Sustaining Europe for a Long Way Ahead:

Making long-term sustainable development policies work

Background Paper by EEAC Working Group on Sustainable Development

The official EEAC Statement, which accompanied this Background Paper, has the endorsement of the following EEAC Councils:

Belgium **Environment and Nature Council of Flanders (Minaraad), 26.6.08**
Federal Council for Sustainable Development (FRDO-CFDD
France National Council for Sustainable Development (CNDD), 27.6.08
Germany **Council for Sustainable Development (RNE), 27.6.08**
Hungary **National Council on the Environment (OKT), 3.7.08**
Ireland **Comhar, Sustainable Development Council (COMHAR), June**
Netherlands **Advisory Council for Research on Spatial Planning, Nature and the Environment (RMNO), 3.7.08**
Council for the Rural Area (RLG), will endorse on 18.9.08
Portugal **National Council on Environment and Sustainable Development (CNADS), 25.6.08**
Spain **Advisory Council for the Sustainable Development of Catalonia (CADS) `**
United Kingdom
Susta
inable Development Commission (SDC), 3.7.08

This Background Paper is designed to provide more analysis and supporting evidence for the EEAC Statement. It is meant to act as a bridge between the formal EEAC Statement and the accompanying theme papers.

Identifying the problem

1. The EEAC is a network of environment and sustainable development advisory councils located in some 20 European countries, composed of scientists, business people and representatives from a broad range of non-governmental organisations, including the media and the trades unions. This network has persistently sought to raise awareness amongst policy-formers, politicians and a wide variety of other interested parties on the necessities and practicalities of incorporating sustainable development into all aspects of thinking and action within government, business and civil society throughout Europe. The EEAC

particularly addresses the EU Parliament, the EU Commission, and the EU Council. The EEAC also broadly communicates with the public, private and civil society sectors, through a remit to promote the robustness and healthiness of all people on a resilient planet, now and forever in the future.

2. This Background Paper, written by the EEAC Working Group on Sustainable Development, focuses on designing and implementing policies aimed at establishing sustainable development, and to shape political and social outlooks **for a very long way ahead**. The long-term characteristic is mentioned in the declaratory preamble to the EU Sustainable Development Strategy (2006, p2):

> *Sustainable development means that the needs of the present generation should be met without compromising the ability of future generations to meet their own needs. It is an overarching objective of the European Union set out in the Treaty governing all of the Union's policies and activities*.

3. Such declarations are usually ignored when it comes to making, or reassessing, policy decisions with wide-ranging ramifications, all with long-term consequences. For example, the policy to promote the addition of biofuels into gasoline and diesel in the EU, failed initially to take into account the possible consequences for social justice, ecological resilience and economic wellbeing of turning a sizeable component of food production into fuel production. These repercussions include declining soil fertility, new agricultural activity in ecologically sensitive and biodiverse areas, increased prices of basic foods, extending famine for the most economically vulnerable, added poverty and political instability in already highly stressed regions, and opportunistic financial speculation in commodities markets. Many of these manifestly adverse outcomes, ranging across all ecological, social and economic domains, were not comprehensively analysed as a series of interconnected and mutually destabilising events. This lack of coherent and coordinated institutional structures for policy analysis and assessment must be addressed in order to advance the cause of sustainable development for a very long way ahead. This process of institutional reconstruction has stimulated the Working Group's analysis and has encouraged this Background Paper.

4. Sustainable development is becoming more widely accepted as a political concept, but it is still not being put into effective practice. Society pays lip service to this concept, but it is not yet committed to it. Sustainable development seeks to ensure that humankind cares for the needs and interests of all people, among different nations and between generations, in such a way that all are treated fairly and with justice. Such a robust society will act in such a way as to maintain and enhance the life support functions of the planet, and will recognise and

live within the limits of nature's tolerance. A sustaining society will establish an economy designed to foster livelihoods that create both prosperity and a fundamental sense of personal and collective wellbeing. This trajectory encompasses not only all citizens alive today, but all generations to come. Their wellbeing is intrinsically "our" wellbeing. Sustainable development requires transformation and innovation in the public and private sectors, creativity in society, the capacity to anticipate future effects, and to make responsible decisions affecting the vitality of the future.

5. The European Union is founded on a binding legal and political system, which promotes social cohesion, environmental integration, and economic competitiveness, whilst maintaining the flexibility and adaptability that allows for differing national and cultural identities. European integration and enlargement aims at making Europe more competitive and innovative - and hence more able to operate globally. Europe, as a sustaining global player for a long way ahead, requires a vision based on a European Social, Economic Model as a framework for resilience. Further, Europe has a responsibility to act as partner through supporting social and economic development in developing countries and emerging economies in a sustainable way, guided by the Millennium Development Goals and by key global environmental agreements, the Framework Convention on Climate Change, and the Millennium Ecosystem Assessment. Europe needs to take a lead on this, initially within the Union, and externally in the global arena, in order to sustain the social and ecological fabric of Europe for all time to come. In this context, this Background Paper also reinforces and encourages all EU institutions to conduct the recommendation offered in paragraph 27 of the EU Sustainable Development Strategy (2006):
The Commission should elaborate a concrete and realistic vision of the EU on its way to sustainable development over the next 50 years. Such a vision should be prepared in a participatory manner and should identify the main long-term objectives and describe immediate stages and steps towards their achievement.

The Working Group supports the suggestion that such a vision should be created so that citizens and governments can shape and negotiate their futures in a thoroughly companionable way. This process should develop more profound and effective measures of a range of social and ecological outcomes, and should involve horizon scanning, together with innovative and interactive scenario development, as well as appropriately designed sustainability impact assessments for policy-making, and subsequent implementation.

6. The Working Group believes that addressing the very long-term through the lens of sustainable development is now a matter of urgency. The prospect of highly damaging, and extremely costly, effects of global change in climate, through natural hazards caused by

human intervention, the loss of biodiversity, and the disruption of soil stability and food security, poses serious threats to personal and collective human health and wellbeing. The consequences of climate change are already becoming more painfully evident, particularly in developing countries, through the human misery of increased poverty, catastrophic disruption to livelihoods, and enforced migration. In addition, unstable financial markets, waves of terrorism and social riots, caused in part by unsatisfactory living conditions, the widening gap between rich and poor, deepening unemployment, and lately, by sharply rising food prices world-wide, need to be taken into account. The long-term is indeed here already.

7. The difficulties in achieving such purpose are enormous. It is not evident that society has adopted, or adapted, its methods **of governing, of establishing social justice, of designing markets, of offering education and learning, of preparing its cultures and social outlooks, and of maintaining the very varied and regional cultures and landscapes of the European Union for this purpose**. To this end, the Working Group has prepared a set of seven theme papers on these topics. The purpose of these papers is to analyse and assess how far all of these key themes and ways of working are suitably fashioned for promoting a sustainable long-term. In addition, **the manner in which the EU budget is generated** and designed to implement policy and safeguard collective European public interests needs to be appropriately handled to create a sustainable long-term. This aspect provides the eighth theme paper for this Background Paper.

8. This Background Paper provides a summary of all of these deliberations. It offers an assessment of the peculiar challenges offered by this very long-term perspective in a rapidly changing world, and makes a number of practical suggestions for public, private and civil society sectors to establish simultaneous and mutually supportive action. These come in the form of numbered proposals, all of which are coordinated into recommendations for targeted action.

The case for the long-term in sustainable development

9. The notion of “a long way ahead” covers the rest of this century. This is the life span of healthy babies being born today. “A long way ahead” extends to best guess forecasts of climate change, biodiversity loss, land use (including urban) transformation, and shifts in the availability of soils, fresh water, forests and marine biota to meet the needs of a stabilising, but vast, human family, for food, nurture and wellbeing. And it provides the canvas for innovation and transformation in technology, management, political adjustment, social

behaviour change, cultural shift, and new forms of nationhood and localism that may have to be devised and put in place, if true sustainability over this whole period is to be guaranteed.

