



THE “DUAL” ROLE OF THE EUROPEAN UNION IN PROMOTING HUMAN DEVELOPMENT¹

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THE EUROPEAN FRAMEWORK FOR THE PROMOTION OF POLICY COHERENCE FOR DEVELOPMENT

Seeking economic and political integration on a continental scale is an exceptional ambitious goal that makes the European Union (EU) a unique project in the international field. The EU is a supranational body equipped with an institutional system that bears no resemblance to any other international³ organization and therefore, in many occasions, has been considered as a “strange legal animal”. Besides this, the EU is a *sui generis* reality that has a “hybrid” character between the intergovernmentalism of the Common Foreign and Security Policy (CFSP) and the supranational EU policies⁴.

The EU has also made substantial commitments in the field of Policy Coherence for Development (PCD) since the 1992 Maastricht Treaty. Article 130 V states that every European policy has to take into account the development goals.

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³ Leda, R. and Herrero, S. (2007): *Guide on Cooperation European Union–Latin America*, http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/documents/guidecooperation_eu_la_en.pdf.

⁴ Sanahuja, J.A. (2007): “Regiones en construcción, interregionalismo en revisión. La Unión Europea y el apoyo al regionalismo y la integración latinoamericana”, in Freres, C., Gratius, S., Mallo, T., Pellicer, A and Sanahuja, J.A. (eds.), *¿Sirve el diálogo político entre la Unión Europea y América Latina?*, Fundación Carolina – CeALCI, pp.1-42.



“the Community shall take account of the objectives referred to in Article 130 U (which refers to development cooperation) in the policies that it implements which are likely to affect developing countries”

Moreover, the *European Consensus on Development* (2005) states in section 4.3 -“To ensure policy coherence for development”- that it’s necessary to integrate PCD in three decision levels. Within the State members, promoting improvements in the practices and policies oriented towards PCD; in the Council, promoting the effective integration of development aspects in the work of the clusters; and within the Commission, analyzing the policy impact from a development perspective⁵.

In 2007, the Lisbon Treaty reaffirms the importance of the development work in European foreign policy. Thus, Article 208 provides that all EU policies should support the development of the poorest countries or at least not be in conflict with the development goals focused on poverty eradication. In the section referring to the external action (Article 10 A and 10 B) it also states that the actions in foreign policy should be based, among others, on values such as democracy, the Rule of Law and the universality of human rights and fundamental liberties⁶.

In 2010, the Green Book entitled *EU Development Policy in Support of Inclusive Growth and Sustainable Development. Increasing the Impact of EU Development Policy* was published. This document recognizes that Official Development Aid (ODA) on its own will never end the poverty that affects millions of people around the world. Therefore, it’s necessary to develop coherent global policies oriented towards inclusive and sustainable growth⁷.

The Green Book gives central relevance to the promotion of inclusive growth as the heart of development. This concept of development directly linked with growth has been questioned by several civil society organizations and representatives, especially taking into account that the austerity measures promoted by the EU put macroeconomic issues in the centre of the agenda before any social or political consideration.

According to ALOP (Latin American Association of Organizations Promoting Development), “the future EU policy on development is drifting away from

⁵ European Commission (2005): *The European Consensus on Development*, http://europa.eu/legislation_summaries/development/general_development_framework/r12544_en.htm.

⁶ European Union (2007): *Lisbon Treaty*, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2007:306:0001:0010:EN:PDF>.

⁷ European Union (2010): *Green Paper. EU Development Policy in Support of Inclusive Growth and Sustainable Development. Increasing the Impact of EU Development Policy*, p. 1, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0284:FIN:EN:PDF>.



a human rights and peoples based approach⁸, and highlights that the concept of development implicit in this document should be questioned. Another analysis coming from CIFCA (Copenhagen Initiative for Central America and Mexico) discusses the paradigms on which the paper is based, in particular the assumption that trade and investment liberalization will generate economic growth and that, in turn, this growth will reduce poverty⁹. In summary, even though the Green Book assumes the need for further work on PCD, it's also potentially questionable if it assumes the prioritization of economic growth before any other human development dimension.

As well as the commitments made in the official documents and given the significant role that the EU had adopted as an international donor, in 2005 the Council invited the Commission to prepare proposals for concrete actions to advance in specific areas of PCD¹⁰. In this same year, the Commission agreed to apply a PCD agenda on 12 areas that could accelerate the promotion of development and the achievement of the Millennium Development Goals (MDG). In this line, biannual reports analyzing PCD progress at different levels of the European and national institutions were proposed. These reports are prepared by the European Commission and the methodology is based on an extensive questionnaire that is sent to all Member States. So far, there have been four country reports on PCD progress and an independent study in 2012 on the impact of the bio-fuel policy on the development processes of the countries in the South¹¹.

