

Opportunities for ESDN:

A think piece on the political space for EU sustainable development

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10 December 2013

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Table of Contents

Introduction	3
1. Recent Relevant Trends	3
1.1 Trends in political priorities: Economic crisis fuels EU scepticism	3
1.2 Trends within Environment Policy	5
2 Implications for Sustainable Development goals	6
3 Potential future synergies between policy areas	7
3.1 Well-being	7
3.2 Insecurity and resilience	8
3.3 Health and environment	8
3.4 Reconsidering the economy	9
3.5 Identifying sources of additional reductions in unemployment	9
3.6 International environmental improvements through value chains	10
3.7 Decentralisation and support of bottom-up initiatives	11
3.8 A stronger case for a stronger role for government	11
3.9 Democracy	12
3.10 Finding synergies	12
4 New Visions	12
4.1 Why form a new vision?	12
4.2 Building a vision	13
4.2.1 Visions for the EU	13
4.2.2 Visions for environment policy	14
5 Hindrances to progress	14
6 Ways to make progress through information exchange	15
6.1 Convening the actors to stimulate change	15
6.2 Choosing a new frame for discussions	16
6.2.1 Promoting long-term interests	16
6.2.2 Well-being	17
6.3 New ways to present information	17
7 Potential outcomes	19
7.1 Triggering changes in existing institutions and mindsets	19
7.2 Coalition building across policy divides	20
7.3 Shaping Policy Interventions	20
7.3.1 EU Policy Proposals	20
7.3.2 Open Method of Co-ordination and other voluntary co-ordination	21
7.3.3 The European Semester	21
7.3.4 EU Budget Expenditure	21
8 The potential use of the skills of ESDN	22

Executive Summary

The political environment and policy landscape is constantly changing. This has several consequences for the achievement of sustainable development goals. Some of these are negative, whilst others offer opportunities.

Currently in the EU, political attention is focussed on economic affairs and social issues of insecurity and inequality which have been emphasised by the economic crisis and government responses. Levels of dissatisfaction with incumbent governments are often high, prompting increased populist and short-term political positions. Within the European Commission, the calls of economic interests tend to over-ride environmental priorities.

Yet the need for integration of policies to improved well-being for these and future generations is more pressing than ever before. The policies which could deliver positive change appear well-known to the policy experts in the relevant policy fields. Many of these policy changes involve adjustment of the policies which shape the structure of the EU economy - those in the areas of taxation, industrial policy, innovation and employment. The primary problem is generating political support for change.

This paper attempts to stimulate discussion around what is needed for progress. The main challenge for the sustainable development community is around how to form the political coalitions that favour the adoption of pro-environmental changes to policy in difficult political times. That challenge appears feasible.

There is scope for the creation of inspiring visions of a future sustainable EU if we look far enough beyond today's unsustainable norms.

Environmental aspects of sustainable development can be coupled with areas of current and future political attention. Finding synergies between agendas could develop coalitions and political engagement to bring about positive change. These potential synergies lie in three areas: issues of high personal interest - well-being, insecurity and health; ways to support economic goals; and around the changing role of governments.

There is an opportunity for any organisation which could bring together policy actors in ways which trigger coalition building. It could do that by framing policy-related discussions around long-term interests, or the conditions needed for well-being. The exchange of information between the right people could create support and remove resistance to policies. It may also inspire the political courage the EU sustainability agenda needs.

The ESDN has a unique position, able to bring together national SD and EU environment co-ordinators outside the scope of the Commission's agenda. This gives it experience of the challenges of policy integration, and oversight of EU policy programming and impacts. It could build on that expertise.

In the past, ESDN has occasionally been to bring together decision makers from different policy areas, to discuss crosscutting issues. The ESDN could constitute a forum and a convener which facilitates significant progress on sustainable development.

Introduction

This paper has been drafted to provide the EU Sustainable Development Network with a springboard for discussion of the ways it can take forward the goals of sustainable development. The note aims to stimulate, rather than argue for particular answers.¹

I. Recent Relevant Trends

In the ever changing world, certain trends are particularly significant for ESDN's goals. This section looks at the trends in political priorities within Europe, with particular attention on the political context for EU environment policy.

I.1 Trends in political priorities: Economic crisis fuels EU scepticism

The continuing effects of the economic crisis that began in 2007 dominate political debate across the EU. Attention mainly focuses on the perceived problems of business and on social issues raised, like unemployment and lower living standards.

The increase in public debt has often encouraged political responses which cut public support, and seek to reduce employment protection and environmental standards where possible - in the name of a form of global competitiveness which bases success on short-term material consumption.

For many, this situation has concentrated their political attention on issues of personal well-being and social justice: unemployment, inequality, insecurity, the strength of community relations, personal health, and people's capability to cope with a changing society.

Figure 1 below gives illustrates that inequality has risen significantly in many EU countries, graphically comparing a measure of inequality between 1985 and 2008, drawing on OECD analysis.

¹ The note summarises two facilitated discussions within Ecologic Institute's senior fellows, four interviews with external EU experts on sustainable development and key messages from recent thinkpieces on the future of EU environment policy.

