



ARCHITECTS' COUNCIL OF EUROPE  
CONSEIL DES ARCHITECTES D'EUROPE

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## ACE Strategy

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### Political Agenda 2006-2008

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Adopted by the General Assembly in November 2005 - Luxembourg

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Final

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### Executive Summary

Recalling the Strategic Objectives of the ACE adopted in April 2005, namely:

- To ensure that Architecture becomes an essential, integral element of sustainable urban and spatial policies in Europe
- To reaffirm the position of the Architect as a key actor in the shaping of the living environment
- To strengthen the cultural and social dimension of Architecture

While these objectives are valid as long-term objectives there is a need for a more immediate, strategically orientated action of the ACE.

Specifically, to be credible the ACE must bring concrete evidence to the fact that, especially in the case of architectural services, the approach of the European Commission is missing the target, and it must also develop a strong argumentation in support of this affirmation. Whilst it is perfectly reasonable and acceptable that one should seek to further improve overall competitiveness and productivity -also of the sector of professional services - this goal can simply not be achieved if the policies proposed by the Commission are based on a blind, bureaucratic logic and a universal liberal economic philosophy applied across the board. This is an objective the ACE is already committed to, with, as an affirmed goal, to create more sustainable development while ensuring more choice for the consumer at the same time.

### The “true challenge”

During the recent past the situation as regards the foreseeable conditions in which the profession must consider its future has dramatically evolved. Notably, there is an increase and acceleration of the activities of the Commission with the liberal professions as a specific target, not least the recent (long awaited) publication of a new Communication and report of the Commission on Competition in Professional Services. However, the new report is largely a collection of pre-existing information, which hardly brings any real added value, and its accompanying Staff Working document is, to a large extent, a repetition of the previous Communication of February 2004 on the same subject. Basically, the only “new” information is, that small and big businesses have different needs and expectations! Moreover, given that both of the new documents still rely on the biased information and conclusions of the IHS Study<sup>1</sup>, they must be severely criticised for lack of research-based, reliable evidence, and for failing to adequately recognise the realities of the sector.

Therefore, the ACE must seek to move away from what has been a rather technical debate so far - which has shown its limits - and it must now seek to **give the debate its truly political dimension**, and hence it must become more politicised in order to respond to the real challenge. The ACE must try and convince the Commission, the European Parliament and the Member States, that there is a need to adopt a new, meaningful approach in order to analyse the architectural services sector as one

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<sup>1</sup> “Economic Impact of regulation in the field of liberal professions in different EU Member States”, Ian Paterson, Marcel Fink, Anthony Ogus, Institute for Advanced Studies, Vienna, January 2003, available at: <http://www.europa.eu.int/comm/competition/liberalization/conference/libprofconference.html>

of the important regulated professions of the European Union. Furthermore, the ACE must advise the Commission to ensure that future policy proposals affecting the conditions of practice of the architectural profession and hence the quality and sustainability of the living environment, must be based on effective, reliable data and on a sound analysis and reasoning.

Not only must impact assessment, both ex-ante and ex-post, be generalised, but this must contain a genuine assessment of what are the actual, long-term benefits for society of the policies pursued, to ensure that short-term, economical visions motivated by political pressure do not prevail. If this were to happen, it could clearly be said that the Commission has failed in its duty to European Society.

**The ACE as the representative Organisation of an important sector with a significant impact on society, notably future generations, calls for the opening of a structured dialogue, at the highest level of the EU Institutions.** At the same time, the ACE, through its Members and in close co-operation with them will also address the national governments.

The ACE Political Agenda Follows

# The Political Agenda of the ACE

## Background

The ACE adopted, in a special session of its General Assembly in April 2005, Strategic Objectives for the period 2006-2008. Following this the Executive Board has established a Political Agenda and a Multi-annual Work Programme (MAWP) for the same period, to also serve as guidance for the new Board to be elected in November 2005.

The present document, which takes account of the discussions that took place during two meetings of the Executive Board and of further comments received, is submitted to the Assembly for adoption. It is intended that once adopted the document will eventually become a public document.