The last report of the Commission in 2013 is extremely optimistic about the work undertaken in the PCD agenda. It states that the EU has made great progress on this agenda -both at a European and national level- becoming "a world leader in the integration of the principle of PCD in the design and implementation of public policies"¹². Moreover, it highlights the progress

⁸ ALOP (2011): *Initial Contribution of ALOP to the Debate on the EU's Development Cooperation Policy*. http://www.eurostep.org/wcm/dmdocuments/es_internal/ALOP_input_Green_Book_UF_Development_Policy_-_English_version.pdf.

⁹ CIFCA (2011): *The Future of EU Development Cooperation in Central America: In Support of People or Business?*, http://www.cidse.org/content/publications/rethinking-development/policy-coherence-for-development/eu_development_cooperation_central_america.html.

¹⁰ European Commission (2005b): *Policy Coherence for Development - Accelerating progress towards Attaining the Millennium Development Goals*, http://europa.eu/legislation_summaries/development/general_development_framework/r12534_en.htm.

¹¹ The overall conclusion of this work is that European bio-fuel policies are having a significant negative impact on access to natural resources such as land and water for the poorest people on the planet. Diop, D., Blanco, M., Flammini, A., Schlaifer, M., Kropiwnicka, M.A., Markhof, M.M. (2013): *Assessing the Impact of Biofuels Production on Developing Countries from the Point of View of Policy Coherence for Development*, European Commission.

¹² European Commission (2013): *EU 2013 Report on Policy Coherence for Development*, p. 10, http://ec.europa.eu/europeaid/what/development-policies/documents/swd_2013_456_f1_staff_working_paper_en_v3_p1_746653_en.pdf.



made by nation states in the implementation of the PCD agenda and in the improvement of the dialogue with partner countries.

However, beyond the EU's undeniable progress at the discursive level, the work of promoting development should be assessed in terms of the real actions undertaken by the states and institutions, as well as taking into account the consequences that the implementation of these policies have on the human rights of cosmopolitan citizens. In this sense, the European policies developed in the last five years have not only had profoundly negative consequences for other countries and people, but have made living conditions significantly precarious for large part of the population living in Europe. Therefore, there appears to be a more than significant gap between the PCD policy commitments undertaken by the European institutions and Member States, and the real actions to promote greater PCD at both EU and national levels¹³.

THE "DUAL" ROLE OF THE EU IN PROMOTING PUBLIC POLICIES CONVERGENT WITH HUMAN DEVELOPMENT

As well as the progress in PCD described in the previous section, the EU has built sectoral frameworks to promote the incorporation of the vision of development to the design and implementation of public policies by Member States. This can be seen in the case of the EU Code of Conduct on Arms Export of 2007, which intends to restrict, control and regulate the arms trade; in the positions adopted in the Kyoto protocol framework, where it was agreed to reduce 20% of CO₂ emissions by 2020 and at least 80% by 2050; or in the establishment of a European Court of Human Rights, which functions as the highest judicial authority to guarantee human rights and fundamental freedoms in Europe.

However, at the same time that these actions are taking place, the EU is creating policies that are extremely pernicious for building a more equitable and just world where the access to the human rights of cosmopolitan citizens are guaranteed. An example of this can be the free-trade agreements which include agreements on bilateral and regional investment to win concessions that the EU has not achieved within the WTO¹⁴; the bio-fuel policy which has a negative impact on access to natural resources

¹³ CONCORD (2009; 2011 y 2013): *Spotlight on Policy Coherence*; Alonso, J.A., Aguirre, P., Madrueño, R., and Millán, N. (2010): *Coherencia de políticas para el desarrollo en cinco donantes del CAD: Lecciones para el caso español*, Working document number 42, Fundación Carolina, Madrid.

¹⁴ Oxfam International (2007): *Signing Away The Future. How Trade and Investment Agreements Between Rich and Poor Countries Undermine Development*, http://www.oxfam.org/en/policy/bp101_regional_trade_agreements_0703.



and food; or the migration policies that conceive migration as a “security” problem, resulting in major human rights violations inside and outside the European borders¹⁵.

