S R S

Sustainability Revamping Systems

NEWSLETTER

Number 5 – 11 March 2010

The *Sustainability Revamping Systems*, network and on-line platform, to advance participation in sustainable development processes through:

- the dissemination and mainstreaming of methods and tools for sustainability policy and strategies
- the promotion of networks, collaborations and partnerships between partners and decision makers
- the resolution of commitments and requirements of projects carried out at European and local levels

FROM NEEDS TO RIGHTS: A KEY CHALLENGE TOWARDS SUSTAINABLE DEVELOPMENT

Sustainable development is universally recognised as "a development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (1).

Needs are linked to rights which depend on the shared values and freedom of human beings to shape their own destiny (2), to appraise, choose, participate and act. These rights are part of an empowering process that can be used to preserve and enrich the environment (3).

Following these definitions, sustainable development should preserve and expand the freedom and capabilities of people today "without compromising the capability of future generations to have similar – or more – freedom" (3).

Values and ethics should be considered in a democratic debate on social, environmental and economic relations (4).

(1) WCDED, *Our Common Future,* Oxford University Press, 1987
(2) Sen A., *Development as Freedom*, Oxford University Press, 1999
(3) Sen A., *The Idea of Justice*, Allen Lane Penguin Books, 2009
(4) Peet R. and Hartwick E., *Theories of Development*, The Guilford Press, 2009

It should also be noted that the definition of development has to be reconsidered, given that its meaning changes according to historical contexts and events (5).

Considering the wide range of concepts, development can be defined as the process whereby human beings use their knowledge, understanding and capacity to improve the quality of the ecosystems with which they interact, including the other components of nature (see SRS Newsletter No 3).

(5) Payne A. & Phillips N., *Development*, Polity Press, 2010

POVERTY AND THE ENVIRONMENT: FOCAL POINTS OF SUSTAINABLE DEVELOPMENT

The relationships between poverty and degraded environments have been investigated since the rise of the industrial revolution (6), urban planning and regional development (7).

(6) Engels F., *The condition of the Working Class in England* (1844) and *The Housing Question* (1872)
(7) Mumford L., *The Culture of Cities*, Harcourt Brace & Company, 1938

Poverty alleviation is a matter of human freedom and depends on the integrity of the environment (8).

As an example, it is evident that climate change and natural disasters threaten human rights (9) and impact on poverty by increasing the scale and complexity of human mobility, displacement and migration (as documented by UNHCR, the United Nations refugee agency).

Therefore, the right to the environmental quality cannot be divorced from those to social inclusion and human health.

This assumption reflects on the basic statements of Agenda 21 (approved by the United Nations Rio Earth Summit in 1992) that consider poverty as "a complex multidimensional problem" in the context of sustainable development.

According to Chapter 3 of Agenda 21, an effective strategy to fight against poverty and social exclusion must take into account:

- the impact of environmental conservation and protection on those who depend on natural resources for their livelihoods
- the impact of economic growth policies on the environment and consequently on poverty due to depletion of the natural resources and of their quality.

Agenda 21 envisions policy measures as:

- empowering communities (e.g. capacity building, participation, social and anti-discrimination rights, gender equality)
- management-related activities (e.g. employment, education, training, sustainable use of natural resources)
- data, information and evaluation
- international and regional cooperation.

These objectives have been use to form the basis of such important programmes as UNEP and UNDP, the United Nations Programmes for the environment and poverty reduction.

In 2000 the United Nations approved the Millennium Declaration and its eight Goals (MDGs):

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases

- Ensure environmental sustainability
- Develop a global partnership for development.

The MDGs provide targets and indicators to assess policy progress.

LINKS BETWEEN POVERTY AND ENVIRONMENT INDICATORS

Alleviating poverty is not necessarily linked to reduced environmental pressure. However, protection and enrichment of the environment has been shown to have a pro-poor benefit (10), given that environmental changes and degradation often affect most directly the poor (11).

Combating poverty can nevertheless reduce the pressure on local ecosystems since the poor are often forced to over-exploit the natural resources that form the basis of their livelihoods (12).

Dynamic and complex relationships between poverty and the environment make it difficult to measure the linkage between their multi-dimensional aspects.

Indicators can be used to study these different aspects (13), such as the Ecological Footprint and Biocapacity Index (14), the Human Development Indexes, the Index of Sustainable Economic Welfare, etc. (see SRS Newsletter No 3).

The United Nations Millennium Ecosystem Assessment (MA) takes into analysis the interactions between drivers of change, ecosystem services, human well-being and poverty reduction (15).

Applying these methodologies, research results demonstrate social and environmental inequities that characterise significant disparities between the so-called "developing" countries and the developed countries.

Gender aspects are also important: women constitute about 70% of the world's poor and are strongly affected by environmental depletion and climate changes (16).

Environmental justice concerns also richer countries, where the poor are more likely to live in areas of low environmental quality (17).

(8) Sen A., *Environment and Poverty: one world or two?*, 2006; Drèze J. and Sen A., *India Development and Participation*, Oxford University Press, 2002
(9) International Council on Human Rights Policy, *Climate Change and Human Rights*, 2008

(10) Markandya A., *Poverty alleviation and sustainable development*, 2001
(11) World Bank, *Poverty and the Environment*, 2008
(12) WBGU, *Fighting Poverty through Environmental Policy*, Earthscan, 2004
(13) UNDP - UNEP, *Poverty & Environment Indicators*, 2008
(14) WWF, Global Footprint Network and SDC, *Africa*, 2008
(15) http://www.millenniumassessment.org/en/About.aspx; see also: IISD, *Poverty and Ecosystems: Prototype assessment and reporting method – Kenya case study*, 2007; UNEP and IIS, *Exploring the Links*, 2006
(16) OECD, *Integrating Climate Change Adaptation into Development Co-operation*, 2009
(17) Pye S. et al., *Addressing the social dimension of environmental policy*, European Commission, 2008

SUSTAINABLE DEVELOPMENT: A PERSPECTIVE FOR THE EUROPEAN UNION (EU)?

