

**Does the Lisbon Process Produce Sustainable Development?
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Lisbon and environmental sustainability

1. *What do we mean by sustainable development?*

The concept of sustainable development has existed for at least 30 years, but it was the World Commission on Environment and Development (Brundtland Commission) in 1987 that gave it a global boost. Since then, hundreds of conferences have been organised, hundreds of books have been written to define sustainable development, but the one of the Brundtland Commission still survives, for its simplicity and clarity: ***“development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”***

Since then, we have had the famous Earth Summit in Rio de Janeiro in 1992, adopting Agenda 21, a first global programme to promote sustainable development, and the Amsterdam European Summit, which included sustainable development in the EC Treaty.

The EC Treaty has in fact also a quite good, more specific definition of Sustainable Development, in its Article 2. It describes the task of the Community to ***“promote throughout the Community a harmonious, balanced and sustainable development of economic activities, a high level of employment and of social protection, equality between men and women, sustainable and non-inflationary growth, a high degree of competitiveness and convergence of economic performance, a high level of protection and improvement of the quality of the environment, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States.”***

The Constitutional Treaty has, as one of its objectives, a more simple text (Article 3): ***The Union shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment.”*** And in its objectives on its relations with the “wider world”, it includes ***“the sustainable development of the Earth”***.

These definitions still do not beat the original Brundtland one, as they do not include the explicit concept of responsibility to future generations. This is important because in order to prevent “compromising the ability of future generations to meet their own needs”, one needs to prevent the depletion of the natural resources that help us to survive and have a decent life, one needs to be aware of the limits of what is now called **“carrying capacity”**¹. The Earth has physical limits to sustain a growing

¹ *“Carrying Capacity refers to the number of individuals who can be supported in a given area within natural resource limit and without degrading the natural social, cultural and economic environment for present and future generations. The carrying capacity is not fixed. It can be altered by improved technology, but mostly it is changed for the worse by pressures which accompany a population increase. As the environment is degraded, carrying capacity actually shrinks, leaving the environment no longer able to support even the number of people who could formerly have lived in an area on a sustainable basis. No population can live beyond the environment’s carrying capacity for very long.”*

population, in particular a population that is using more and more natural resources per person. The carrying capacity of the Earth is not fixed. It can be improved by effective conservation policies and the benefits of exploitation can be increased through technology development and efficiency. But the trend now is that the carrying capacity is undermined because of excessive use. Examples are the depletion of fish stocks globally, the year by year reduction of fertile soils, the shrinking of the tropical forests. On the regional or local level, also in Europe, we see depletion of water resources, decline of biodiversity. Climate change is a result of exceeding the capacity of the Earth's atmosphere to neutralize the emissions of greenhouse gases.

The strong economies of the world for long time live beyond the carrying capacity of their own regions. The impacts have been softened because we had the opportunity to exploit other parts of the world. This will become less and less simple, as other economies, having to support half the worlds population, are rapidly growing and increasing their own claim to what essentially is a limited ecological space for all of us. So environmental sustainable development, in the sense of respecting and expanding the globe's carrying capacity, is not an option anymore, but an obligation if we indeed want to show responsibility to future generations.

Sustainable Development is often presented as built on three pillars, the economic, the social and the environmental one. We reject that image. The three are not comparable. The social dimension represents the objectives of human civilisation: a decent life for all, including access to basic goods and services, education, employment, social justice and fairness, across the globe. The environmental dimension represents the natural resource base for all of this, and should be maintained, as said, also to ensure that future generations have a chance to meet their own needs as well. The economy, in fact, represents no more than the tools to achieve the social and environmental objectives. The fixation of policy makers and industry leaders on economic growth in terms of Gross Domestic Product, as the overarching and priority aim for Europe's and the global future is therefore not only nonsense, but also dangerous nonsense, as it is marginalising much more important objectives. The percentage of economic growth means nothing in terms of sustainable development. It is the nature of the economic activities that matters.

Optimists believe that sustainable development is a win-win-win exercise. That it is possible to undertake economic activities that increase economic growth, provide increased prosperity and social fairness, and protects and improves the environment. The bottlenecks are, in this view: ignorance – irrational resistance – vested interests – wrong market signals – lack of innovation.

Pessimists believe that sustainable development is about trade-offs: social rights reduce economic growth, environmental protection costs money.

I believe that sustainable development has both elements. It is an illusion that we can stay within the Earths Carrying Capacity with ever growing use of material prosperity. We can make enormous efficiency gains, but there are limits. We have to accept the notion of limits, and therewith the responsibility to prevent unsustainable patterns of consumption and production.

However, win-win-win options do exist. EEB, ETUC and the Social Platform published a manifesto on Investing in Sustainable Development two years ago². It made concrete proposals for such win-win-win investments in housing and transport: improving people's quality of life, creating employment and reducing pressure on the environment.

Is the Lisbon process a tool for SD?