10. What makes “a long way ahead” so challenging, lies in its following characteristics:

- The huge uncertainty as to what could happen to the fabric of the planet, the habitability of many populated regions, the health and security of vast numbers of people, and even the viability of humanity itself. These uncertainties are a reflection of imperfect knowledge and understanding over how these processes operate, and over the huge range of possible outcomes caused by human intervention. There is also very little capacity to forecast how these two sets of forces interact with the life support functions of the planet.
- Added to this uncertainty is the almost impossible set of predictions of how policy, technology, managerial innovation and social outlooks may themselves shift by deliberate human choice. These adjustments may be the result of recovering from early mistakes, or consciously seeking to promote a sustainable future. Such highly interconnected shifts set the scene for the staged, step by step, forecasts of planet, people and prosperity for the century to come. One set of uncertainties entwines with another set of unpredictable policy and investment responses. Some of these shifts will be incremental, building on experience, courage and experimentation. Others may be convulsive, abrupt and ill-coordinated, driven by desperation or panic as conditions for human wellbeing deteriorate. In either case, the uncertainty of long range prediction is compounded by the near impossibility of forecasting how politics and policy may respond. It is therefore necessary to create stories, or scenarios, of futures, but never guarantees of outcome.
- There is, as yet, little clarity as to how the EU itself may evolve politically, socially and geographically over the next three generations. Nor is there, as yet, a common view of what kind of democracy, either at EU or member state level, needs to be designed to make and support policies that benefit future generations, that overcome injustice for present, as well as future generations and which ensure a healthy and appropriately valued natural world. Such a democracy will have to show that its concern for the wellbeing of all future citizens, and for ensuring resilient ecosystem functioning, lies consciously and creatively in its own short term preferences.
- Markets are becoming more and more a mix of multinational regulation, national guidance, civic intervention and corporate responses to achieving profits, adding value, and acting responsibly. Markets do not cope well with the wide ranging implications of actions on human generations to come. Demands for immediate profit returns, and unregulated speculation in day to day commodity markets, offer no scope for prolonged sustainability. It is very difficult to forecast how markets might function in three generations’ time, but some kind of synergy between the state, civil society and private enterprise should be forthcoming. Markets will

also need to create and provide suitable pricing and property rights (trading) signals to ensure steerage of the economy towards successful long-term sustainability, using measures which are faithful to capturing distant gains in social justice, human wellbeing, and ecological resilience.

- Individual and communal culture, lifestyles, consuming habits and sense of local identity are also very difficult to forecast. Recent changes to “culture” in Europe have been influenced by technology, media, social activities, and events, local to global. Whether a cultural shift to a sustainable long-term can be shaped and guided, rather than evolve from its own transformation, remains to be assessed. Profound shifts in cultural values and behaviour are usually very slow-moving and episodic, unless society as a whole is confronted by a common and credible threat.
- Education is not fully designed for social justice, ecological resilience and sustainable livelihoods. Education is also not preparing society to identify sustainable solutions to complex problems or to recognise that there may be many possible approaches to identify earlier in decision streams, the possible unintended consequences of well-meaning initial choices. The issue here is the extent to which education may be consciously shaped to prepare society to work for sustainable long way ahead, whether education becomes the basis for profound cultural shift, or whether it evolves without specific direction in this regard.

11. The longer societies do not adjust to a sustainable long-term, the more difficult it will be to manage highly unpredictable and possible abrupt changes to the running of the planet that could overwhelm humanity. We believe that the European Union should accelerate its efforts in trade and aid to help establish “one planet living” for the whole globe by 2050. This means advancing the Human Development Index for all developing economies, so that it faithfully measures progress which is both socially just and ecologically resilient, and hence working cooperatively with such economies and societies to reduce substantially the total ecological footprint. A sustainable Europe cannot coexist in an unsustainable world.

12. In essence, “a long way ahead” challenges government, justice, democracy, markets, culture, diversity and budget making simply because there is no agreed vision of a truly sustainable future. Nor is there any systematic analysis of how all of these facets of our society and economy may need to adjust or be adjusted, to establish such a vision. It is the combination of transformation, experimental innovation, learning by trial and error and creating meaningful visions into sequential reality that makes designing for a long way ahead so deeply challenging for modern governing institutions in the European Union and in all member states.

13. There is a growing and insistent debate over the possibility of abrupt change in earth life support functions – the so-called “tipping points” – of possible disruptive transformation in the habitability of the planet. The growing body of scientific opinion is that such tipping points may well act in combination, and become irreversible, before the century is out, unless there is a massive shift in the emission of greenhouse gases and in the transformation of ecosystem functions in soil, forests, water, air and marine settings in the foreseeable future. Modelling of such potentially catastrophic and unpredictable changes is still in its infancy. So we cannot yet forecast with any certainty what might be the outcomes for long-term planetary resilience and human wellbeing. Nevertheless, such abrupt changes are sufficiently plausible in the lifetime of those healthy children being born today that policy and responsiveness must be prepared to take their almost unimaginable consequences into account. This will mean placing more emphasis on applying the precautionary principle, on ensuring that those who propose innovation in technology or in spatial development infrastructure such as transportation networks or energy supply projects carry both the burden of proof and also the liability for promoting sustainable outcomes from their investments, even in the highly uncertain light of these cumulative “tipping point” prospects.

14. The longer we do not adjust to a sustainable long-term, the more difficult it will be to manage highly unpredictable and possible abrupt changes that could overwhelm humanity. The Global Footprint Network’s “Ecological Debt Day” teaches us not to forget this looming crisis for humanity. It marks on a yearly basis, the calendar day when humankind lives beyond its planetary means. In 2007, this day was 6 October. This date is getting earlier every year, as we overshoot our living capacity on our only home (http://www.footprintnetwork.org/gtn.sub.php?content.overshoot#WOD).

15. We do not have to stress that the challenges are enormous. Our purpose here is primarily to emphasise that there are ways to achieve a more sustainable permanent future. We also recognise that there is no “one-size-fits-all” solution for transforming to sustainable development. There are many different opinions on what is wise, and this is why we have political and societal discussion. But we can, and do, present some suggestions on possible ways forward. We say this with limited time for manoeuvre. How long is “limited” is a matter of judgement. The most likely bet is 15 years, but some respected commentators claim that only a decade is available. The Working Group believes that, at best, there is a 25 year “window” for genuinely significant response. Beyond then, it may be too difficult and socially disruptive to bring about ecologically and socially just change. This conclusion may well be optimistic. Hence the huge need for urgency and rapidity, even when the responses required appear daunting.

16. One of the classical mistakes in decision-making with a long-term perspective is that the future is considered to be “manageable”. In the face of a three generation time span of 100 years, confronted with so many simultaneous possibilities, dangers and opportunities, it is not possible to design a “manageable future”. Society will have to reassess how it copes with huge uncertainty, how it proceeds in measurable and adjustable stages, how it carries the dreams and aspirations of all people, and how it learns to govern for a very different political, economic and natural world compared with today.

17. Within Europe these visions, aspirations and patterns are drivers to any transition towards sustainability. They reflect different national and regional ways of handling social, economic and environmental issues. In the long run we need to combine this diversity with a sense of European shared values, and supporting legal rules, based on a wide-ranging informed public debate. The interaction between diverse cultures and a common European project is of indispensable value for the necessary adaptation processes that will be needed to handle different types of change on different governance levels, as Europe is, and hopefully will always stay, “a house with many chambers”.

18. The Working Group therefore uses the “long-term” as a device to assess a vision for the rest of the century that enables people, governments, economies and the planet to adjust to an outlook that is robust, resilient, supporting and nurturing in nature and for nature, and for all humankind. To get there, we have to imagine a manageable and realistic “short term” of 1-5 years, namely the political and budget life cycle of governments, people and business. It will also require some sort of “medium term”, namely 5-25 years for purposes of middle level decision analysis and institutional reform. The recommendations which conclude this Background Paper are deliberately couched in these short, medium and long-term time frames. Many of the recommendations call for a series of workshops, seminars and conferences. This procedure may appear to be encouraging delay in the urgency of the responses required. But the Working Group recognises that without fundamental political agreement, case study experience and experimentation in member states and at the local level, there can be no coherent and purposeful movement along the lines suggested in this report. The call for transformational conferences means that each conference should be innovative and progressive.