## 1.0 Introduction

- 1.1 The ACE has recently set out its views and initial recommendations on how to address the main issues identified through policy-making in Europe in its Policy Book "Architecture & Quality of Life" and in its "21 Key Messages for the 21<sup>st</sup> Century". The document has already been widely disseminated in Europe, in several languages, and a presentation of the book was made in the European Parliament in October 2004.
- 1.2 Despite the efforts already devoted to the issue, there is still inadequate recognition of the real features of the architectural profession, whose sector is considered by policy makers to be like any other service sector. In parallel it is often, wrongly, considered to be a part of the construction industry. Thus the services of architects are mostly, if not exclusively, treated according to mere economic and pure competition criteria, whereby insufficient regard is given by policy makers to the actual impact that architectural services have on the built environment and the wellbeing of citizens. The ACE must strive to rectify this ill-informed, unbalanced approach to the services provided by the profession among other players in the construction sector.
- 1.3 At the same time, the current evolution of EU policies, the legislative and regulatory environment, the market and economic development, provides opportunities to foster the adoption, by politicians, of new approaches to the promotion of architectural policies.
- 1.4 Thus, it is essential that the ACE should strive to become much more proactive in the promotion of its policies towards the outside world. This will require effective, increased support of the ACE and its policies by its Members and a reinforcement of the active co-operation between them, their members and the ACE.

## 2.0 Current trends and facts

### 2.1 Simplification and deregulation

A strong wind of liberalism is blowing across the EU, which is not necessarily always to be identified with the political leadership and/or majorities in the countries concerned. The ACE, like other stakeholders, has long realised that there is a persistent trend, at EU level and in Member States, towards achieving more deregulation. For the EU, it appears that this trend was fostered by the Edinburgh Summit at the end of 1992, when simplification was the urgent topic.

In the meantime, while simplification remains an objective in the background, the real thrust underlying the Lisbon Agenda is increased economic competitiveness. As a result, simplification is assimilated in deregulation. Recent examples of the new approach followed by the Commission are, the horizontal Directive on Professional Qualifications (now officially adopted) and the Framework Directive on Services, which brings about new challenges for architects whose rules are regarded as (potential) "barriers to trade" or just simply "restrictions" (tariffs).

In fact, deregulation is apparently understood to be a necessary, unavoidable step (the panacea?) in order to increase competitiveness and productivity (Europe's current track record compared to

other parts of the world is bad) in every sector, and particularly in services as the fastest growing sector. The objective is to create growth and jobs, on one hand, and to reinforce competition for the benefit of consumers, by increasing their range of choice, on the other hand. It is worthwhile recalling that it is not only the belief of the Commission, but also of the OECD, who published a report to its Members in 1997 called "Regulatory Reform", in which the regulated professions were presented as "niches" using the concept of the *protection of the consumer* as a pretext to justify their "privileges".

## 2.2 Competition and competitiveness

In parallel to the simplification process, the Commission undertook to further implement the Treaty notably in respect of competition law, and particularly the provisions of Articles 81 & 82, which deal with restrictions to competition and "cartels". More than 10 years ago the Commission also undertook to specifically look at the so-called liberal professions, in particular the regulated professions, with, as an affirmed objective, to fully apply the internal market rules to this sector, and there was a big acceleration of the process a few years ago, at the time when the Prodi Commission succeeded the Santer one, with Prof. Monti in charge of competition. The new Commissioner, Neelie Kroes, who succeeded Prof. Monti in the Barroso Commission, is pursuing and further strengthening the approach, with a reinforced liberal philosophy. (It is interesting to note that Prof. Monti is now the President of ECAS-Europe Citizens Action Service an organisation close to the consumer sector.)

The Services Directive also potentially contains serious elements of (de facto) deregulation, by imposing on the Member States the generalisation of the requirement to systematically review the rules in place, notably in the sector of professional services.

## 2.3 False premises

The two strands of actions recalled above, while apparently independent, inevitably became complementary in the Commission's logic, and, at any rate, they now combine to bring about a serious problem for the regulated professions, due primarily to the recurrent and deep lack of knowledge that the Commission has of the actual characteristics of these professions and of the nature of the services they deliver, in particular of their societal impact and bearing on the public interest. This was illustrated in the famous IHS report, which was the main basis for the Commission Communication of February 2004 on competition in professional services, and again of the most recent Communication of September 2005 on the same topic, except that in the meantime the Competition Authorities in the Member States are working alongside the Commission, at least for most of them.