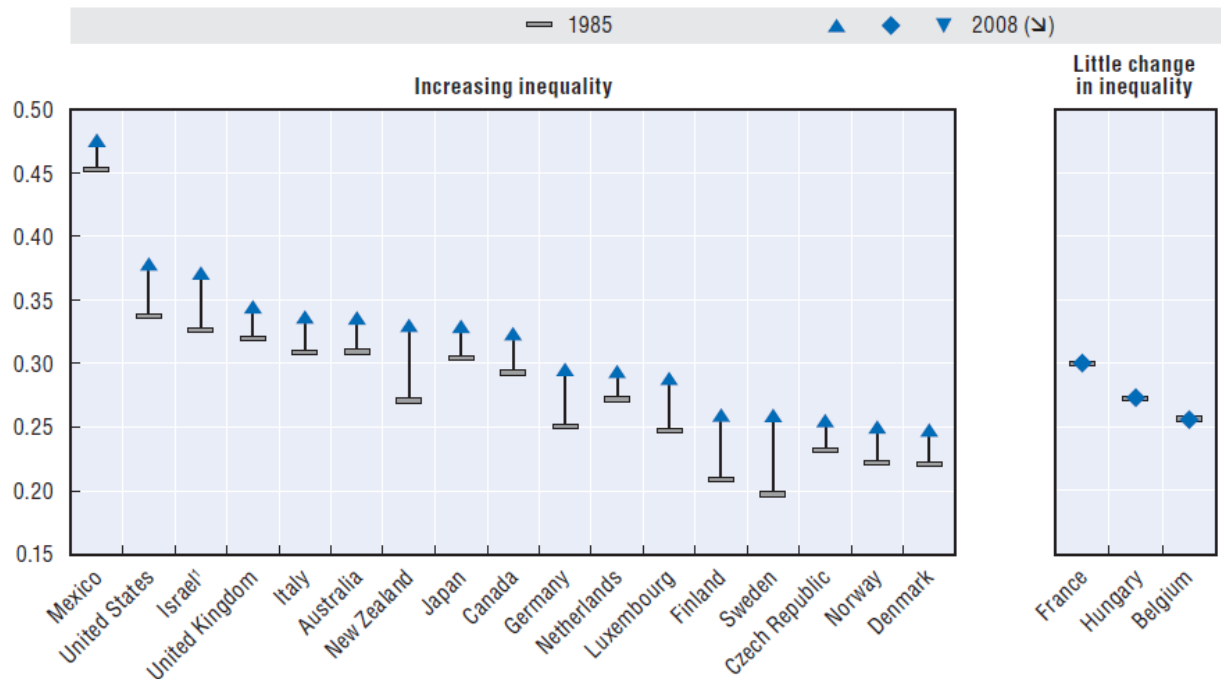


Figure 1: Changes in Inequality between 1985-2008, Source (OECD 2011, An Overview of Growing Income Inequalities).

The left hand axis metric is the Gini coefficient, a measure of inequality. The grey bars indicate a country's level of inequality in 1985, the triangles the level of inequality in 2008, and the length of the line between illustrates the extent of the change. For all the countries in the main graph, inequality increased.

There has been greater questioning of the economic model in political and academic debate, but also entrenchment of previous mindsets, as the calls of existing industrial players for more favourable conditions have been given greater weight. Goals of 'reindustrialisation of the EU' have been set, based on old notions of appropriate economic structures. Austerity policies represent a further move away from the idea of the state as an active guide of the economy.

Economic troubles - and a perception of the EU as a cause - have contributed to a rise in popularity of nationalistic parties - with knock on effects in many countries on the popularity of EU action. Disenchantment with governing parties prompts more short-termism, and demagoguery in politics.

Meanwhile, the Eurozone countries are moving forward slowly and uncertainty with a far deeper integration of economic policy, which would bring stark implications for political decision making over many areas of the policies of Eurozone members relevant to sustainable development goals.

Economic problems have raised political awareness of some longer-term trends in EU economies:

- A relative increase in the concentration of power and assets in global international companies relative to national governments
- Increased short-termism in finance, with corresponding pressures for short-termism in business and politics.

- Decreasing average annual GDP growth in the EU-15. A shift of economic interest and investment to higher growth BRICS countries.

1.2 Trends within Environment Policy

Although sustainable development remains a fundamental goal of the EU under the European Treaty, the last 5 years have seen a reduction in political support and priority for environmental policy, both at Commission level and in many Member States. The Barroso 2 Commission can be seen as the least environmental in living memory.

There has been a resurgence of the distorted view that environmental policy holds back economies by imposing costs. The results have been seen across policies: in discussions on the 2030 climate and energy package, the CO₂ and Cars Regulation, and the further postponement of a proposal for a Soils Directive.

Inside the European Commission, there has been a shelving of integration goals, including halting of processes around the EU Sustainable Development Strategy. Attempts at integration of pro-environment actions into wider agendas have either been based on specific agendas (e.g. in CAP), or through the Resource Efficiency agenda - as in the Europe 2020 Strategy. The high-level narrative of Resource Efficiency has not yet translated into clear policy action and may remain difficult to take further.

The EU's environmental agenda has been clearly set out in the 7th Environment Action Programme, recently adopted by Council and Parliament. Its priorities show that there has been no great change in trends in the areas where action is needed to reach the environmental goals of sustainable development. Yet, the 7th EAP is a weak process, with no direct links to the EU 2020 Strategy which is now the focal point of EU policy discussions.

Although there are several ongoing environmental policy processes, the Commission's Secretariat General has postponed several new environment initiatives. Future advances in the key areas of environment policy already covered by Directives may be limited by a fear of opening up the Directives to revision. In the currently climate, this could lead to the watering down of their current ambition levels and provisions by a broadly anti-environment Council and European Parliament.

Internationally, Green Economy concepts carry forward attempts at integration, but have limited impact to date. The shelf-life of some of these concepts in international debate appears relatively short. The discussions at the UN Rio+20 conference left most observers unimpressed, whilst most other relevant initiatives - for example the G20 and IEA's work on harmful fossil-fuel subsidies are not producing great amounts of movement.

Considering the anti-European feeling growing in most countries, and a future likely increase of anti-European representation in the European Parliament, some believe that there is a reasonable chance that Member States will try to reclaim sovereignty over some areas of policy in the near future. These calls may be strongest in countries reacting against increasing economic integration within the Eurozone. Although environment policy is the area where citizens rate the EU most highly; as environmental policy is now commonly seen as hostile to growth in political circles, it could be partly repatriated in those future discussions.

Yet, European environment policy represents 40 years of success in tackling environmental problems. It has been particularly successful in mitigating visible local issues. A framework of targets is already in place to take the EU towards a sustainable economy, with existing

targets set for dates between 2020 and 2050 for: climate; biodiversity; water; marine waters; air quality; chemicals; waste (with revision likely in 2014); resource efficiency and international land use. In the period 2014-2020, 20% of the EU budget is to be spent to be in line with climate and environment goals.

2 Implications for Sustainable Development goals

The goals of sustainable development are as pertinent and desirable as they ever were. The continuous improvement of quality of life and well-being for these and future generations, social equality and a move away from unsustainable consumption and production are all attractive and needed. In fact, the trends of the last decade have rather made these goals even more compelling, and the need for integration of policy to achieve the goals remains fundamental. In the environment area, global environmental pressures are increasing and the state of the environment is broadly degrading. Inside the EU there are several areas - including air quality, nitrates, soil degradation, habitat loss and invasive alien species where trends are not in line with goals².

The policy content of sustainable development and environment strategies of recent years has remained broadly similar. This gives an indication that the primary challenge for sustainable development goals does not come from a lack of insight into the policies which would achieve the goals³. At working level, the knowledge and appreciation of the issues is well-developed. The 7th EAP points to a wide range of policies which could together achieve the task.