19. The Working Group has primarily concerned itself with the European scene and European institutions for governing and for shaping culture. It is well aware of the global stage. It recognises that even more of the kinds of transformational reforms will be needed in global institutions such as the United Nations’ bodies, the World Trade Organisation, the international financial organisations, foreign policy in security matters and their supporting

operations, together with a host of business and civil interests. But it feels that to look at those arrangements with any critical analysis lies beyond the scope of its investigation. So the Working Group suggests that the larger global community read the accompanying Statement, this Background Paper, as well as its 8 theme papers, in the light of what these documents suggest for the institutional transformation for governing the planet as a whole on a happy transition to a permanently sustainable future.

20. In the spirit of the call for a vision of a future sustainable Europe, we offer the following dream.

Section 1.01 A dream about a sustainable Europe in 2075

Sustainable development will have become a “centre of outlook” for all social values, behaviour and responsibilities. The people in Europe will have happily learned to become “carbon neutral” in their lives and economies, and to operate on renewable and local energy sources and low carbon technologies, as well as ultra high efficiencies of energy transformation.

Natural resources will be nurtured by sustaining water resources, terrestrial and aquatic biota and by ensuring that “ecological space” is made available in all natural systems functioning. All economic transactions will contain explicit valuation of the social and ecological benefits of life support processes.

Governing will be a combination of political and civil engagement at all levels from multi-national to local, with enough financial and political autonomy, as well as political freedom at the local level. Education will be inclusive. People of all ages will have continuous access to education and training. Every school will be a laboratory for living out sustainable culture and wellbeing and communal life will exemplify and act out wellbeing responsibilities, cohesion and respect.

Enterprises will foster social and ecological resilience by appropriate pricing and risk taking. Markets will be shaped by a combination of integrated state, regulatory and civil society organisations, appropriate pricing and trading schemes agreed on a collective basis by citizens who are committed to the sustainable long-term, combined with much more adaptable procedures of exchange. All private, public and civil sector accounts will be set in meaningful visions of sustainability, and rooted in both ecological and social justice.

The principles of social justice, solidarity, employment and poverty, equality, social cohesion and mutual respect will be incorporated in all forms of decision analysis and institutional arrangements. Social cohesion in increasingly multicultural societies will form the basis on which the European social model will be built upon.

Budgets will be designed to ensure the long-term implications of middle term analysis and investment, and will always contain scope for precautionary long-term accountability.

Science and research will adapt to, and promote, sustainability principles in the design of technology, innovation and new forms of living. A science embracing all aspects of sustainability, and incorporating the closer association of public, private and civil sectors, will

frame and energise all research aimed at providing reliable livelihoods for all people.

A more female centred approach to basic needs and social justice will fully counterbalance masculine power plays. Women, men, children, ethnicity, disability, and religious beliefs are all treated the same, with equal access to opportunity, esteem and self improvement. The media deal with sustainable development issues through a positive drive for self regulation and training. This will help to fashion public opinion in this arena and ensure that reliable information reaches all institutions and individuals.

Demographic change, in the form of ageing, migration and urbanisation, is transformed into sustainable strategies and practices at local, regional, national and European Union levels, in terms of poverty reduction, social cohesion, life long learning schemes, fresh potentials for multi-cultures and social distinctiveness, and the practical maintenance of a trust-based social fabric.

The European social, economic and ecological model of resilience is shown to be an inspiration on a global level creating a global level playing field as to environmental, social and economic standards and modes of governance. Sustaining Europe will provide the inspiration for sustaining the whole planet for all humankind. All Europeans will live in such a manner as never to create any adverse ecological or social repercussions anywhere in the world.

A social culture that is both locally grounded, but globally connected, will adopt both personal and collective responsibility in its behaviour and outlooks that will promote better social integration, more ethical patterns of purchasing and of using goods and services, and will regard the betterment of conditions for the future as a purpose of responsible citizenship.

21. Setting such a dream is vital. While we talk of institutions, none of the innovations suggested in the text that follows has meaning unless there is an agreed purpose and objective as to the value of the eventual outcome. So establishing a pragmatic and visionary European landscape for society, economy, governance and nature that binds the whole into a creative evolution must provide the framework for this Background Paper and its accompanying statement. The Working Group urges the European Commission, the various European governing and regulatory institutions and member states to work collectively to establish an agreed procedure to carry out this visioning exercise as a sincere guide to future policy making and enactment. It is particularly important that young people are explicitly brought into this process and help to shape it and “own” its outcomes.

22. What now follows is a series of interpretations of the eight major themes linked to the supporting analyses that accompany this Background Paper. The sections that appear below contain propositions or conclusions which the Working Group believes form the basis of recommendations for specific action. The final part of the Background Paper lists the specific recommendations which the Working Group wishes to offer to its readers for their considered response.

Governance

23. Governments cover legislatures, executives and the courts, but embrace the private and civil sectors in numerous ways. Governments seek to take a long-term perspective, but their decision outcomes are rarely automatically sustainable. Long-term decisions may be effective for one, or possibly two, of the links between social, ecological and economic dimensions, but very few successfully embrace all three.

Proposal:

- *[P1] All long-term decisions should be designed and assessed in such a manner that they explicitly incorporate all relevant dimensions of sustainable development. Furthermore, the institutions and organisations given the responsibility for designing and implementing long-range decisions should have access to the measurement indices and capability skills to tackle complexity, as well as the communication skills to justify long-range opportunities for short term possible "sacrifices".*

24. It is no longer appropriate to base long-term decisions on the assumptions that future generations will be richer than present generations. So present generations can no longer expect future generations to have the resources or capacities to cope with the problems bequeathed to them by present generations where insufficient attention has been paid to sustainable long-term futures in decision analysis. We have no moral right to make decisions which would, according to present knowledge and values, impose on future generations such costs and risks as we would not be willing to place on ourselves.

Proposals:

- *[P2] Improving the governance of long-term decisions should not be restricted to incorporating specific long-term objectives. Many short-term decisions, decisions to postpone implementing policies or even the decision not to act, may have important long-term impacts. These perspectives must always be taken into account in policy assessment.*

- *[P3] The effective incorporation of long-term concerns into political decision making involves making explicit any trade-offs between short and long-term dimensions and outcomes, and identifying the factors that link the two time frames, so that all policy outcomes are consistent in promoting sustainable development.*

25. Processes of long-term decision making require many forms of trade-off.

Proposals:

- *[P4] Such processes should be organised in such a way as to enhance the awareness of opportunities which: balances process quality (including stakeholder involvement) and speed, is open to the eventual necessity of systemic change (transitions), shares pragmatic and contingency factors, makes use of the particular advantages (regarding long-term decision making) of (national) cultures, and strives for mitigating cultural weak points.*
- *[P5] Governance of long-term decision making requires clarity about the roles of states, business, civil society, knowledge institutions, and intermediary organisations such as advisory councils.* The governance approach ideally should be a mixture of network governance (laying the basis of consent and of long-term support), market governance (stimulating entrepreneurship and self-regulatory responsibility of all actors), and hierarchical governance (creating level playing fields, ensuring implementation of decisions, and securing a legal framework with a required level of firmness and reliability).
- *[P6] Governance set in an interactive (network) approach should play a central role*. As the 2003 EEAC WG Statement on European Governance concluded, many long-term perturbations are the result of complex, 'wicked' problems which cannot be solved by one actor, even when this one actor is government. A possible weakness of the network approach is that it may result in inaction. The more an issue is considered urgent, the more important hierarchical governance may become. Policy making should seek to avoid the necessity of always responding to crisis. This means designing in proactive procedures for consultation and assessment.
- *[P7] It is important that all types of actors who have stakes in long-term decision making on sustainability issues reflect on their specific perspectives and action strategies regarding trade-offs.* Long-term decision making for sustainable development is not only a responsibility of governments. However, governments do have a special responsibility for the organisation of the societal discourse regarding the future, and should stimulate consensus on how to deliver long-term decision making amongst many competing objectives.

- *[P8] Copying "best practices" from one nation to another brings about certain dangers. Some decision principles can be followed by all countries. Learning from each other implies that different approaches will work in different circumstances*.

26. This suggests that governments must "learn" through local diversity, local cultural norms and expectations, local histories, and local social patterns of cohesion and belonging. Budgets and decision structures that are too focussed on national or multinational framing may not deliver long-term sustainability at the local level, where the impacts of such budget procedures could damage the interests of local democracies. Hence decision structures need to combine the "state" with the "local level" in an explicit manner. This is a matter for "good" governance generally.