Furthermore, the European institutions have clearly promoted extremely harmful policies for the citizens that live in Europe. In this line, the European integration that seeks to impose a project of neoliberal hegemony has to be mentioned. This project results in two combined logics. On one hand, the “competitive deregulation” stimulated by the single market and, on the other, the “competitive austerity” primarily linked to the monetary unification¹⁶. These processes have enshrined fundamental principles as deregulation and state austerity, imposing limits on the fiscal deficit, promoting the deductibility of capital and maintaining the referential space of labor regulations and collective negotiation within the nations¹⁷.

In this framework, since 2010, the European institutions have promoted and imposed the so called “austerity” and deficit control policies. These policies are based on the concept of “expansionary austerity” which holds that the control of public expenditure *per se* stimulates economic growth. In this line, economic orthodoxy states that fiscal rectitude gives confidence to the financial markets which are the ones who play a key role in the provision of foreign investment in the country¹⁸.

This vision has been strengthened during 2011 and 2012 by a number of institutional reforms in Europe, including the Stability and Growth Pact reform, within the Six Pack (which is the procedure to avoid macroeconomic imbalances), and the approval of the Fiscal Pact and the Euro Plus Pact¹⁹.

In order to ensure budgetary discipline, in May 2010, Germany submitted a proposal to all the Euro zone States to assume the obligation to adopt a balanced budget framework law in their national legislation. Thereby, the European modifications have had their answer in some national laws. For example, in 2011, Spain went through a constitutional amendment of Article 135 that now states that the debt will be a priority over any other spending. “Loans to meet the interest and capital of the Administrations’ public debt

¹⁵ The ideas on which this article is based on belong to a more extensive research framework. The result of this research will be published in the coming months in the collection “Cuadernos 2015 y más” of Plataforma 2015 y más.

¹⁶ Bieling, H. and Thorsten, S. (2002): “Reorganisation der Industriellen Beziehungen mi Europäischen Mehrebenensystem”, *Industrielle Beziehungen* 9, Jg.

¹⁷ Musacchio, A. (2013): “Adjustment: Origin of the European Crisis”, in *Revista Problemas del Desarrollo* 173 (44) pp. 79-104.

¹⁸ Alesina, A. and Ardagna, S. (2010): [“Large Changes in Fiscal Policy: Taxes versus Spending.” NBER Chapters](#), in *Tax Policy and the Economy*, Volume 24, National Bureau of Economic Research, Inc, pp. 35-68.

¹⁹ Busch, K. (2013): “Under Pressure: The European Social Model in Times of Austerity”, in *The State of the European Union. The Failure of Austerity*, Fundación Alternativas and Friedrich-Ebert-Stiftung, Exlibris Ediciones, Madrid. pp. 51-66.



will always be included in the statement of expenditure in their budgets and its payment will be an absolute priority”²⁰.

But beyond the economic orthodoxy and the discourses that establish austerity as the only way to promote sustained growth²¹, the economic, social and political results of these policies are being very questioned.

Whilst the 2014 first report from the IMF, one of the leading exponents of this economic orthodoxy, ensures that the euro zone has emerged from recession and foresees growth for 2014 at 1% and 1.4% in 2015, this same document sets out important macroeconomic dangers like uneven recovery, high public and private debt and a major financial fragmentation²². In addition, it's worth to ask how economic growth can have advantages on human development promotion (theoretically the basic goal of any public policy) if it doesn't result in improved living conditions and rights of the citizens. In this sense, and according to the data from Eurostat in January 2014, the unemployment rate in the euro zone had increased from 7.7% in 2007 to 12.1% in 2013, reaching record levels in this period. In this context, countries like Greece and Spain hold the highest figures, with historical unemployment figures reaching 27.4% and 26.7%, respectively.

Moreover, the economic model which is being promoted seems to be questioning the European social model²³. Under the paradigm that “competitiveness” has to be increased, workers have experienced a significant devaluation of their real wages, cheaper layoffs have been established, the negotiation power of unions has been weakened and collective agreements have suffered a significant degradation²⁴.

In addition, major cutbacks in social processes followed by the privatization of certain public services have also taken place. These have resulted in a significant increase of poverty, inequality and social exclusion in several European countries²⁵. Thus, the welfare cuts are having major impacts on the most vulnerable population who see how their access to services and social rights are being limited or even made impossible.

²⁰ Spanish Official State Gazette: BOE 15210 *Amendment of Article 135 of the Spanish Constitution, 27th September 2011*, <http://www.boe.es/boe/dias/2011/09/27/pdfs/BOE-A-2011-15210.pdf>.