The problem is primarily one of politics and resistance to change by powerful counter-interests. Creation of strategies which inspire political leadership and gain adequate political support is now proving difficult. This partly reflects a change in the nature of policy interventions needed to protect the environment. For the future, much of the agenda, and to an ever greater degree, progress has to come from changing aspects of the economic structures in areas lacking sufficiently strong pro-environment support. This presents different challenges to the successes in earlier years of EU environment policy.

For many people, the complex and diffuse causes of incremental environmental problems, like climate change impacts, combine with natural temptations to reject bad news and lead to a lack of empowerment. There are few people for whom environmental improvement is now one of their primary motivations. This adds to the currently weaker political salience of environment as a political issue.

² All of these are well described in: EEA's State of Environment Report (2010), the UN 5th Global Environmental Outlook (2012) and the IPCC 6th Assessment report (2013)

³ The Institute for European Environment Policy's 'Running out of time? Stepping up action for Europe's environment' is a good example of analysis on which policies are needed. It contains very few surprises.

The challenge for sustainable development is how to move ahead in this kind of political environment. New coalitions will be needed to make progress on sustainable development goals.

This suggests that the ways to achieve goals will link pro-environmental actions with issues central to people's current concerns - like employment, stability/resilience, social justice - or growth.

In many of these areas, the policy solutions to current troubles either unclear or blocked by political resistance. Well-argued suggestions on how actions (with co-incidental pro-environment impacts) can tackle existing problems and win additional political support for solutions are likely to be well received. There is also more appetite for new ideas on climate and environment policy amongst environment policy makers, who are increasingly frustrated by problems of political support.

This has created a fertile ground for new approaches. For example, the new Executive Director of the European Environment Agency, Hans Bruyninckx, has described an agenda for a 'Great Transition', a concept gaining in popularity despite its breadth of meaning. Such approaches tend to step back from past activities to take the board strategic, long-term, 2050 perspectives, in a similar way to sustainable development strategies. However, they can also look at the best sequencing of policies to achieve future goals, and where the interplay between economy and environment can find ways forward.

3 Potential future synergies between policy areas

The shifting political and economic climate is not only negative. It also creates many areas of where aspects of sustainable development goals can resonate with the greater political interest, and progress can be made. These are areas around which future political will could be gathered to take forward sustainability. They represent the locks which can open doors to economic systems change, if the right keys can be found. This section describes some of them. Some can be found in:

- areas close to people's personal interests: well-being, insecurity and health.
- synergies in delivering economic success, employment and secure supply chains.
- changes in political trends: with links between potential decentralisation and the growth of bottom up action, a potential more interventionist role for governments in the economy, and with strengthening democracy.

3.1 Well-being

People in the EU are beginning to believe that they will not be richer in 10 years. Some are giving up expectations of ever-growing incomes or of attaining the levels of material wealth which their parents enjoyed. Generations under 40 have often grown up with historically high levels of material wealth, and may possibly be less focussed on striving for it. Optimistically viewed, these trends seem to be boosting interest in wide definitions of societal and personal success - like well-being - that go beyond material wealth.

It may be that there is already sufficient scope to redefine the basis of competition between countries, where comparable metrics of 'the good life' can be defined, and used alongside GDP. This could contribute to a sense of identity of the EU as a global leader in quality of life - the most desirable region in the world as a place to live. The consequence of this groundswell could be greater political will to enact the set of policies which deliver well-being in all its facets, and a rebalancing of political forces towards this agenda away from short-term economic growth.

3.2 Insecurity and resilience

High well-being is closely correlated with high security - yet the EU seems to move towards a world of ever greater economic insecurity. In turn, insecurity brings consequential fears, hoarding and grasping of resources, and reduces interests in innovation, community, co-operation and long-term decision making. Insecurity is greatest for those in lower-income deciles.

Recent volatility in commodity and energy markets, and swings in economic fortune have also reignited interest in building a resilient EU economy - a goal of reducing economy-wide insecurity.

There are opportunities for integrated policies which tackle insecurity and bring resilience together with environmental benefits. The link between social inequality and environment can be made through a societal resilience agenda, guarding against negative external change - as this is likely to involve reduced dependency on resource consumption, it could bring significant environmental benefits.

Thinking longer-term, if greater resource productivity allows lower income groups to meet their needs with reduced material consumption, material insecurity can be reduced. If security of relationships and status were able to come from other metrics than material wealth, through changed societal perceptions of the good life, insecurity as a whole could be reduced coupled with decreasing material use.

3.3 Health and environment

Personal health issues will remain important to citizens, whilst the burden of financing public health care will weigh ever more heavily on governments' minds. The benefits of improvements to air quality, and perhaps noise pollution and toxic exposure will continue to provide synergies and political opportunity.

In future, the huge availability of monitoring data for environmental quality due to the use of smart phones as forms of monitoring offers potential to revolutionise aspects of political campaigning and activism around these issues. For example an add-on for iphones is already available which can measure local air pollution. IT to manage and present that data in real time offers ways to build political salience, particularly given links between environmentally caused health issues and distributive and social justice issues which remain important politically.

3.4 Reconsidering the economy

The economic crisis and continuing troubles across the EU have increased the likelihood of bringing about changes to the economic system, at least where options can be suggested which meet existing goals and avoid some of the pitfalls of the past.

Although resistance to change remains, there is a greater appreciation than before the crisis that new solutions to some of the economic and social problems would help. Limitations on public financial resources have also created a window of opportunity for suggestions of alternative ways of meeting economic goals.

Some of these opportunities are focussed about the longer-term interests of society: promoting investment which stimulates innovation, bringing lasting productivity gains, or protecting wealth. There is an appreciation in many circles that creating innovation is a better strategy than growth driven by expanding money-supply or asset-price inflation.

There are synergies with sustainability in the adjustment of economic structures. For example, changing financial systems and the form of company structure to provide greater incentives for long-term decision making would open up opportunities to invest in resource efficiency and also to take greater account of externalities (which tend to have long-term effects).

Further synergies come from promoting a long-term industrial policy that prioritises transition to the industries of the future. Industries built around greater energy and resource efficiency, environmental protection and low-carbon transport and energy supply will be high-growth future markets, so taking a long-term perspective involves creating conditions which favour growth in these sectors.

Progress in integration could come from finding the concrete ways to make economic and social win-wins out of the issues of fuel security and balance of trade. This includes greater efficiency in EU resource use, which could lead to reductions in environmental harm inside and outside the EU.