27. Long-term decision making requires a certain institutional flexibility, for example regarding the tasks of governmental actors and the organisational setting of knowledge production.

    Proposals:

    - *[P9] Government institutions should develop the flexibility to put future problems on the agenda and work on them with the same intensity and professionalism as they regard current problems.*
    - *[P10] Knowledge production for long-term policy making requires embedding in the policy process different types of knowledge (mono-, multi- or interdisciplinary scientific knowledge, and trans-disciplinary knowledge,) with at the same time a well-defined separation of the roles of political and scientific arenas.*

28. Decisions with a long-term impact and/or objective are not always transparent and not always prepared with the best decision support instruments.

    Proposals:

    - *[P11] Long-term decision making also requires the availability of sophisticated decision support instruments. When ethical and political assumptions are used in ex-ante assessment methods, it is important that such assumptions are chosen in the political domain, not in the scientific/technical arena*.
    - *[P12] Transparency is not only required concerning the assumptions behind decision support methods, but also regarding the limitations of methods like cost-benefit analysis and multi-criteria analysis*. For example, cost-benefit analysis is not always applicable to very large-scale problems like global climate change, because decisions on such a scale would influence a wide range of relevant parameters, profoundly influencing the future state of the economy and national income. Some form of innovative and sequential cost-benefit analysis will be required, making creative use of scenarios.

- *[P13] Foresight methods like scenario techniques and horizon scanning can be very useful for improving the robustness and the resilience of long-term decisions.* It should be noted that the application of such methods does not have to be very costly: the main objective, namely to create a debate in which the 'right' questions are asked, may be reached with anything between detailed scenarios and relatively simple questionnaires based on a general horizon scan.

29. Our analysis generates a number of specific suggestions for EU governing institutions. These are offered in Paragraph 61 below.

30. We believe that new forms of governing for long-term sustainability needs to address three orders of problems:

    Instruments and methodology: First order problems relating to designing innovation, technology and assessment procedures for the medium term (5 - 15 years). This means building in for possible new investment, adjusting the discount rate, accounting to allow for longer term "pay off", and for ensuring that social justice is fully taken into account.

    Processes of governance: Second order problems apply to the comprehensive inclusion of social, ecological and economic parameters in all elements of decision taking and trade-off balancing. This approach means adopting fresh approaches to establishing meaningful measures (given the present state of knowledge) of "value", of "wellbeing", and of "beneficial outcome" that fully reflect the essential goal of improving levels of satisfaction for all people in a resilient society. In the same vein, the notion of "sacrifice" by present citizens, to denote some form of "loss" in order to maintain the wellbeing of their offspring, should not be used. Caring for a resilient and sustaining future is an act of collective self interest and moral responsibility.

    *Institution*s: Establishing sustainable long-term incentives, systematic transformation of a whole range of institutions – justice, markets, cultural norms, forms of accounting, political engagement, civic responsibility – all of which need to be "juggled" to accommodate to new perspectives of the sustainable long-term.

Social Justice

31. Justice is flawed in today's world. Civil rights are almost universally flouted. Democracy functions but is imperfect. There is a need for better legal instruments to include the continuation of life-support processes on the planet. The laudable principles of the Earth Charter (www.earthcharter.org) should be built upon. Poverty and inequality are increasing,

despite heroic efforts to alleviate both in recent years. Ecological injustice – the moral hazard of increased exposure to environmental and social risk, with no scope for avoidance or alleviation – is also increasing across the globe. Justice remains primarily rooted in the human condition, in the rights and responsibilities of individuals and communities, and in the protection of property. The life-maintaining processes of the planet have no legal standing in current court-based procedures. Even the wellbeing of generations still to be born is not given full legal recognition. The law has yet to devise appropriate rules for guiding society into sustaining its descendants for the long way ahead. Sustainable development should be integrated as an objective in the constitution of all member states. Furthermore, the role of the EU in creating a sustainable planet involves social justice imperatives.

32. New market and regulatory arrangements for designing the sustainable long-term should explicitly take into account the social justice aspects of all market transformations and regulations. Already business is moving in this direction with its growing commitment to ethical strategies. Any market transaction should contain the ethics and measures for ensuring social justice. And any budget agreement also must build in resources and investment to ensure the capacity for promoting social wellbeing both in regions and in the many local pockets where injustice is rife and vulnerability high. The social justice dimension of budget making needs to be awarded much greater emphasis.

Proposals:

- *[P22] Integrate key social wellbeing targets into all strategies and policies*. The 2007 Belgian Sustainable Development Report[1] made use of 21 internationally agreed sustainable development targets, of which 10 related to maintaining human capital as backcasting scenarios for 2050. This pioneering effort should be built upon.
- *[P23] Ensure that the poor have access to affordable goods and services. Tariffs for basic consumption should be affordable for "liveability" purposes and should rise steeply for "luxury" purposes. These vital safeguards for the poor should be built into regulation and market pricing and be supported by law.*
- *[P24] Provide sustainable development through sustainable investment that creates decent jobs.* There is much that can be done to reflect the many "unpaid" social roles that millions of people carry out, day by day, outside of the formal market, to maintain family and neighbourly cohesion. This is a vital element of what is sometimes termed "social capital" the binding glue that keeps people peacefully living together by understanding and respecting one another. *This "volunteer for sustainability" role should be formerly recognised in the tax and benefits arrangements*.

[1] reference:

- *[P25] Promote social justice by reducing the global footprint.* The basis of tax and redistribution should be set via levies on demonstrably non-sustainable behaviour to provide pools of sustainable social funds to create reliable jobs and to reinforce social and ecological resilience, notably at the communal level. There should be a clear policy imperative in the EU to work with the developing economies to extend the Human Development Index towards sustainable livelihoods and to lower substantially the total ecological and social footprint for the planet. Such moves should be intrinsically part of financing and sustainable development policies. The UN, along with the International Labour Organisation and the International Trades Union Confederation, should continue to be encouraged to promote sustainable livelihoods via sustainable investments and the creation of decent jobs.
- *[P26] Integrate the EU sustainable development strategy within the Lisbon Agenda*. Already there is a constructive debate over the future of renewable energy markets aimed at combining the two agendas. *This progressive initiative should be expanded to human settlement, transport, regional sustainable development, and to natural resources stewardship policies. All can combine the principles of sustainability with the promotion of technology competitiveness, innovation and social fairness***.**

Demography

33. Demographic trends suggest that populations in Europe will progressively age, become more diverse, reflect migration and generally become more dependent on fewer working people. For individuals, this may mean a longer life with more enjoyment of life. To maintain income, pension contributions will rise as will the age of official retirement. Ageing should be regarded both as a challenge to social security, and to the provision of adequate and universal public health services, as well as providing the opportunity for job creation and for the provision of goods and services. A future population of Europe may become too large for ensuring sustainable use of resources and ecosystem services. Establishing the appropriate basis for future population numbers and spatial patterns of living will become a major challenge for future social planning and economic development policy. Core cities in Europe may shrink, but city regions may expand, placing pressures on mobility and access, unless electronic communication extends. In addition, providing the necessary infrastructure for a sustainable urban long-term poses huge issues of investment, suitable technology and sophisticated planning. Shrinking rural populations also pose enormous challenges for maintaining ecological functions and effective public services. As populations expand or shrink, managing knowledge for adaptive and resilient behaviour and spatial planning will become critical. The national border may become a conduit for such innovation, not a barrier. The implications for

immigration of migrants into Europe, unless carefully prepared for, could result in social tensions and political fragmentation.