²¹ Jerez, A. and Jofré J.P.: “Los resultados de las reformas en España son impresionantes”, interview in *Abc.es*, 26th May 2013, <http://www.abc.es/economia/20130526/abci-schauble-reformas-espana-201305261050.html>.

²² IMF (2014): *World Economic Outlook (WEO) Update. Is the Tide Rising? World Economic and Financial Surveys*, <http://www.imf.org/external/pubs/ft/weo/2014/update/01/>.

²³ Busch, K., Hermann, C., Hinrichs, K. and Schulten, T. (2013): *Euro Crisis, Austerity Policy and the European Social Model. How Crisis Policies in Southern Europe Threaten the EU's Social Dimension*, <http://library.fes.de/pdf-files/id/jpa/09656.pdf>.

²⁴ *Ibidem*.

²⁵ FOESSA (2013): *Desigualdad y derechos sociales. Análisis y perspectivas*, Comité Técnico de la Fundación FOESSA, <http://www.caritas.es/imagesrepository/CapitulosPublicaciones/4551/Desigualdad%20y%20derechos%20sociales.%20Versi%C3%B3n%20digital.pdf>.



In summary, even though it's true that there are areas where the EU is a positive reference for the Member States to advance towards the promotion of human development, European institutions are promoting austerity and adjustment policies that have led to restrictive social policies that are questioning the European social model. This leads to the EU playing a dual role that is sometimes extremely contradictory when building a more equitable and sustainable world for all the citizens of the planet.

THE ROLE OF THE PRIVATE SECTOR AND THE LOBBIES IN THE DESIGN OF EUROPEAN POLICIES

Closely linked to the previous section, it's necessary to reflect on the role of the private sector in the design of European public policies. In this sense and even though most of the PCD studies don't address this aspect of social reality, in order to understand the problems and interferences that refer to public action, there is a need to analyze the action of the companies and their influence through the lobbies. In other words, if the economic power influences the design of public policies, there is the risk that these policies are set according to certain private actors and not to promote public interest like human development. Hence the importance of this dimension within PCD studies.

This is fundamental to understand the dynamics affecting European rules, where about 75% of the national laws of Member States are determined. While the exact number is unknown, it's estimated that in Brussels there are between 15,000 and 25,000 lobbyists representing a close figure of 2,500 lobbies. Of these, two-thirds work to defend corporate interests while a smaller figure are representatives of civil society organizations²⁶ and trade unions²⁷.

These lobbies play an important advocacy role in different areas of the European institutions. From setting recruitment processes for students, civil servants and executives involved in the European institutions, to the preparation of conferences, congresses, trips and activities for legislators and community workers. Most of the lobbyists are hired by companies and commercial associations to represent their own private interests before

²⁶ From the academic point of view there are various conceptualizations of what is meant by global civil society: from an extremely broad view that encompasses all non-state social manifestations to more restrictive views that identify it with a particular type of social dynamics. For the purposes of this article, and following Ulrich Beck, civil society is understood as a counterweight to the influence of the capital, which ranks as a third force between the State and the market. Beck, U. (2005): *Power in the Global Age: A New Global Political Economy*, Polity Press, Cambridge.

²⁷ Corporate Europe Observatory (2013): *Brussels. The EU Quarter*, <http://archive.corporateeurope.org/docs/lobbycracy/lobbyplanet.pdf>; Corporate Europe Observatory is a research and campaign group that analyses the power of corporate lobbying in the EU.



the legislators and European leaders, and nearly 500 large companies have lobby offices in Brussels²⁸.

Different civil society organizations like Corporate Europe, Privacy International and Alter EU²⁹ have reported the influence capacity of these groups.

According to the report from Corporate Europe, it's possible to identify different kinds of lobbies that have influenced the design and regulation of public policies. Firstly, the financial groups that have played a key role in the U.S. and Europe in making the regulation of financial markets go back in order to promote the free movement of capital; secondly, the "climate lobby" that has played a key role in trying to weaken and undermine the effectiveness of EU climate policies; thirdly, the food and biotechnology lobby that has pushed to reduce or eliminate the zero tolerance policy that the EU maintains towards the presence of unauthorized GMOs³⁰.

As an example of this potential conflict, the NGO Privacy International has reported in February 2013, during the procedure of the data Protection Act, several MEPs had copied, almost literally³¹, various amendments suggested by large U.S. multinationals.