If the planned increase in economic and fiscal policy integration in the Eurozone takes place, it could open up wider opportunities at EU level to influence the economic conditions which promote long-term stability and employment. This may enable changes on taxation, subsidies, industrial policy and employment which favour sustainable industries of the future and the environment.

3.5 Identifying sources of additional reductions in unemployment

Although growth is seen as crucial for the reduction of unemployment resulting from the disruption of the crisis, it is also possible to reduce unemployment through additional means. These means can bring environmental and social benefits - for example through investment in energy efficiency retrofits in buildings.

Where the combined social, environmental and long- and short-term economic benefits of this kind of measure can be described together, the measures are more likely to win political support.

Success around this kind of agenda would also play an important role in showing that there are alternatives to unsustainable exponential material growth models of the economy - something that appears essential for sustainability. It could re-enforce some existing critiques

of the belief that growth and low unemployment are inseparable. For example, figure 2 investigates the relationship between growth (x-axis) and unemployment rates - and finds a very weak correlation.

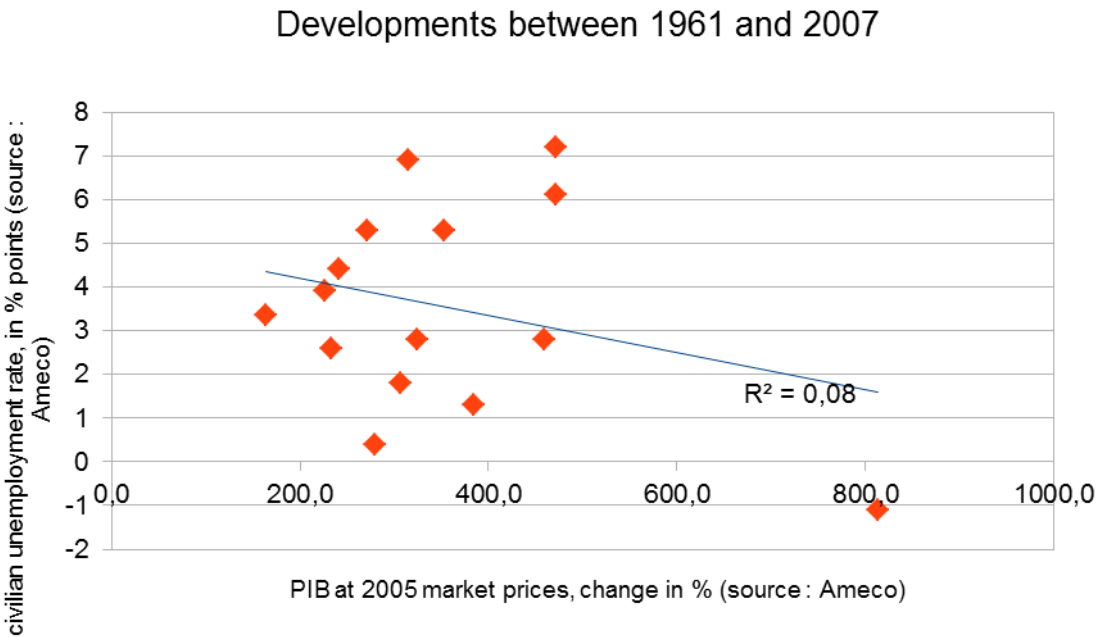


Figure 2: The link between unemployment and GDP, using data from the European Commission's DG ECFIN Ameco database. The x-axis shows growth in GDP between 1961 and 2007, whilst the vertical axes shows the civilian unemployment rate as a %. The best fit line shown on the graph has a correlation coefficient of 0,08 indicating that - over this longer period - there is no significant correlation between growth and unemployment rates.

3.6 International environmental improvements through value chains

Many of the most pressing environmental issues for the EU now relate to impacts occurring elsewhere in the world. The extent of the EU's influence here primarily comes from our consumption patterns, our technological exports or our diplomacy. However, resources within environment ministries have tended to maintain their focus on domestic issues or attempts at international environmental or trade agreements to mitigate international issues.

Relatively few resources have been devoted to working with businesses to improve the impact of their supply chains. Although losing relative diplomatic power, the EU still controls - just through its purchasing power alone - at least 25% of global markets, providing a route for influence. It is a route which offers synergies with the goals of businesses and consumers, and so would win their co-operation.

For example, new policies which find ways to assist businesses to work along their supply or value chains could realise environmental and resource efficiencies which reduce costs and supply insecurity for EU firms. Packages of interventions around social justice for foreign workers in EU supply chains could improve EU firms' market share in OECD markets.

From another perspective of social justice, notions of global trading of fairly allocated resource rights would provide moral and economic grounds for the development of technologies which would reduce resource take and environmental harm in production and consumption globally.

3.7 Decentralisation and support of bottom-up initiatives

Growing disenchantment with politics may lead to a depoliticized state, bringing more power to the local level, and setting up the government as a facilitator of local action. This could create hot-beds of diversity in local environmental and economic policy in which bottom up initiatives on sustainable development models could thrive, forming an EU wide web of sustainable economic models and practices.

There is already a continual bustle of great ideas, actions and innovation coming from citizens and entrepreneurs. These can provide the solutions which can upscale, if correctly nurtured.

There is often a gap between the most exciting ideas and projects on sustainable lifestyles and the creation of the policy conditions which could support those to multiply. In particular, there is a relative lack of action around the identification of policies which might have to be changed to unblock local-level progress. With greater decentralisation - or even without - one of the central goals of EU environment policy could be to complement the limitation of environmentally harmful actions with ever greater focus on the facilitation of more sustainable forms of economic development. Greater decentralisation around some aspects of the single market could be needed to create niche markets to thrive.

Alternatively, it may be more realistic to create an EU wide single niche market segment that would support these burgeoning sustainable lifestyles, social innovations or economic models. These changes could empower local communities to break out of wider systems lock-in, and stimulate the scale for aspects of the local to break into the mainstream.

If there is to be a potential roll-back of EU environment policy competence, environmental policy makers will need to be clear on which areas the EU should best keep: where EU action gives clear EU added value (e.g. waste, as it is traded, and previous lack of EU standards led to dumping in low-standard countries), or where there are particular environmental risks would occur if Member States are allowed their own standards (for example, if Member States were given free reins on agricultural spending).

3.8 A stronger case for a stronger role for government

One of the debates which fuels resistance to pro-environment policy change is the debate over the appropriate role of government in intervening in the economy. This has been mostly won in the EU by corporate and financial interests arguing against state intervention (except when it is to support their specific interests). Yet, after the economic crisis, and the costs of the bail-outs, the debate is more open.