It is worth noting that the IHS data was again referred to in the report on the competitiveness of business-related services (June 2005), despite ACE warning against making use of unreliable conclusions.

All documents mentioned have been, and still are, severely criticised, primarily for the reason that the Commission is always drawing its conclusions on data based on wrong methodologies and hence on biased results. It very much looks as if the conclusions were reached at the outset and the rest is merely there to confirm the accuracy of the analyses and theses presented.

## 2.4 Public interest and societal responsibilities

The negative assessment of the situation that applies to a number of professions is even more acutely the case for the architectural profession, having regard to the wide societal impact of this profession in the daily life of each and every citizen and having regard also to the life span of the final "products" that professionals deliver, primarily buildings, which goes far beyond the actual delivery of the service and extends into the heritage of future generations.

It is generally accepted that there is room for more reform, also in regulated professions, in order to modernise any existing obsolete structures and rules in place, at least to update them and adapt them to change, notably in technology. There is no problem with that, as long as the reforms sought are rational and proportionate and are producing the expected results. However, the increasing, nearly systematic tendency to treat all sectors in a horizontal manner, regardless of specific features, fails to meet the point and can potentially produce, adverse effects and results.

## 2.5 From the (artificial) concept of consumer to that of actual end-user

One of the serious difficulties that arise in these circumstances is that there is no universally accepted definition of what is a consumer. The usual understanding of the concept, as it notably emerges from the arsenal of EU legislation and policies, and from jurisprudence, relates to the individual consumer of goods and services in his/her daily life. It is, in effect, all about rights and obligations in the act of consumption, and a rather vague concept beyond the immediate, more or less easily identifiable circle of direct consumption.

Architectural services, whatever the solution chosen, always result in a unique "product", usually a building. However, a building has many different shapes and sizes, from the individual, private home to huge complexes of different buildings, or even districts or cities, with housing as one particular strand, with its own challenges and particular elements of "consumption".

With as a leitmotiv to lift "barriers to trade" (read free competition) and to increase the choice of consumers while ensuring their protection at the same time, the Commission is bogged down in its reasoning, and it is tempting, and probably easy for it to place its argumentation on the technical level, for it is THE expert in all EU policies and laws, rather than to accept the political debate. The Member States themselves seem to join the Commission in its credo, probably by lack of real knowledge.

The Commission seems to be in contradiction with itself when it affirms that achieving more sustainable development in Europe is a high priority, and at the same time it does not really measure the negative impact that its policies can potentially have on the built environment of the citizens, certainly for future generations. It sometimes appears that the sustainability objective (Gothenburg) is just used as an "alibi".

## 3.0 A need for significant changes in attitudes

### 3.1 Safeguarding cultural diversity, as a true richness of Europe

The main objective of the European Project is to create a zone of peace and prosperity in Europe for all citizens that creates a real sense of European identity and shared values. This main objective has recently been re-affirmed in the enlargement of the Union and will continue to be re-affirmed through further enlargement over the years to come. At the same time, Europe strives to recognise and respect the diversity of cultures that exist within its borders and which, when properly harnessed, positively contribute to the development of European policies for the good of all European citizens.

### 3.2 Ensuring sustainable quality of the living environment

The architect's role in influencing the overall quality in the built environment is an important factor and one that is, by far, not adequately appreciated as to its real relevance in relation to what is at stake. The European Union is facing a serious political crisis, which has arisen from a general "malaise" (or mal-être). Beyond the main social and economic aspects, the conditions of the citizens' living environment, more particularly the state of the physical environment in which they spend most of their time, is an important factor. The European Union suffers from many deprived areas, cities in search of urban revitalisation and regeneration, insecurity and social exclusion notably linked to badly maintained housing and insufficient urban regeneration. There is a recognised, crying need for better, more attractive and socially more acceptable living conditions for all that delivers safety, cleanliness, order, comfort, culture... in other words, sustainable quality of life.

