be 36 % in 2050 compared to today's 20 %.“ (National Report on Social Protection and Social Inclusion of the Czech Republic, MPSV, 2008, p. 11.).

Above all, the Strategy concentrates first of all on the industry and services, but entirely forgets about the agricultural sector (excluding one notice that Europe needs prosperous agriculture). That is so even though the President of the European Commission Barroso in his programme for the following term of office as of September 2009 (Political guidelines for the next Commission) said that *“there is a need to decide on the future needs and role of agriculture and rural development in the EU 2020 vision and to gear public investment and innovation efforts to deliver a thriving rural economy.”*². **It is the context of the rural development that SMOCR misses in the document.**

On the contrary, the Strategy correctly remembers those whose rights are put at risk of suppression and who can suffer from exclusion from participation on sources and opportunities offered by the societies that create the European Union. **Social inclusion is the basis of Europe** friendly to people and their needs, Europe reflecting mutual differences, but supporting the sources and opportunities allowing for growth and development. A part of that is also social economy that leads to inclusion of people at risk of social exclusion, the development of local economies or saving of sources. Its application is sustainable and helps local administration provide for public services that are based on the principles of ethics.

Integrated approach and participation of local governments

We must realize that as well as there are policies integrated on the EU level (e.g. cohesion policy by large covers majority of all sectoral policies) due to globalization these policies are also integrated on the national level. Communication inside the EU Council, the European Commission or the European Parliament is equally important as communication between these institutions or national authorities. An integrated approach to various interconnected policies not only on the national level often shows significant deficiencies. It is therefore important that the EU and its member states further and considerably support the partnership principle, communication and intra-governmental approach, i.e. the **integrated approach** to all policies relevant for the EU strategy after the year 2010.

Partnership is the basic tool for eliminating corruption, support for transparency and strengthening synergy. Complex problems of the future will be more ease to solve in partnerships between the state, territorial governments, expert teams, entrepreneurial structures and civil society. It is therefore more than necessary that, in compliance with the position that local authorities have gained thanks to the principle of subsidiarity in the Lisbon Treaty, the role of local governments is in the “EU 2020” Strategy not only mentioned and more clearly set, but also respected in the future. However, the European Commission entirely neglects local governments in its “EU 2020” Strategy, which can be considered to be a potential menace to successful implementation of the Strategy.

Reflection on the role, position and obligations of local governments does not have much to do only with the “EU 2020” Strategy, but also with all policies to which the “EU 2020 “ Strategy shall be projected. It is therefore very important that not only regional, but also local authorities shall keep, or even strengthen their current competencies, and that within cohesion and regional policies municipalities and regions will be still able to set their own priorities. In that sense earmarking must not be used for reducing their competence.

Open Method of Coordination, implementation and communication of the “EU 2020” Strategy

² Barroso, J. M. Political guidelines for the next Commission, 2009, p. 24.

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Successful or unsuccessful fulfilment of commitments under the current Lisbon Strategy has to large extent depended on the member states' willingness to voluntarily stand up for the objectives and goals of the strategy. A useful instrument in that became the **Open Method of Coordination** (hereinafter as OMC) that will still be in the future the crucial instrument for implementing the "EU 2020" Strategy. Nevertheless, in spite of all its strengths it is also a weakness of the whole process. Although it allows the member states to coordinate fulfilment of the objectives with their own political, cultural, historical and socio economic prerequisites, at the same time it lacks sufficient tools to monitor and control fulfilment of the set targets.

As the implementation of the Strategy is going to rely on the OMC processes in the future as well, it is more than desirable for the European Commission as well as the member states to do their best to **improve the procedural conditions for the implementation of the Strategy**. In this sense we would like to put stress on the fact that at the level of the member states it is often only formal importance that is given to drafting of the national strategic documents, without sufficient participation of all the levels of public administration and interconnection to national budgets, or without sufficient interdepartmental communication. We see the reason in insufficient feedback to reports prepared on the national level that are then submitted to the European Commission, or their inefficient or formal evaluation. It is therefore necessary for the European Commission to improve and make evaluation of the reports more efficient and to become more committed to the implementation of the objectives of the strategy itself. To this conservation of the possibility to quantify the results achieved or their better promotion, in comparison to the initial state, would be helpful. This could enable the politicians, state administration, regional and local authorities as well as the public to identify with the "EU 2020" Strategy and accept it to be their own.

In order to meet this, **communication** between respective levels taking part in implementing the „EU 2020“ Strategy is essential (the EU, supranational, national, regional and local levels). It must be emphasised that successful implementation depends on those who in fact do the Strategy down in the streets (see the street-level bureaucracy theory³). Ownership of the strategy on the level of local and regional governments is a distinctive, if not essential prerequisite for the success of the whole Strategy. And this can also help better promotion of the Strategy outside, especially to the wide

³ Lipsky, M. (1980). Street-Level Bureaucracy. New York: Russel Sage.

The Union of Towns and Municipalities of the Czech Republic (SMOCR) is a national, voluntary, apolitical and non-governmental organisation. Members of the Union are cities, towns and communities. The Union of towns and municipalities of the Czech Republic is a partner for governmental and parliamentary political representation. It takes part in preparing and designing draft legislative and non legislative measures in areas pertaining to the competence of municipalities. Currently SMOCR associates about two and a half thousand cities, towns and municipalities.

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