Wider political agreement on the benefits of a role for the state in framing the market economy would provide a platform for interventions in favour of sustainable development. There are now sets of evidence about the different types of failures of markets, which warrant such a role of the state. However, this evidence does not appear to be collated and used to offer coherent visions for a strong role of the state and for its policy makers.

For instance, in addition to the failures of the financial system before, during and after the 2007 crash, there is ever stronger argumentation about the *lock-in* or *path dependency* of the socio-economic system to existing patterns. This evidence refutes the idea of the market as being the best allocator of resources and optimal channel for directing innovation. It clearly questions the market's ability to respond to external change in the best interests of society.

Some of the evidence comes from innovation system studies and studies of consumer - and business - behaviour: individual's decisions are very strongly influenced by the existing situation and there is a status quo bias.

Similarly, research highlights the influential role of marketing in changing people's desires and creating demand for unsustainable goods and social norms of consumption which push the further economy away from sustainability and lock-in society to the products and services offered by incumbent industries.

These forms of evidence give a whole new rationale to policies guiding the economy towards long-term goals. Cross-governmental discussion of this evidence and its implications for economic policy could unlock avenues for more sustainable policy. They could also point to new areas of policy.

3.9 Democracy

Progress on social and environmental issues may also be reliant on greater democratic engagement. This highlights the importance of well-functioning democracies for these agendas - suggesting that there are alliances to be made between those seeking institutional changes which protect or support new forms of democracy and those people seeking sustainable development.

Decreasing interest in political debate, and the rise of the right-wing parties across the EU, seems likely to create potential pro-democracy allies in existing political parties as well as civil society. There may be chances to bring about institutional change and the use of IT forums to support local, national and regional democracy.

There are synergies both ways between community environmental engagement and democracy - local actions on the environment can strengthen local democratic engagement by providing a focus of local groups' activities, particularly as the environment often defines individuals' concepts of locality.

3.10 Finding synergies

The 9 areas of synergies between policy agenda mentioned above can provide routes to take forward sustainable development. The usefulness of any of the areas of synergy will depend on the political environment in the EU in the coming years. As this changes, other potential areas of synergies may emerge, offering alternative opportunities. As ever, the synergies in political agendas in one Member State may not be able to be found in another.

4 New Visions

4.1 Why form a new vision?

All policy change needs a stimulus. This often comes out of negative perceptions or events which have a high political salience. Generating political force, ideas and action around topics which are out of the direct political spotlight will, in contrast, need a positive vision.

Creating a positive vision of the future can unlock creativity, energy and co-operation. A new vision offers encouragement for reform and transition. In a few words it can offer freedom from the mental frameworks which disempower many people. From a captivating vision, the appropriate policy steps are easier for diverse interest groups to agree.

There currently is no vision of 'how we want to live' in the EU, only a notion of quantitative growth, without a clear goal for that growth to achieve. We do not have even the shallow notion of 'The American Dream'. The current paradigms used by people on all sides of the sustainability debate to frame problems are not always helpful in finding the solutions. This leaves a space into which a positive vision could gain political traction, given a good process for its formation.

4.2 Building a vision

The call for Sustainable Development has lost the wide political appeal which it once held. A new vision aiming at the same goals could link emotionally appealing concepts, avoid technicalities, and gain influence. It is an opportunity to change perceptions and break from the paradigms which have led us into the present situation, by showing feasible, yet notably better, alternative realities.

For example, a vision can take our minds beyond the euro crisis, and imagine a world beyond 2030. It could be a world where work doesn't have to be the over-riding goal of people, and waste doesn't need to be thought of as waste, but as resources. Competition between nations doesn't have to be based on the excess of consumption, or their control of resources. "Living better rather than having more" can be a goal, together with "increasing choices for future generations".

There are very many possible visions. To help stimulate thought on these, the next two sections briefly sketches some ideas in two areas of visioning: the EU, and environment policy.

4.2.1 Visions for the EU

An exciting vision of the EU would be one which sees the world through a frame not bounded by our existing economic thinking, or notions of consumer culture. It could imagine the organisation of work in forms other than the current mainstream model of the corporation. A vision of the EU can aim at true prosperity, with reduction of insecurity and debt as the primary goals instead of GDP growth; one in which views of what counts as 'the industrial sector' have been replaced by more up-to-date notions of production of value through the mix of services and products and flexible local manufacturing (of the kind 3D printing may offer).

Different emphasis or framings can come forward in visions. For example, one vision could be: **The Future Proof EU**. This would be an EU built on an agenda around resilience, with low-debt, management of fundamental capital assets, and flexibility in economic structures. It would include environmental resilience. - e.g. in agricultural systems and their use of nitrates/ and phosphorous (where UNEP/UNECE have done good work).

4.2.2 Visions for environment policy

Opening thinking beyond the current state and paradigms of environment policy can provide new insights into how to achieve sustainable development goals.

It is possible to conceive of pro-environmental policy which goes beyond current reliance on high-level political will: one that is synergistic with bottom-up initiatives and crosses over sectoral, political and scientific silos. Such policy can go beyond single policy processes to achieve goals, and conceive of all interventions as parts of integrated, sequenced packages. International action need not be constrained by attention on the formation of the Rio+20 Sustainable Development Goals.

For example, in a vision of *The One Planet EU*, the EU can lead the rest of the world out of the global environmental crises - not necessarily by being perfect itself first, but by having perfect parts to it, which can be copied elsewhere (maybe even on a greater scale). The technological progress and deployment of photo-voltaic energy provides an example of how the EU can have global impact.

5 Hindrances to progress

Past experience suggests that there are several hindrances which would stand in the way of achieving a new vision. Identifying the most significant barriers is the first step to overcoming them. Many of the hindrances come out of the way in which information is generated and selected within organisations which have a role in the policy making process. Different issues apply to each policy situation - it is not that all of them have to be tackled simultaneously to make progress. The hindrances include:

- Structures of responsibility in policy making departments, which create not only silo-based approaches to policy, but also create rigidity in the allocation of responsibilities and resources. This rigidity can hold back resources going into new approaches to find solutions to changing challenges.
- Economic policy makers tend not to be exposed to the ideas from alternative, or changed economic models, nor accepting of the possibility and necessity to shape economies to fit within environmental limits. Similarly, there is a lack of knowledge amongst environmental policy makers about economic policy, its drivers and motivations - even though much of the future of policy to improve environmental conditions will be essentially economic in nature.
- Often, the inspirational examples of successful alternatives to current usual economic models do not reach the attention of policy makers, who in turn struggle to find clear alternatives to the current norms.
- There tends to be an under-resourcing or discouragement of policy-makers who cross-over policy areas, with a lack of political visibility for the work they do.
- Discussions of change in the economy often over-estimate the costs of transition, not taking into account that any form of growth is a process of transition with winners, losers and re-allocation of resources.