### 3.3 Devising adequate procurement and planning policies

One of the main reasons for the inadequate quality of the living environment is the absence of, or when they exist, the inadequacy of effective quality policies in procurement by both public and private entities of services and works affecting the physical environment. The search for profit and short-term results too often lead the political power, procuring authorities and private clients to take quick decisions that mean purely economic criteria take precedence over quality criteria. This situation must imperatively be reversed through adequate planning and long-term thinking that puts quality and sustainability first. In particular, it must be recalled that architecture plays a crucial role in safeguarding the rich cultural heritage of Europe. Citizens should be made more aware of the added value of architectural quality for their quality of life.

#### 3.4 Sensitising the main actors

Beyond policy makers and clients, public and private, other actors increasingly play an important role in determining, as indirectly as it may be, the actual conditions of the built environment. Among these notable are the financiers: private and public banks, mortgage banks, insurance industry, pension and investment funds etc, and cities and public authorities.

It is time to more pro-actively address these groups and to make them (more) aware of the importance of good procurement policies for better returns in the long term.

#### 3.5 Reversing the trend

The architectural profession, in addition to its duty towards society, is uniquely placed to be a positive resource to turn this situation around. Therefore there is a need to illustrate the capacity of architects, by way of their specific education and training, skills and experience (knowledge base), and of their ability to synthesise a wide range of factors, to create quality in the built environment while enhancing at the same time the efficiency of the profession. The Architectural profession must strive to continue to contribute, in a proactive manner, to better satisfying the demands of society in resonance with the main political objectives pursued in European countries. Achieving this goal will be a real benchmark of the competitiveness of the sector.

### 4.0 Priorities for action in order to achieve the Political Agenda

There is increased emphasis being placed on consumer protection in Europe, and rightly so. However, in the case of the living environment this fails to address the fact that, in many instances, the actual end-users of spaces created by architects and other design professions, are not the initial clients of the services. Thus, there is a window of opportunity, and a necessity, for the ACE to further promote **the public interest nature of architecture**, which goes way beyond the pure concept of consumerism that currently pervades EU Policy. Whilst recognising its role as one of the economic actors in the market, the profession, through the ACE, must develop a consistent and forceful argumentation to further highlight the benefits of quality approaches, by using a language that can be understood by those concerned, both among policy makers and within the market.

The **work priorities of the ACE for the period 2006-2008** will focus on selected actions identified as those, which require the most urgent attention.

#### 4.1 Reinforcing the Political action of the ACE

##### 4.1.1 Delivering more effectively the political message of the ACE to the EU Institutions...

Whilst maintaining and further developing its co-operation with the Directorates-General (DG) of the Commission that are its main interlocutors for the issues considered (notably DG Internal Market, DG Competition, DG Education and Culture, DG Environment, DG Regional Policy), the ACE will seek to significantly **reinforce its contacts with the European Parliament (EP)** as the democratically elected representative Institution for European citizens that is the warrant of the public interest and whose political role and influence is increasingly important for European decision making. Particular emphasis will be put on developing a close co-operation with the EP Inter-group Urban:Logement.

The ACE will also **reaffirm and promote the nature of the architectural profession as a liberal profession** in accordance with the definition of such professions by the European Court of Justice (marked intellectual character, high level qualifications, independence, strict professional regulation, trust of the client...), now enshrined in the new EU Directive on the Recognition of Professional Qualifications. To this end the ACE will use the opportunity offered by the better law-making approach (Inter-Institutional Agreement on Better Law-making, SIM Directive) to strongly promote its views and propositions in respect of self- and co-regulation.

##### 4.1.2 ...And to the market

The ACE must seek to more systematically and forcefully make its views known to the main actors in the market, in particular to industry, banks/financiers and developers. It must actively bring to

their attention its specific recommendations on **how best to use architectural services** to meet their requirements and to respect the legitimate expectations of society. The ACE will seek to provoke more opportunities for contacts and debate, if and where appropriate, and it will, at the same time, widely publicise its actions.

#### 4.2 Securing the adequate knowledge base for action

The architectural profession recognises its role as one of the economic actors in the market. At the same time, architectural services come under a range of laws and regulations that frame the conditions in which these services are provided. In order to better comprehend the interaction between the market and the regulatory aspects that affect the practice of architecture, it is necessary to develop, maintain and increase the knowledge and evidence based **understanding of the exact nature of the profession** in terms of its organisation and operation across all Member States. In an increasingly liberalised market, the variety and diversity of existing systems and regulatory approaches in the field of architecture in the Member States, presents significant challenges to the architectural profession faced with the necessity to adapt to change.