34. It is still too often the case that the demographic discussion centres on aggregate figures, such as the effects of a decline in total population and the change in the age structure of the population as a whole. However, spatial migrations and distribution patterns of the population are as relevant, as any compilation of demographic change and social divide between the rich and the poor would be. The relation between ageing and society is promising – in theory. In reality, there is a triple mismatch:

- *Welfare mismatch*: It is debateable whether member states can maintain the social welfare schemes by just replacing population decline through integrating and absorbing migrants.
- *Labour market mismatch*: Labour supply from migrants will not offset the decline in labour supply overall. Nor will this overcome the shortages in mostly high-skilled labour. Europe is heading into a severe shortage of skilled engineers. Education schemes are beginning to be put in place that train the next generation of young engineers for sustainability. These early experiments, such as the MIT Portugal Programme which champions innovation in learning and in professional development of engineering, bio-engineering and transportation along sustainability lines (www.mitportugal.org) need to be monitored and expanded across Europe.
- *Geographic mismatch*: The trend towards an ageing and shrinking population is most evident in rural and peripheral regions, while migrants are attracted to larger cities many of which have a relatively young population. So the necessary adaptation of regional infrastructure is much slower than changes in population numbers and distribution. Rural depopulation is becoming a serious issue for the maintenance of both social capital and effective sustaining use of natural resources. Encouraging new migration to rural communities, and peripheral regions, and establishing sustaining livelihoods for all citizens, will be vital for the effective functioning of ecosystems in a future Europe.

35. Here is where governance and education and markets combine. If education trains for responsibility and a sense of obligation, so markets can promote appropriate measures for wellbeing, equality and justice. Governments can foster innovation by creating the appropriate legal and regulatory climate.

Proposals:

- *[P29] Investing in education and human qualification and reducing institutional and career barriers for migrants, as well as expanding job offering and career choices for the less*

well off, will contribute to socio-economic development. This would in turn foster demographic patterns of social cohesion and communal accountability.

- *[P30] Decentralising public services and energy supply as well as promoting demand-side policies for enabling informed decision making, and encouraging local supply chains, should provide powerful solutions to decreasing disparities between regions and urban and rural areas. This process can be further aided by transferring infrastructure, utilities and markets more to the sub national level, as well as decoupling growth from transport demand*.
- *[P31] The precondition for effective choice is an informed debate among civil society, business and politics. This call is directed towards the scientific and media communities to provide the necessary facts and insights for such a comprehensive debate. However, "good information" does not necessarily translate into an effective and informed citizenry. To transform the concept of "guiding choice" into real decision making needs more attention. This can be achieved by providing comprehensive analysis, information exchange, and the transformation of knowledge into sustainable behaviour. Sustainable behaviour, in turn, will be encouraged by a responsible ethic in all of society, promoted by a strong sense of obligation to a sustainable future.*
- *[P32] The reaction to demographic change prompts strategies to anticipate and redirect all demographic transition towards more sustainable development. Policy formulation must be informed by a supportive social dialogue within member states and the EU, on themes related to demography, such as values and identity building, the role of children in family and multi-family transformation, migration or the role of older people in society and the significance of local identity in an increasingly globalised society*
- *[P33] There is need for rethinking social security. In areas that are characterized by economic decline, population shrinking and impoverishment, the provision of appropriate social services will begin to replace what has been once the domain of the state.* This suggests the shift to a more coordinated mix of social service provision, involving the social dimensions of businesses, the targeted role of the state for the most disadvantaged and the direct and sensitive involvement of the "third sector" of the charity and active civil society. Here is where local communal wellbeing may begin to take hold.
- *[P34] Efforts should be intensified to consider how best to cope with an ageing and mobile population.* There is scope for reconsidering the role and purpose of the city region. This would be much more integrated with local procurement and sourcing, and would build on low carbon, sustainable patterns of building and refurbishing property, accessible mobility with less need for physical movement and scope for more food and energy production. *We propose that member councils give consideration to a series of stakeholder led visions of sustainable urban and rural regions, where social wellbeing is*

maximised, where resource, energy, carbon, water and waste flows are minimised and where ecosystem services are protected and appropriately valued.

Markets

36. Markets operate in a variety of ways. Much of the world relies on communal mechanisms of mutual exchange. There is also the established “social market” of many EU member states. These combine the public purposes of managing defence, social care, education, and health care with a range of market based measures. Here governments and the private sector combine to meet a wide mix of private and public goods and services. More recently, there has been an attempt to liberalise markets into more “free market” mechanisms with an emphasis on global corporate structures, competition and innovation and lower levels of formal regulation. In general, however, markets are becoming more and more a mix of large global corporate relationships, over which governments have varying degrees of control, and modern international and national regulatory management of private sector behaviour and responsibilities, couched in increasingly innovative methods of pricing and trading.

37. For the sustainable long-term, a much more integrated combination of state, market and social surveillance will be required. If technologies for the very long-term are to be encouraged, if infrastructure to support such technologies have to be prepared for and designed over long-term periods, and if innovation in management techniques and sustainability accounting procedures is to be embedded in private and public sector performance and final budgets, then a synergy between state regulatory guidance as well as civic responsibility and the modern private sector will be necessary.

38. This in turn means that mechanisms to such long-term outcomes, and incompletely forecastable risks, will require more of this triple sector incorporation (state guidance, regulatory steering and pricing reform) than is currently the case. This is because sustainable futures may need more “design” than first evolution, and more regulatory intervention supported by a responsible civic culture, than is heretofore the case.

Proposal:

- *[P14] Social justice, ecological resilience and the demonstrable wellbeing of future generations will require special attention in policy analysis and execution. Using market instruments (taxes, subsidies, quotas, permits, etc.) to preserve the effective functioning of natural resources and ecosystem services for a sustainable long-term should explicitly take into account the affordability of any price or permit/quota changes for the poor,*

marginal households. This is the essence of sustainable development itself.

39. These proposals continue the argument that markets need to be adjusted to social justice and to redistribution of entrepreneurial opportunity and appropriate training and skills. Hence there is a need for a mixture of public interest regulation and direct participation by the disadvantaged in the design of markets for the sustainable long-term.

40. Individual consumption and private, public sector procurement should actively promote sustainable sourcing of all goods and services, encourage new employment and build in life cycle perspectives into all investment criteria. All procurement should be justified by the ecological, social and economic resilience that the acts of production and consumption bestow. Currently, the lack of integration in all aspects of economic activity around the broad process of "consumption" is adding to environmental degradation and social injustice. This applies to international trade arrangements as well as internal EU activities.

    Proposal:

    - *[P15] Society should seek a consumption culture that guarantees that the sourcing and disposal of all products is sustainable. A combination of appropriate regulation, civic-state-private partnerships in sustainability standard setting, as well as unambiguous labelling, will be required. Getting prices to reflect their "true" cost is a challenge that is consistently ducked. Serious experiments to design appropriate ecological and social price adjustment are now unavoidable*.

41. The social entrepreneur should be championed. Social entrepreneurs are front runners and innovative social networkers who experiment beyond conventional approaches to markets, technology development, communication and investment. They specifically seek to combine civil improvement to the more impoverished and marginalised populations and economies.

    Proposal:

    - *[P16] Social entrepreneurs should be enabled to become the central pivot of a sustainably functioning mixed-sector market for the long-term. This will require facilities for favourable treatment as well as appropriate education and skills training. Front running entrepreneurs must not be penalised by the current falsehoods of price and regulatory incentives. There should be a mechanism of whistle blowing to correct for this.*

Education

42. Education for the sustainable long-term must rest on permanent training, appropriate skills

development, capability building and awareness training for all citizens, irrespective of income, ethnicity or ability. Education and media cooperation are essential, as well as access to the world-wide-web and its technological successors.

Proposal:

- *[P17] For the sustainable long-term, education will become increasingly reliant on what is now the "internet", but may be linked to phones, cameras and household appliances in the future. The need for multinational/national frameworks, but local diversity, must be protected and regulated through the localisation of web-based distant learning techniques.*

43. Education should link teachers, pupils, parents, governments and businesses in common learning. Coupled to the media, education needs to create a learning and responsible citizenry, with the skills and wisdom to foresee and manage a highly uncertain, but potentially guided, sustainable future.

Proposal:

- *[P18] Education needs to create and promote a caring and self-aware society for all future populations. This is a social justice matter, for it instructs rights and responsibilities for all. It is also a cultural diversity matter, as it should champion locally fashioned sustainable solutions.*

44. Education, both in the schools and in higher training and research, needs to develop better indicators of wellbeing, and media-supported monitoring of social and ecological progress. Education should also seek to emulate, and create, the actual experience of living and working sustainably, of how to recognise and promote social justice, and how to measure for the sustainable long-term. Education should also assist in the establishment of improving cultural norms for the sustainable long-term, in order to accommodate to changes in demography, social mix and economic opportunity. This should help newcomers and migrants to be treated with the same degree of fairness and respect as all citizens. Education should create diversity and a variety of living opportunities at the local level.