- Political positions taken by industry, and particularly industrial representative organisations represent a lowest-common denominator view, which protects potential losers from change, negates the views of the innovators with solutions to sustainability problems and allows only incremental progress.
- Similarly, short-term distributional concerns can block policies that would bring greater social benefits. Opportunities to mitigate the distributional concerns with longer-term transition concerns by combining them with short-term social policies are missed. Often this is due to the pursuit of overly narrowly defined agendas by particular policy makers. For example resistance to higher energy taxes due to their effect on low-income groups could be mitigated if the tax revenues were first used to insulate low-income homes: a link which would save the poor, the state - and the economy - much more money.

The types of barriers mentioned above are not generally technical. They are instead, related to organisational issues, to the flow of information or to the factors influencing how information is perceived and weighted when it is heard.

6 Ways to make progress through information exchange

If the primary blocks to progress on sustainable development goals are considered to be political, or arising out of existing institutional structures, progress could be unlocked by well-targeted information exchange.

Politics can be seen as the conveying of selected pieces of information, which become persuasive when they tie to the existing primary agendas of the recipients, and are delivered from a trusted or liked source.

There are good reasons to believe that new breakthroughs could be made in integration of policy if it was possible to: convene the right policy actors; around a topic which allowed synergies to be identified; and present them with information in ways which opened up new perspectives.

6.1 Convening the actors to stimulate change

The impact of any exchange of information will depend on who can be brought together. The ability of an organisation or network bring together the appropriate actors from different perspectives is a very powerful asset.

There are various combinations of policy stakeholders which could be created, perhaps on an ad hoc, specific issue basis, to find synergies around aspects of sustainable development. These could be:

- Higher level governmental actors responsible for the policies where synergies or improved trade-offs might be found: e.g. a meeting of Environment and other Ministries from EU Member States. By providing both sides with carefully selected and framed information suggesting routes which might lead to mutually more

satisfying positions, this could act as a forum for inter- and intra-governmental coalition building around potential EU sustainable development interventions.

- A mix of stakeholders from outside government with cross-departmental policy makers. These could be the leaders in sustainable business. Such a format could stimulate new forms of co-operative environmental and social policy that helps business improve the sustainability of their operations and market offer - to set standards, e.g. for reporting and value chains: assisting with co-ordination, credibility and regulatory change where needed.
- Individuals or small groups who are making great strides in small-scale sustainable development projects. These could be brought together with the policy makers who influence the national conditions for sustainable development. The dissemination of impressive examples of bottom-up innovative initiatives, with insights on how they could be scaled up, could fill a gap which exists between bottom up initiatives and central government policy makers. This is a time when positive examples - for the economy, society and environment are needed, can be inspirational and can have influence. There are precedents for this kind of exchange within Member States - for example the German 'Council for Sustainable Development'. These exchanges could be convened for specific sets of policy makers. For instance, one exchange could aim only at inspiring environment policy makers looking for new ways forward.

In general, the mix of actors brought together could depend on the outcomes sought from the process of information exchange.

6.2 Choosing a new frame for discussions

Policy discussions around sustainable development issues are attempting to achieve what has not yet been possible to achieve. This suggests that they will need a new frame if they are to make additional progress. They would need a frame which resonated sufficiently to the primary goals of all the participants in the discussion. The right over-arching goal can help turn short-term interests into long-term strategists seeking the best set of short-term steps to the future. Out of various possibilities, two seem particularly helpful:

6.2.1 Promoting long-term interests

In current political structures, there is a gap for people taking a long-term attitude, particularly around economic and social policy, despite an appreciation of the economic, social and environmental benefits of thinking long-term. Starting from the long-term benefits - the 2030 or 2050 economic goals, it is possible to backcast persuasively to short-term policy implications.

This can provide a basis for finding the policies which steer and support policy aiming faster transition to a sustainable economy, and to examine evidence on the drivers of change, and how policy affects them.

It could also help build coalitions of interests to reject the worst short-term policies which would take society further from sustainability. A body which met regularly could play a role as a watchdog of harmful short-term policy proposals.

6.2.2 Well-being

The concept of well-being, despite its broad definition, is gaining popularity and importance in social and environment circles as a counterpoint to GDP based goals.

Examining potential policy synergies or proposals for their impact on well-being could provide a frame which brings in broader, and longer-term interests, finding a broader base for complementarity between agendas. The discussions themselves could give greater credibility to beyond GDP measures of social progress, simultaneously building political awareness around simpler (and so more politically interesting) measures of social progress than the very numerous sustainable development indicators.

Such a framing would need to build sufficient agreement on the drivers of well-being, and could provide a forum for comparison of metrics, data and policy inferences.

6.3 New ways to present information

The information that helps decision makers find synergies between their agendas will usually have to form a bridge between different perspectives. Fortunately, there are plenty of grounds for confidence that there is information which can build these bridges, and sufficient ranges of choice on how it can be presented persuasively.

There appears to be an increasing body of research which can make fascinating links between actions and wider effects. These allow one set of policy goals to be seen to be contributing to others. For example, a community gardening project in New York gained popular support with the slogan 'Plant Tomatoes: Harvest Lower Crime Rates' once evidence showed that community gardening in an area was correlated with a reduction in anti-social behaviour.

Success in discussions on synergies is very likely to depend upon the form of presentation of information, and who is presenting it. Information would need to be mentally accessible and emotionally trustworthy to the participants in the discussion whichever perspective they are coming from.

This is a central challenge. Yet, it is a manageable challenge. Taking the example of the role of the environment, or social connections in the economy, there are several different concepts now available which can help change the mindsets of policy makers across government. Here are 3:

- Figure 3 gives one example of a graphical representation showing how in practice the economy is constrained and supported by society and the environment. This is the notion of the 'doughnut economy' created by Kate Raworth.