In pursuing these challenges, the ACE will set in motion a **comprehensive Sector Study** that will provide an in-depth knowledge of the characteristics of this sector of activity and will lead to the creation of a rich source of information on the impact of the profession on the market, of its varied profile in the Member States of the EU and of its regulation. It is intended that this Sector Study will be extended to other professions involved in the design of the built environment, through co-operation with the EU Commission and the European representative bodies of the engineering professions.

Building on the results of the Sector Study, the ACE will seek to **establish a permanent European Observatory for design professions in the built environment** that will continue, on a regular basis, to update, collate and disseminate the information gathered through the Sector Study and, beyond this, to develop indicators of the quality of the built environment.

#### 4.3 Intensifying networking activities, notably with cities

The impact of architecture on society is widely recognised; yet the full spectrum of its impact is not adequately taken into account in EU Policies and in policies at national, regional and local level. Thus there is a need to examine, more profoundly, **the impact of architecture on the cultural and social life of the EU**, with a view to better demonstrate the benefits that quality in the built environment and quality of design bring to these aspects of European living, including the economic aspects contained in such an approach. Furthermore, it is recognised that architecture plays a crucial role in safeguarding the rich cultural heritage of Europe.

The ACE, being aware of the difficulties posed by any attempt to address these issues, remains convinced of their fundamental importance to both the profession and society at large. It will therefore pursue and enhance its work and actions notably in the framework of the **European Forum for Architectural Policies**. It will also seek to enhance its co-operation with relevant networks of Cities and Local Authorities, as these are the place where policies are actually implemented and developed.

#### 4.4 Strengthening collaborative approaches

With the changing nature of procurement of construction projects in Europe, the ACE recognises the value of **building partnerships** with the other actors in the design and construction sectors that play a role in shaping the living environment. Defining and building the relationships that will ensure that architectural matters, as opposed to purely economic ones, remain central to the future of the built environment present an opportunity for the architectural profession.

It is essential that architects should be genuinely willing to evolve from their perceived “dominant” position, to adopt a more collaborative attitude in the construction process, while maintaining the essential principles that characterise the architectural profession.

#### 4.5 Significantly enhancing the cooperation with schools and universities.

The internal debates in the ACE have indicated a fundamental concern on the central question of education. There is an urgent need to **address the gap between the education that architects receive and the actual skills needed in the market**. The ACE will further develop the co-operation already started with the European Association for Architectural Education (EAAE). It will also launch, in close co-operation with its Members, specific, targeted awareness raising actions towards National governments on what changes are needed to ensure adequacy in the future financing of education. The objective being to ensure the highest possible standards of education for architects, on a lifelong basis, so as to guarantee, in turn, the best possible quality delivery of architectural practice.

#### 4.6 Promoting the architectural profession's point of view in Research and Development activities

In the mid-term review of the Lisbon Agenda, the need to place greater emphasis on **research and development** was re-affirmed. When linked to the emergence of urban issues as a higher political priority in the EU, the upcoming 7<sup>th</sup> Framework Programme for Research and the establishment of the European Construction Technology Platform, the ACE must capitalise on its many years of investment in promoting architecture and the involvement of architects in R&D activities. Clearly any meaningful policies affecting the built environment must be founded on balanced, evidence-based research.

### 5.0 Further steps

Pending approval in the General Assembly of the ACE in November 2005, the Multi-annual Work Programme will run from January 2006 to, at least, the end of 2008, with a mid-term review by the Executive Board of the ACE during 2007. In this way, the Political Agenda will guide the ACE through the period of the initial implementation of its recently renewed political and working structures.

The Strategic Objectives of the ACE and the issues addressed in this document will be pursued in a thematic approach: issues related to access to the profession; issues related to practice of the profession and, issues related to the relationship between architecture and society. The detail of how it is proposed to address these issues is set out in the Multi-annual Work Programme.

Finally, the recommendations outlined in this document, if accepted by the Members of the ACE, imply that serious consideration must be given to the necessity to augment both financial and human resources within the ACE.

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