Proposals:

- *[P19] A process of EU backed educational norms, across all member states, should be put in place to enable every school in the EU to be an experimental laboratory in sustainable living and sustainable foresight. Schools should be the driving force that mobilise society through the entire educational community. Students should be involved in fieldwork designed to produce relevant knowledge and to devise and apply political solutions.*

- *[P20] Scientific training should be extended to create sustainability partnerships across public, private and civil sectors. There should be skills training for coping with the unfamiliar, the uncomfortable and the uncoordinated. The campus should be the innovative launch pad of sustainability technology and assessment skills.*
- *[P21] Education should be a shared experience between public, private and civil sectors, where the researcher and the research and those who implement research findings are companions in creative learning. This arrangement should help to create the exciting mix of state-private-civil elements in future markets for the sustainable long-term.*

Culture

45. The cultural and psychological make-up of individuals through social settings is based on a tendency to regard the planet as essentially limitless, with humans largely exempt from being restrained in their outlooks and actions from being guided by nature's restrictions. Cultures seem to offer themselves distinctiveness and identity, to compare each other in terms of status and habit, and to interpret risk in terms of what is manageable and affordable. Defining and maintaining cultural norms and values is the centrepiece in the European Cultural Convention, balanced by the recognition of local settings. Social and ecological activist movements are often at the forefront in getting respect for cultural heritage and diversity in advocating more sustainable ways of living. The shift to more sustainable lifestyles must also reflect local cultural diversity.

46. Yet promoting social wellbeing is not commonly found in many cultures. Affluence may be self-promoting but cannot guarantee happiness. Culture serves to maintain social identity, but does not, at present, serve to maintain survival for all humans on the planet. But the basis of such a moral interest is there to be built upon. Devices such as the proposed "cap and share" scheme advocated in Ireland may help to illuminate how cultural outlook and consumer behaviour could coincide with long-term sustainable outcomes. Such experiments in innovative marketing, pricing and regulation should be promoted elsewhere in Europe, as well as in other dimensions of sustainability.

47. Cultures require a sense of perspective. Understanding and appreciating history and heritage builds confidence in adapting to change. So maintaining a sense of empathy with locality is a vital component to working with a sustainable long-term. Similarly, cultures combine individualism with communalism. Sustaining behaviour in energy, water, waste, carbon and consumption generally is one way forward to encourage individuals to work together in their neighbourhoods and towns to establish "communities for sustainability". The recent

emergence of the “transition towns” movement in parts of Europe is an exciting expression of this trend. Cooperation inspires encouragement and confidence, and may help to establish a democracy that acts and votes for the sustainable long-term.

Proposals:

- *[P27] Enabling “communities of sustainability” to flourish should be a key component of new culture and regional diversity: It is vital that the cohesion and effective cooperation of local people and migrants become influential in shaping future societal norms. Thinking and acting locally adds a sense of identity and belonging. There should be a review of the character and balance between the strengthening of the EU based policy and investment procedures and the emerging scope for more political, financial autonomy at the local level. Such a balancing process should bear in mind the already differing sub national arrangements for political and economic autonomy.*
- *[P28] The notion and appreciation of wellbeing be extended to the positive contribution and understanding of social cohesion set within ecological functioning of the local environment and economy. By enabling all citizens to share the transition to low energy, low carbon, low water and low waste patterns of living and sharing, this begins a process of ensuring better social integration and cohesion. We invite member councils to explore the application of innovative market mechanisms, such as personal carbon trading (e.g. the Cap and Share Scheme), which may offer potential in the development of appropriate policy tools for significantly reducing green house gas emissions*.

Diversity

48. Diversity may be the vital ingredient of a future sustainable Europe. Diversity enables the memories of the past, the heritage and vibrancy of present day living and the hope for the future to be experienced at the places where people live, work and play. Diversity combines the resilience of maintaining local ecological services with the social bonding of fully functioning sustainable communities. Every locality carries its own distinctive ecology, history and economy. This suggests that in a future Europe there may be more emphasis on the diversity element of the overall phrase “unity in diversity”.

49. The European concept of sustainable development must retain the multinational framework of the Union (for all manner of policies, strategies and global representativeness). But such a framework can be immeasurably strengthened if the locality and the community are given much greater prominence and responsibility for conducting sustainable development. The suggestions that follow take nothing away from the need to strengthen EU institutions and overall guidance frameworks.

50. In a future sustainable Europe, locally and ecologically sensitive ways of displaying diversity may become the necessary precursor for sustainable living and cooperative practices, as well as for supportive learning. There is also scope for “twinning” European localities with sustainable commitments to “companion” developing country localities. Indeed, this practice may have to become essential if the globe is to avoid a future “threat footing”. One act of civic responsibility may be to work with societies who are disadvantaged by hazard and deprivation in their sustainable development pathways, so that they can continue on those pathways with dignity and justice. This should have been the case following the south Asian tsunami disaster.

51. Overcoming rural population and economic decline will require special sustainability measures. For such a possibility to be put into practice, there will have to be integration with the management of socio-ecological services around soil, water, flood management, fire management, local food production, recreation for leisure, health and spirituality and the promotion of local livelihoods. This can be achieved through various initiatives involving ecological services functioning, such as carbon sequestration, floodwater retention, biodiversity enhancement, local tourism and local food production linked to local brand names, local profiles for suppliers and a connection to the locality via heritage and the arts.

Proposals:

- *[P35] Diversity means socio-ecological functioning in combinations of citizens and their natural surroundings. This in turn means that variety identity and cooperation in culture and in governing all work better if the governing of locality is both ecologically diverse and ecologically respected. Designing cooperative governance for local autonomy within structures of companionable internationalism may mark the canvas for a sustainable long-term.*
- *[P36] Any EU governance review should consider the scope for enabling greater political and budgetary autonomy to be progressively devolved to the regional and local levels. This process might begin with a series of pilot schemes to test out the scope and practicality of managing government on the smaller scale, but with sustainable development as the critical focus.*
- *[P37] Case studies of socio-ecological bonding for prosperous and reliable livelihoods should be put in train following the review of the Common Agricultural Policy Review. A future Common Agricultural Policy should become a sustainable rural community policy, where agriculture feeds people, land is nurtured and rural economies flourish.*

Budget management

52. European finances are often called *a soft power*, because EU governance is primarily about regulation and coordinating national policies. The Europeanbudget is large in absolute terms (over €100 billion per year) yet small as a percentage of total EU public expenditure (less than 2.5%). In September 2007 the European Commission launched a broad consultation on EU finances and its future. This consultation forms the beginning of a full scale and wide ranging review covering all aspects of EU spending and resources. In this perspective it could be a challenge to refresh the EU budget debate and decision-making. The slogan 'Public value for public money' is frequently used as part of a change in view on public management where strategic goals ought to be translated into an output oriented budget. The incorporation of public and European–centered values in relation to a sustainable EU financing system, based on the objectives of the EU Treaty and the EU Sustainable Development Strategy, would probably be a better foundation for an informed public debate than the present intergovernmental bickering about short-sighted budget returns ('juste retour').

53. On a national level, the central government of a member state has final responsibility for safeguarding national public interests. Private parties can have some responsibility in safeguarding such interests, but not the ultimate responsibility for upholding them. At the national level, the mechanisms for safeguarding public interests are grounded in the national constitution. But this is not the case at the EU level. For the justification of EU policy any spending, regulation, intervention or coordinating policy must pass the added value test. Subsidiarity and proportionality are the core criteria to determine any added value. Vital to the discussions about subsidiarity and proportionality is the question of which European public interests should be financed from the EU budget. Since the EU SDS is the overarching policy framework for all EU policies, one could argue that the EU budget should only be used for policies meant to promote sustainable development. Consequently, it would be advisable to request a "sustainability assessment" for all EU expenditures in order to avoid counteracting measures to be financed with EU funds, which is partly being done already via "special impact assessments". However, not all policies are screened in a coherent way in this respect, not least the Cohesion Policy and the CAP. As the chair of the EEAC WG Agriculture and Rural Development, Huib Silvis, stated in a letter to Commissioners Fischer Boel and Dimas, "The evaluation process by the European Commission is largely designed to determine whether policies are achieving their intended objectives rather than evaluating their ultimate outcomes. To be able to face the present challenges, we need more sophisticated ways to also monitor and evaluate all unintended environmental consequences of policy change, not only the intended ones. In the light of the present EU-budget review we

need to make sure that the money spent meets public expectations. To ensure this, we need not only monitoring and evaluation of outcomes, but also an engaged scientific and public debate at the EU and Member States-level."