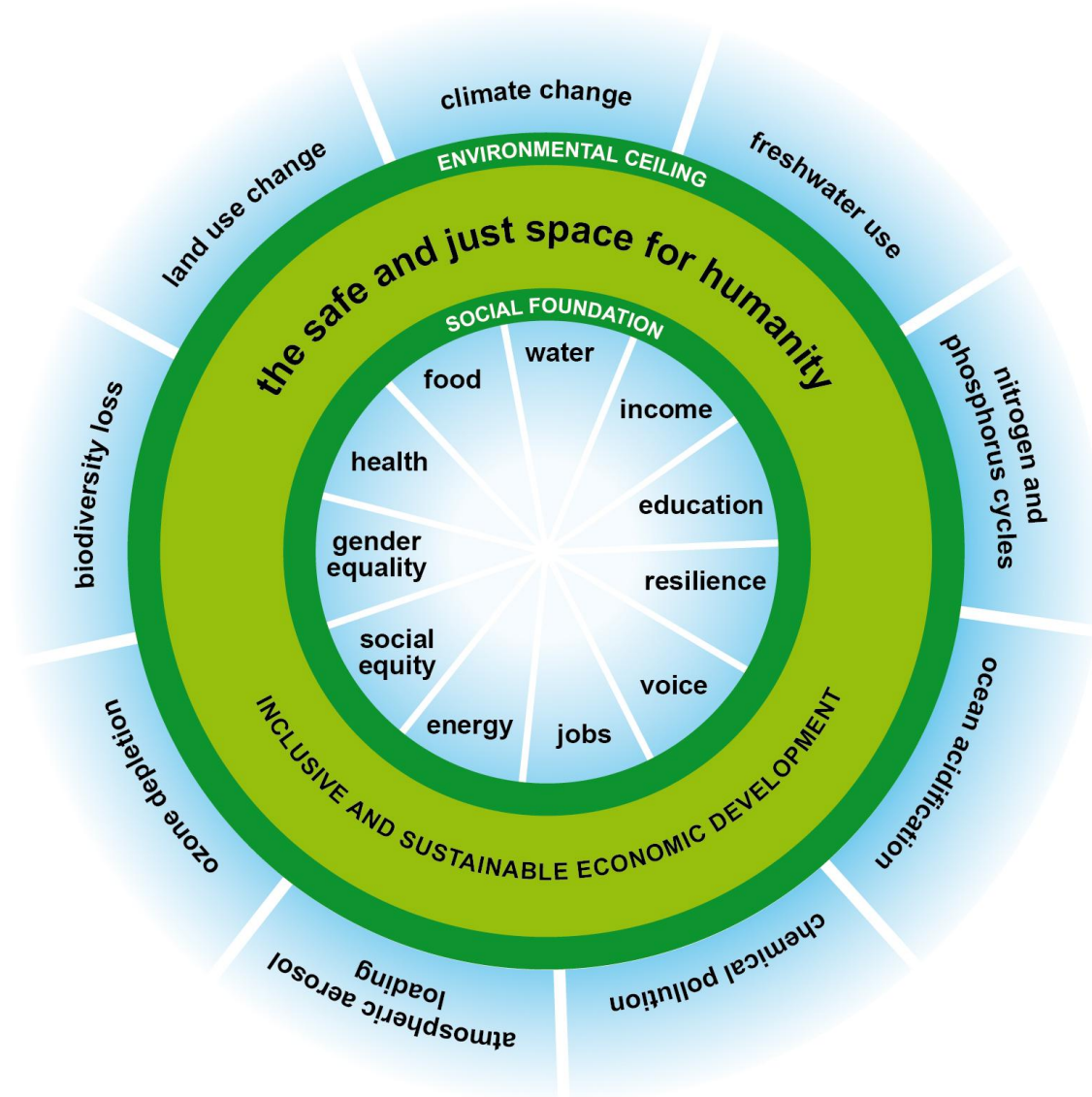


Figure 3: The 'Doughnut Economy' by Kate Raworth. The diagram builds on the Rockstrom et al, representation of a safe-operating space for humanity, which indicates areas of the environment in which dangerous levels of pressure could or have been reached. Figure 3 complements this with the consideration of social factors - which indicates that there are certain conditions for society to be just and well-functioning. The inference is that the economy needs to be led to operate in the 'Safe and Just Operating Space'.

- There are areas where perceptions alone are part of the blocks to progress. One is in the categorisation of sectors within industry - often a necessarily arbitrary division of an interconnected economy and multi-activity firms. This gives an unhealthy view of a slowly changing, fixed economy whose economic structure should be protected, in opposition to the actual, healthy, constant transition and innovation in the economy. The reality supports policy change, whilst the fixed categorisation supports policy inertia. The presentation of alternative ways of categorising the economy can shake political priorities.
- The environmental impact from consumption and production can now be effectively communicated by the use of metrics of total cost of goods and services, taking into

account the life-cycle impacts of products, materials and processes. Strong and persuasive examples now exist putting these costs into economic terms - from the leadership of Puma (who estimated the value chain profit and loss accounts for their products) to firms like Trucost, who estimate the total costs (i.e. valued impacts) of others' products - like the South American soya bean. These types of information can lead directly into opinions on policy, including, for example, the benefits of improved financial reporting, building on the Global Reporting Initiative.

These examples illustrate that there are possibilities to make political progress by finding the most appropriate form of presentation of information.

7 Potential outcomes

There is an opportunity for the right constellation of actors meeting on the right topics to have three types of impact:

- Triggering changes in existing institutions and mindsets;
- Coalition-building across political divides; and so
- Shaping EU, national and regional policy interventions

This section looks at each of these potential outcomes.

7.1 Triggering changes in existing institutions and mindsets

An organisation which has impact in working with a new framing of issues - like well-being or the long-term - can influence the ways of working or organisation of national ministries or the European Commission. Firstly, this can illustrate the importance of a framing, and raise interest in its main topic within ministries. Truly effective work around an agenda can illuminate how new forms of collaborative working between ministries and stakeholders can better deliver governmental goals. It could lead to greater resourcing for similar processes. It might not be too wild to imagine the formation of a Commission DG which is mandated to look after the long-term - DG Future.

A body which was able to provide EU level leadership for bottom-up actions for a sustainable economy may have three benefits. Through the discussions of what is already possible, it can create the political courage amongst disheartened decision makers in government.

Secondly, it could acknowledge the aggregate EU level impact of the total number of local sustainable lifestyles/development initiatives. These are actions which often fall of the radar of policy makers when considering policy, and are an important force in society, and an ever more important part of environmental policy. 2/3 of work in OECD countries is unpaid, yet policy tends to support the paid work activities.

Lastly, a recognised EU level platform for local heroes could also provide psychological support for all those people across the EU who feel they are acting almost alone. An EU level receiving body for the results of citizen dialogue about citizens long-term goals for their future, or environment, could provide a stimulus for productive, empowering local democratic dialogues.