In this context, the existence of the so-called "revolving door" questions even more, if possible, the political action of the European institutions. It is a practice that refers to the job rotation between the public and private sectors. The "revolving door" happens when certain public offices, after leaving their posts, become part of the board of the companies in sectors which activities may have been pre-set by their own political action.

With regard to the EU, the revolving door allows civil servants to move almost effortlessly between the EU institutions and the companies they regulate. This exchange can generate significant interest conflicts and can

²⁸ *Ibidem*.

²⁹ The Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU) is a coalition of about 200 civil society groups, trade unions, academics and public affairs firms concerned with the increasing influence exerted by corporate lobbyists on the political agenda in Europe. <http://www.alter-eu.org/>.

³⁰ Corporate Europe Observatory, *op. cit.* (note 27).

³¹ "Amazon and eBay lobbyists found to be writing EU data protection law in copy-paste legislation scandal" <https://www.privacyinternational.org/press-releases/amazon-and-ebay-lobbyists-found-to-be-writing-eu-data-protection-law-in-copy-paste>. Amongst the companies that have managed to shape their interests in the processed amendments are U.S. multinationals Amazon and Ebay, and other associations like the American Chamber of Commerce and the European Banking Federation. According to the EUobserver, these two organizations have proposed the creation of data protection supervisors to be optional and not mandatory in their own companies. Meanwhile, Amazon wanted to delete the paragraph of the draft where it states that companies cannot use consumers' data if not explicitly consented. The amendments tabled by Malcolm Harbour MEP, from the European Conservatives and Reformists Group, reflect these two proposals.



potentially allow civil servants to abuse both their inside knowledge of the decision-making process and their access to former colleagues on behalf of their new employers³².

In short, EU directives are fundamental in understanding the national policies of the Member States, but it's extremely controversial that these provisions may be influenced by the actions of powerful groups with private interests that affect the development potential not only of the European citizens, but also of those affected by the European policies. It is therefore a basic element to be able to understand the interference and conflicts which affect public policies and the development potential of the entire global citizens.

CLOSING REFLECTIONS

As seen throughout these pages, it is extremely difficult to make an overall analysis of the EU contribution to the promotion of human development. This is due to the coexistence, within the EU institutions, of a complex overlapping of agendas that seem to represent different actors and interests.

First, the European arena has served as a positive framework to move forward in PCD as there is a mandate to integrate development within the Maastricht Treaty. Second, the Commission has also started a systematical work in the Member States producing biannual PCD reports. Finally, there are certain areas like the European Court of Human Rights, or the commitments made under the Kyoto Protocol, which actually play a positive role in promoting human development for the Member States.


Nevertheless, the European institutions are also promoting the so called "expansionary austerity" based on the grounds that budgetary control, deficit reduction and macroeconomic stability policies will bring the European economy out of the crisis and will generate economic growth. However, beyond the theoretical and questionable growth that these policies could attract lies the question of what real effects these decisions will have on the human rights of the European population.

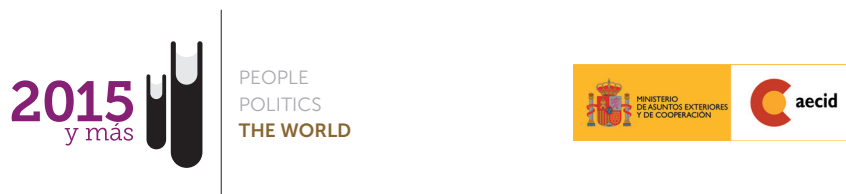
The reality derived from the data shows that the levels of poverty, inequality and social exclusion have significantly increased in several European countries. The situation of the workers is also more precarious as they have experienced a significant devaluation of their real wages, cheaper layoffs have been established and collective agreements have been weakened. In this sense, the policies that are being promoted by the European institutions are an example of how wrong it is to mistake economic growth with human development.

³² Alter EU (2011): *Revolving Door: Why We Need to Stop EU Officials Becoming Lobbyist*, http://corporateeurope.org/sites/default/files/publications/20111116_aeu-revolving_1.pdf.



Also, when it comes to analyzing the agendas that influence the processes of European decision-making, the evidence shows that the lobbies have a significant capacity to influence different areas of the European activities. This is extremely important because if the economic power is capable of modulating public policies in favor of private interests, the political action of the European actors and leaders, as well as the democratic legitimacy of the decision making processes, can be questioned

Ultimately, the promotional role of human development, which is sometimes attributed to the EU, is increasingly diluted by the momentum of neoliberal policies that prioritize the economic sphere over any other political and social consideration, resulting in serious rights violations for the cosmopolitan citizens. 



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