Proposals

- *[P38]. Budget management should have strategic sustainability intelligence for a long way ahead*. Policy making should think through integrated patterns of delivery, possible innovations in technology and enterprise and recognise the power of community action, so as to give room for manoeuvre for local autonomy. Policy making institutions need to devise ways of working that are based on innovation, prediction and scenario development, rather than extensions of past practices and methods. Evaluative approaches should move away from the tight rigours of cost benefit analysis to more participatory exploration of wellbeing, civic responsibility and ecosystem protection in the layout of options. Any policy analysis should involve a group of informed and representative citizen networks and innovative approaches that explore scenarios and the scope for dramatic shifts in economic, social or environmental conditions as a sequence of approaches spilling out from any given set of proposed actions. This process should involve learning by exploration and should be prepared to undertake exceptional course correction when outcomes are perverse. This approach will also need to distinguish between outcomes that are a long way off (climate change) from outcomes which stem from immediate decisions (spatial layout of urban infrastructure). The key is to promote rigorous attention to sustainable development principles throughout.
- *[P39]*. *The EU-budget should change from a reactive to a proactive and strategic tool for the Union.* Until now the EU-budget has reflected the step-by-step enlargement and integration of states in the Union, and in this sense it has been a project of national interests solved by the intergovernmental constitution of the EU. The EU-budget has been a tool in this enlargement and integration process. In this respect, the budget allocation should be based on policy goals set in advance. Changes in budget allocations for changing policy objectives should be based on best available knowledge as well as an informed public debate.
- [P40] *The EU budget should reflect a vision based on a European Social, Economic and Ecological Model of resilience that can inspire cooperation in a global context based on EU's commitment to the Millennium Development Goals. Supporting ecosystem services and adaptation strategies based on these services for all levels of governance to sustain human well-being is central in these Millennium Development Goals. Europe need to take a lead in this: internally within Europe, externally in the global arena and sustaining Europe for future generations. Pressing issues, such as climate change, energy supply, food security and migration request a Europe that remains loyal to its publicly pronounced European values and plays a fair and responsible internal and external role.*

Putting proposals into practice: the role of EU and national institutions

54. *Safeguarding public interests starts at the local, regional and national levels where the consequences of governmental decisions and societal change come together*. At these levels it is possible to formulate shared and/or overlapping needs and wants in an open and inclusive public debate with citizens. Where these needs and wants cannot be met by the market, the society or local, regional or national government, the European Union has a role. This role goes beyond facilitating national interests. In general, as EEAC (2003) observed in its report on environmental governance, the actor or actors' arrangement which is able to pick up a challenge depends on the type of problem: urgent issues should be dealt with by governments with a classical (hierarchical) style of governing, complex and disputed issues require a network approach, and new or routine issues may be handled best through market mechanisms.

55. *Consumption and procurement, the inputs of a social economy at the public (and household) sector levels, should actively promote sustainable sourcing, ensuring new employment opportunities, and long-term life-cycle financing*. The failure to integrate this approach in all aspects of economic activity around the broad pattern of "consumption" is adding to environmental degradation and social injustice. This applies to international trade arrangements as well as internal EU actions. For this to be politically acceptable, society itself will require reliable signals of sustainability benefits when judging the value of the goods and services they select.

56. *The Gothenburg and Vilnius strategies of sustainable development education should be revisited in to facilitate sustaining Europe a long way ahead*. This would take into account the themes raised in this report around demography, justice, markets, social and political virtue, and new forms of culture-political alliances. The ultimate aim would be for an EU-wide approach to education for sustainable development that is shared across member states for adaptability, resilience, justice and capability building, yet which reflects the locality and cultural distinction of regions. This option is offered to all Member States through the linkage of the EU SDS and UN Economic Commission for Europe's Environment and Sustainable Development Strategy, a connection that still has to be effectively forged. Above all, the new education should be "beyond the classroom". Every learning institution should be linked by common experience of seeking to live, work, measure and approach sustainability.

57. To incorporate ecological, social and distributional justice into the complete fabric of EU policy making and implementation, EU governing institutions have a strategic and decisive role. *The entry training for all policy analysts in EU governing institutions should provide a capability for designing and managing policy and budget analysis for a sustainable long way ahead. Such training should be built into all shifts in job description, and should be promoted by management and political leaders*.

58. *Policy formulation must be informed by a strong debate, at national and EU level, on values and identity building in an increasingly globalised consumer society.* Promoting sustainability as part of the cultural and historical experience of European societies could provide a vision for strengthening social cohesion, advancing environmental integration, and global interconnectedness.

59. All future EU budget making ought to be built along lines that take into account these visions and which enable social and economic change to be directed towards long-term sustainable development. To this end, we suggest that the EU institutions take responsibility for how this process might be conducted, as part of the present review of the budget process for the period beyond 2013.

Proposals:

- *[P41] There should be an EU wide assessment of fresh approaches to evaluating the effects on sustainable outcomes of reversing the decline of natural resources, the loss of ecological resilience, and the weakening of wellbeing and social justice. These new "sustainability accounts" should be EU wide in the first instance, but "translated" to national and regional levels through the kinds of policy learning that become part of the new education and diversity.*
- *[P42] All investment decisions by European Union institutions should be based on full cost, long-term, sustainability accounting*. *To achieve this, the European Union institutions should embark on a series of workshops and trial reporting arrangements to roll out comprehensive and effective sustainability reporting.*
- *[P43] Such an exercise should promote the introduction of integrated sustainability assessment to the current practices of special impact assessment, currently undertaken by the Commission DGs and policy groups*. *Integrated sustainability assessments should be trialled by all key policy arenas – natural resources, biodiversity, climate change, pollution limitation, public health, urban-rural resilience, consumption and production, and the comprehensiveness of wellbeing and virtue in all aspects of commercial, civic and political life.*

- *[P44] Such assessments should form the basis for future policy analysis, and the framework for the design of long-term market and regulatory arrangements to establish the sustainable long-term*.

60. *The EU-budget process needs to reflect values of its citizens.* In the long run the EU needs a budget and a budget process that is focussed on European shared values and strategic goals, where the broadest shoulders carry the heaviest burden. This counts for the expenditure, as well as for the revenue side.

Proposals:

- *[P45] With respect to the expenditure side, compulsory sustainable impact assessments should be introduced for all EU expenditures. The headings of the financial framework should reflect reality and not be misleading. Safeguarding European public goods such as nature/ecosystems and their services should be sufficiently taken into account in the EU budget.*
- *[P46] With respect to the revenue side, two options may be considered. Firstly, there is a case to introduce an EU tax as additional revenue: or secondly, to switch, gradually, to a genuine EU resource accounting system.* An EU energy, kerosene or CO2 tax would have the advantage to translate the 'polluters pay principle' into real policy having both a revenue generating and a policy effect that serves the long-term public interest. An own resources based system on taxes that reflect European shared values and strategic goals, and that serves as a stabilising factor of financial markets, as in the case of a Tobin tax, and supports adaptation to change, would probably be preferable to the present situation in which the revenues are part of the national budgets of the states, and as such up to annual discussion in the national parliaments. Further, national budgets are gross national income based. Gross national income is a pure economic measure that does not meet the expectations from a sustainable development perspective.
- *[P47] Build on existing research and policy proposals that fundamentally replace, or add to, gross national income in order to establish a budget mechanism that shifts progress towards sustainable development rather than economic growth alone by 2013 to serve for the next financial framework*
- *[P48] Regarding the whole of the EU finances system, transparency has to be an overall guiding principle, making all EU subsidies and expenditures traceable for European citizens.* The Commission transparency initiative to reveal farms and agri-businesses benefiting from Common Agricultural Policy subsidies is an excellent example in this respect and should be the status quo in all member states.