No, it is not automatically. It was not foreseen in the original objectives, and the addition of the Gothenburg Sustainable Development Strategy, in June 2001, did not really change the focus of the Lisbon process. What politicians simply did was to discuss climate change and REACH at the Spring Summits, in addition to the economic and, decreasingly, social dimensions. Energy Efficiency has become an issue indeed, but that is the easy bit of sustainable development. Everyone can understand that energy efficiency makes economical sense, certainly in an uncertain energy supply situation. On the other hand, REACH did not really profit from the link with the Lisbon process. While initiated to protect people and nature from ill-making and death causing hazardous substances, it suddenly became dominated by competitiveness concerns, which led to serious weakening of the original proposals.

The Gothenburg Sustainable Development Strategy, as proposed by the Commission, had very important elements that would affect our economic and social agendas. But looking back, only in areas with their own dynamics, such as the Kyoto-commitment, the reform of agriculture and fisheries policies, we saw progress since then. We saw, however, little progress where the Strategy came with new issues, such as

- phasing out of environmentally hazardous subsidies, in particular in the energy sector
- getting the prices right, in particular concerning energy and transport
- decoupling of transport development from environmental pressure
- halting the decline of biodiversity by 2010
- strict environmental liability for economic operators.

The reasons for this lack of success include lack of interest with politicians, lack of the sense of urgency, resistance of vested interests, and also an increasing concern over globalisation and loss of competitiveness. The new Commission reacted to that last element by proposing to refocus the Lisbon process to virtually only competitiveness and economic growth.

In this political atmosphere, the new Commission was not really motivated to come with a strong new Sustainable Development Strategy, as was foreseen in 2001. We were greatly helped by the Luxembourg Presidency to put pressure, not the least with the June 2005 Summit adopting a Declaration on Guiding Principles for Sustainable Development³. The Presidency was also instrumental in strengthening the environmental dimension in the Guidelines that led to the Lisbon National Reform Programmes.

The Commission finally came with a new Sustainable Development Strategy on the 13th December 2005. This Strategy is a step backwards compared with Gothenburg.

² http://www.eeb.org/activities/sustainable_development/Manifesto-for-Sustainable-Investment.pdf

³ Pages 27-30 in: http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/85349.pdf

It does present a number of necessary key actions, referring mainly to the Member States to implement them. But it does neither have the sense of urgency nor the promise of leadership that characterized the previous Strategy. As regards its own role, the Commission is mainly referring to policy initiatives that have been taken or are in the pipeline anyway.

Proposals for a realistic and ambitious Sustainable Development Strategy

Environmental organisations have expressed deep disappointment with the Commission's proposal. We are thankful to the Austrian Presidency that has decided to work towards a Sustainable Development Strategy for the EU that will use the Commission's proposal but by no means will be constrained by it. This EU Strategy is to be adopted by the June European Council after discussions in all the formations of the Council of Ministers, and with input from the European Parliament and civil society. To kick off the debate, the EEB will have a roundtable with the Environmental Council this Wednesday.

With nine other environmental organisations we have developed "a programme for sustainable development for the European Union". In it we describe the challenges the EU is facing, the inadequacy of the Commission's proposals and we present our own ideas for a "realistic and ambitious strategy"⁴. We have a range of more specific proposals in the areas that the Commission is focussing on: climate & energy, public health, social exclusion, demography and migration, management of natural resources, sustainable transport, and global poverty and development challenges. In general, we want the Strategy to be clear and honest about the challenges ahead and set "more ambitious measurable objectives". Also we call for strong and consistent application of market based instruments, supplemented, where necessary, by legal instruments.

Consequences for the Lisbon Process

Some politicians say that the Lisbon process is for the short term, and sustainable development for the long term. This is nonsense. The goals of the Lisbon process will not be achieved in the next five years. Full employment, competitiveness, social cohesion are permanent challenges. Nor can we postpone sustainable development policies till later. So the Lisbon process needs to be embedded in the larger sustainable development challenge.

As environmental organisations we propose to redefine the objective of the Lisbon process therefore: It should make the EU ***the most energy and natural resource efficient economy in the world, contributing to eco-innovation, environmental and health protection, economic performance, job-creation and social inclusion in line with the sustainable development goals.***

And we have some specific proposals, which would boost the economic strength and sustainability of our economy, serve the environmental agenda and are compatible with social demands:

1. Environmental taxation reforms in all Member States, with a common objective of a 10% tax-base shift away from labour to environmental pressures, within a period of 5 years. As a detailed legal instrument might be difficult to achieve (the unanimity requirement), the alternative of Open Method Of Coordination should be considered;

⁴ http://www.eeb.org/activities/sustainable_development/G10-on-SDS-March2006.pdf

2. Introduction of effective instruments for speeding up the uptake of eco-innovations such as performance targets for major product groups and levies or subsidies to steer market uptake;
3. Systematic mobilisation of public procurement for sustainable development, aiming at a 100% green public procurement by 2010 at all levels of government;
4. A sustainability scrutiny test for the use of all 2007-2013 EU funds and insurance that a large part of it has specific environmental objectives;
5. Phasing out or redirect the billions of Euros spent on environmentally harmful subsidies from the EU and Member States by 2010; specific proposals to be ready for the 2007 spring council.

These demands come from environmental organisations, but their general thrust has met with continual support from the ETUC and the Social Platform, which convinces us even more that these policies could strengthen a Lisbon process that has the quality of life of current and future generations in mind.