7.2 Coalition building across policy divides

Where decision makers in the policy process can find synergies between their primary interests, they can be triggered into working together to push forward a policy position. Coalitions or interested parties can be created around potential policy positions, or new political positions created. Coalitions could be built between silo-based policy making structures, allowing synergies to facilitate integration and increasing political weight behind those policy positions.

There might be 4 areas of activity where coalition building could be advantageous:

- Creating support for (or reducing resistance to) potential EU pro-environmental policy proposals
- Including pro-environmental aspects within non-environmental EU policy proposals or revisions.
- Carving out enough space in future and existing EU law to allow the creation of conditions for bottom-up sustainable initiatives to grow
- Creating EU wide co-operation to put in place sufficient similar conditions for bottom-up sustainable initiatives to grow, in ways that allow them to upscale into an EU wide market niche.

Each of these could be appropriate, in different contexts.

7.3 Shaping Policy Interventions

To have power and impact, information exchanges would need to be tied to ongoing policy processes. The launch, or re-launch, of a new agenda promoting sustainable development goals at EU level appears unlikely, and may be counter-productive. Work which appears to assist other people's primary agendas is more likely to be welcomed and active participation from a range of stakeholders more likely. There are various possibilities for processes, all or only one of which might be tackled.

7.3.1 EU Policy Proposals

Exchange of information could take place around forthcoming or proposed Commission policy proposals - covering the environment, or perhaps more usefully, proposals around other topics with implications or synergies for sustainable development goals.

Exchanges of information around the topics raised by forthcoming policy proposals could take place on the basis of policy work identified in the Commission work programme and Roadmap documents, supplemented with information from Commission staff, if wanted. These exchanges could help form Member State positions which influenced the shape and level of ambition of the future Commission proposal.

Exchanges of information around proposed EU policy might provide a forum where synergies can be found and lessons learnt from other Member State ministry positions which help form improved negotiating positions in Member States for Council discussions.

Where the body facilitating the information exchange had reached a clear position on an over-arching goal (like long-term gain), the information exchange could help shape these

proposals in line with that over-arching goal. Through this, it could, for example, help co-ordinate the actions which would allow the growth of substantial EU wide, commercial, niche markets (e.g. 5% of the market) for truly progressive ways to provide the services people want from the economy. One comparable example might be co-ordination of policies which lead on to costs of renewable reaching grid parity, but less ambitious targets could be tackled.

7.3.2 Open Method of Co-ordination and other voluntary co-ordination

With the likelihood of greater divergences in ambition between the now 28 Member States, coupled with resistance to new EU legislation, there could be a role for a body which instigates co-ordination of actions which lead to Open Method of Co-ordination actions. This could be a response where the Commission proposal fails to reach full agreement in Council. It might also be valuable where there is unwillingness by the Commission to open up existing legislation for reform or tighter target setting. Or where the Commission does not choose to make a new proposal for fear of failure, nor to resource co-ordination of OMC actions, on principle or from lack of internal resources.

It seems likely that the nature of environmental policy will change - moving from being primarily constraining, to promoting innovation in delivering services to citizens more sustainably. This innovation will need nurturing, and - as innovation is not a linearly causal matter - it will need experiments with policy on regional or local level to inform the shape of future EU policy. A forum for exchange of information could act to promote and co-ordinate experiments, with the encouragement of mutual exchange of information on different policy experiments between regions and Member States to help guide nation and EU policy.

7.3.3 The European Semester

Exchanges of information around the broad range of topics covered by the EU2020 Strategy could feed into Commission monitoring of Member State progress through the EU semester. This is the EU's most powerful non-regulatory tool for influence in Member States. The Commission's recommendations in this process are shaped by discussions within Commission DGs, which themselves can be influenced by views in Member States. Consensus views between Member States on the significance of particular issues could prioritise which issues or win-wins were given priority within the semester process.

7.3.4 EU Budget Expenditure

Exchanges of information could also influence EU budget expenditure - particularly on infrastructure, innovation and agriculture, to shape it to be in line with expected climate change impacts and physical constraints on the use of fossil fuels. Exchanges based on an agreed long-term view, which bring in information about megatrends and constraints could be particularly persuasive in shaping principles or guidelines for allocation of funding, whilst co-ordination of funding in some key areas between Member States may give added synergies from scale effects.

8 The potential use of the skills of ESDN

The ESDN has a unique position. It is able to bring together national SD and EU environment co-ordinators outside the scope of the Commission's agenda. This gives it experience of the challenges of policy integration, oversight of EU policy programming and access to a wide range of national and regional policy makers.

In the past, ESDN has occasionally brought together decision makers from different policy areas, to discuss crosscutting issues. It could build on that expertise.

The views summarised in this note point to some ways to make progress on sustainable development in the EU. The goal of the note is to provide stimulus for ESDN Members to discuss where ESDN can contribute most in future.

Whether the EU Sustainable Development Strategy is revived or not - but perhaps particularly if it is not - the ESDN could act as a convener which facilitates progress on sustainable development goals. In doing so it could fill a gap which very few organisations would be able to fill.

In performing this kind of role, the ESDN would be able to play a role in increasing the visibility of the value of cross-cutting activities within national governments, with potential positive knock-on effects for resourcing.

The ESDN has access to many sources of information which could be used to organise its work and provide stimulating content into information exchanges. It could use information from the EEA on upcoming key legislative proposals at EU level which would have negative or positive environmental effects. The ESDN could draw on research contracts within Member States, and from the copious pool of research undertaken within Horizon 2020 contracts, many of which may start looking at alternative approaches to achieving sustainable development. The EEAC could also provide scientific information.

And yet, this approach would only work where the goals of the ESDN were really seen to be pluralistic, not primarily environmental. This would include leaving 'Sustainable Development' behind as a term to use in debate, because that term has become associated with an environmental agenda which many see prejudicially as running counter to their interests. It seems that one of the reasons the Resource Efficiency agenda has made limited impact on economic policy makers was the perception that it was designed as a vehicle for environmental interests, coming out of DG Environment. Success in exchange would depend on mitigation of that kind of prejudice.

This leaves some key questions for the ESDN:

- **What is holding back further progress towards sustainable development goals?**
- **Which particular strengths, skills, relationships and potentials does ESDN have as a network?**
- **Where do ESDN's strengths overlap with the issues holding back progress?**
- **What, if anything, could ESDN change about itself to do more to facilitate progress and increase awareness of the value of cross-cutting policy work?**