61. We invite the Commission, Parliament and Council of Ministers to consider the appropriateness of the present governing institutions of the EU to accommodate to sustaining

Europe for a very long way ahead. Part of this review should be an analysis of how to fill the present democratic and information deficit between the EU and members states, and between EU and citizens. This review might also include:

- *[P49] A request to the European Parliament to establish a combined Parliamentary Committee backed by a powerful, participatory policy unit, linked by the web to a representative cross-section for EU citizens, and designed specifically to guide a long-term sustainable future. This process should also inform budget making and the metrics of budget justification.*
- *[P50] Invite the European Commission to invest in creative policy "think tanks" to devise measures for promoting a low carbon sustainable economy, with long life natural resource use and throughput, full-life accounting, and mechanisms for promoting innovative sustaining technology, enterprise and social behaviour. National sustainable development councils could propose experts for such think tanks.*
- *[P51] Also to invite the Commission to endow the current coordinating policy unit in the EC Secretariat-General with the power and authority to enable the DGs to coordinate, share budgets, devise sustainability inputting mechanisms, and show effective integrated sustainability appraisal for all policy making.*

Possible Staging

62. The formal EEAC Statement contains a series of numbered proposals for specific attention and action. What follows is a summarised list of possible focal events or activities to be conducted over three phases: 1 – 5 years; 5 – 25 years; and 25 – 50 years. It is vital that each time phase creates processes and outcomes, which keep all future decision pathways open. The numbers refer to proposals offered in this Background Paper. The staging is subject to interpretation. The Working Group believes that the proposals that follow need to involve creative and purposeful discussion, leading to new policy thinking and procedures along the lines suggested in the section above. The suggested workshops and conferences are purposefully offered to ensure that the necessary change in institutional working takes place in the five years that should experience the most profound early shifts in institutional culture and ways of working across Europe.

1 – 5 Years

- The EU Commission is invited to institute a s**eries of visionary exercises**, to be conducted at the EU level, and at national and sub-national levels, with the support of member councils of the EEAC. These visions should look into the issues of managing within nature's limits,

creating a fair and just and resilient society, generating sustainable livelihoods, designing resilient and appropriate technology, and laying out space for prolonged sustainability with the emphasis on rural viability, city regions and effective community mobilisation. [P1, P2, P3]

- The EU and member states should seek an institutional agreement on how **to overcome the present democratic and information deficit** between the EU and its member states, and between the EU and its citizens. This process should creatively involve the media, schools and universities, civic organisations and think tanks, and should actively look for pilot schemes to link better citizen preferences for long-term sustainability and the delivery of appropriate policies by EU governing institutions. The visionary exercise outlined above should be of value in this exercise. [P4, P5, P6, P7]
- We invite the European Commission to make use of the best research and most visionary thinking to seek **better measures for sustainable wellbeing**. This should help to shape the future EU policy making and budget processes, as well as member state comprehensive spending reviews. [P9, P10, P11, P12]
- The European Commission is asked to establish a process to improve the framing of **comprehensive accounting for sustainability**. This should run in tandem with the wellbeing measure evaluation, and should explicitly involve national accounting institutions. [P14]
- The European Commission and member states are encouraged to instigate **informed public debates** to assess how the EU policy and budget processes can better reflect the changing values, interests and concerns of its citizens. This would involve investigation of the scope for the EU taxation regime and associated regulations to promote more sustainability directed investments, and to penalise opportunistic speculation. It would also encompass more sensitive and comprehensive regulatory procedures, as well as the introduction of innovative resource based accounting arrangements to reflect the enhancement of ecological systems and natural resources. It is vital that any new tax and levy arrangements explicitly combine ecological, social and economic parameters, and not be confined to segmentations of these three historically separated strands of analysis. [P39, P40, P41]
- The European Commission and member states are invited to convene a series of rotating EU-wide workshops to analyse the scope for **a new governance and democracy for the sustainable long-term**. These would cover the link between short term electoral pressures, the need for an effective long-term view, where the benefits of future generations are not only a feature of a comprehensive social justice, but are also the basis for establishing a sense of civic responsibility in all learners and citizens.
- We invite the European Commission to convene a series of workshops to assess the scope for establishing **the appropriate mix of incentives and penalties to move the EU**

economy towards sustainable energy, high degrees of energy use efficiency, carbon neutrality and water stewardship, built into consumption patterns and responsible citizenship education so as to reduce and recycle all waste. This effort should involve the finance ministers of the member states and the national tax and accreditation teams. [P42, P43, P44, P45, P46, P47, P48]

- We reiterate the recommendation of the EU Sustainable Development Strategy that **all member states should establish sustainable development advisory bodies** with sufficient resources and representation, in order to stimulate informed debate, increase the involvement of civil society in sustainable development matters, and encourage better linking of different policies and policy levels. This would also strengthen pan-European exchange and coordination in the EEAC network.
- We suggest that all EU governing institutions, business interests and civil leaders initiate a sequential and organised analytical process to manage and **build managerial and decision making capacity** for designing and implementing the sustainable long-term. [P49, P50, P51]
- **Schools should be prepared as living laboratories for effective sustainability**. This should begin with a series of specialist studies and workshops around best practice, followed by pilot supported by the media and the web. These experimental schools should open their doors to the learning by others that they can offer. The whole process should consider the effects, over time, on pupils' outlooks and behaviour patterns.
- **Establish training programmes** to enable decision makers in all strands of society, public, private and civic, to build capacity to handle complexity, to pay attention to social justice and the long-term implications of decision outcomes, and to be familiar with accounting procedures which recognise and incorporate social and ecological resilience in assessments of possible policies and subsequent actions. There should be skills training for coping with the unfamiliar, the uncomfortable and the uncoordinated.
- EEAC member councils will explore how best to promote and extend the recommendations and proposals contained in this Background Paper. This response might be fashioned through a series of connected workshops, combining the parallel actions of other EU governing institutions, to build a common framework for action.

5 – 25 Years

- Following the vision development and informed public debates, a series of policy initiatives should be put in train to ensure that the findings of wellbeing, sustainability accounting and resource efficiency/stewardship initiatives all lead to a policy assessment of sustainable rural futures and sustainable city regions. This will be a major exercise in the analysis of

governance and financing at the regional level.

- Creating a sustainability outlook coupled to a sense of community identity for all EU citizens, with sensitive involvement by immigrants, so that all EU citizens adopt sustainability values and behaviour by 2035. This process needs to be introduced by well monitored pilot schemes, and should particularly involve young people.
- Improving existing governance models, institutional arrangements and technologies, to meet the objective of participatory, accountable, inclusive and decentralised forms of government, wherever possible and appropriate, to build on emerging forms, and to make use of central standards and rules, where necessary. New approaches to sustainability governance should be capable of generating appropriate responses and guidance for a changing society that is progressively moving towards sustainability for a long way ahead. This process would explicitly involve the media, schools and community organisations.
- Putting into place an EU-wide social justice framework for all policies programmes and actions that promote the sustainable long-term. This will build on the existing body of European law, and should help to establish a more comprehensive legal framework for ensuring that all EU and member state and sub-national policies are “proofed” for social justice and sustainable development.
- Strengthening the international role played by the EU to ensure that the EU becomes a major global player in the promotion of sustainable development for a very long way ahead. This would require a deep assessment of all existing policies, programmes and measures, to be sure that all aspects of EU external relations are geared to promoting long-term sustainability in all features of policy and budget making.

25 – 50 Years

- We invite all European governance institutions to monitor and promote a process that generates the inspiration and excitement of living and working sustainably for all of European Union citizens. Diversity in economy and culture and in more autonomous governing, within a suitably robust framework for a functioning multilateral and national state, and with stable and responsible governance, is a prerequisite for satisfying prosperity, the advance of social wellbeing, the effective pursuit of intergenerational solidarity, and the maintenance of ecological resilience all over the world. Every citizen is an elector, a sustainable convenor, a communal supporter, an effective sustainability activist, and a companion in the successful move to global sustainability.