Recent EU Treaties and debate regarding an overarching development strategy have opened new perspectives. However, the following assumptions should be taken into account to understand how the new perspectives should strengthen the path towards sustainable development.

According to Agenda 21, poverty, development and environment issues should be focused simultaneously on resources, production and people. Democratic governance, policy willingness and empowerment mechanisms should involve relevant stakeholders to mainstream the rights towards sustainable development in all policy trajectories.

Following the example of the MDGs, clear targets should be identified to integrate the social (people), environmental (resources) and economic (production) dimensions of development.

"Poverty & environment" linkages should form the basis for target setting. Integrated analytical tools should be used to measure policy advancement and the reduction in disparities between social groups or regional areas.

The analysis of "feeding in" and "feeding out" relations between social inclusion and environmental policies should be made to assess the influence of growth and employment on sustainable development targets.

Additional improvements need to be made on the indicators used. For instance, the statistics on income and living conditions (EU SILC) include some information on housing conditions and neighbourhood - environmental problems, but they are not clearly linked to indicators on poverty and social exclusion (18), while the EU indicators on sustainable development (SDI) seem to play a separate role.

(18) Marlier et al., *The EU and Social Inclusion*, The Polity Press, 2009

EU NEW TREATIES: RIGHTS AND SUSTAINABLE DEVELOPMENT

Important Treaties entered into force on 1 December 2009 together with the Charter of Fundamental Rights of the European Union.

The Treaty on the European Union (TEU) affirms values that "are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail", namely: respect for human dignity, freedom, democracy, equality and human rights, including the rights of persons belonging to minorities (Art. 2).

The Union shall (Art. 3):
- work towards sustainable development aiming at a high level of environmental protection and improvement of the quality of the environment
- combat social exclusion and any type of discrimination
- promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child.

These principles guide the Union's action on the worldwide scene (Art. 21).

The Treaty on the Functioning of the European Union (TFEU) includes provisions having general application (horizontal clauses) and detailed policy commitments.

Horizontal clauses include:
- sustainable development and environmental protection (Art. 11)
- equality (Art. 8) and non-discrimination (Art. 10)
- social protection, social inclusion, employment, education, training and human health (Art. 9, generally called "social clause").

Social commitment includes:
- non-discrimination and citizenship rights (from Art. 18 to Art. 25)
- social rights of workers (from Art. 151 to Art. 161)
- reduction and eradication of poverty in development cooperation with third countries (Art. 208).

Environmental commitment includes:
- preservation, protection and improvement of the environment, protection of human health, prudent and rational utilisation of natural resources, climate change (Art. 191, 192 and 193)
- energy efficiency, energy saving and renewable energy (Art. 194)
- prevention and protection against natural or man-made disasters (Art. 122, 196, 214 and 222).

The Charter of Fundamental Rights of the European Union has the same legal value as the Treaties (Art. 6 TEU). The Charter places the principle of human dignity as its first Article, through which all other rights are formulated and pursued: freedom, equality, solidarity, citizenship and justice.

The Charter states that human dignity is inviolable, must be respected and protected (Art. 1), and includes the right to:
- a high level of environmental protection and the improvement of the quality of the environment (Art. 37)

- social security benefits, social protection and services, social and housing assistance, sufficient resources for a decent existence in order to combat risks of social exclusion and poverty (Art. 34).

"EUROPE 2020" STRATEGY

"Europe 2020" (also called EU 2020 Strategy) will replace the Lisbon Strategy on growth and jobs (19).
The new strategy recognises that:
- growth and jobs alone do not secure a reduction in poverty and social exclusion
- gender equality, social cohesion and solidarity, integration of immigrant population, lifelong learning and education, income support, social services and pension systems are effective ways to fight inequality, poverty and child poverty with a close attention to vulnerable groups in an ageing society
- the conservation and a more efficient utilisation of energy, natural resources and raw materials are key drivers of economic competitiveness and productivity
- the application of greener technologies constitutes new sources of employment.

The EU 2020 vision is to create "a new sustainable social market economy", where "social, economic and environmental objectives go hand in hand".
Three missions (or thematic priorities) support this vision:
- creating value by basing growth on knowledge
- empowering people in inclusive societies
- creating a competitive, connected and greener economy.

Fully recognising that "no single Member State can successfully address these challenges", the EU 2020 Strategy identifies multi-layer governance mechanisms such as: policy co-ordination, integration of different policy instruments, institutional reforms, better regulation, synergies based on effective subsidiarity, improved partnership between the EU and Member States, and active support of stakeholders (e.g. social partners and civil society).
These mechanisms are necessary to perform a strategy for convergence and integration, which take into account an increasing interdependence at a global level, between the EU Member States, different level of government, policies and instruments.

(19) http://ec.europa.eu/eu2020/; EU Commission, *Consultation on the Future "EU 2020" Strategy*, COM(2009) 647 final

PUBLIC CONSULTATION ON "EUROPE 2020"

Between November 2009 and January 2010, the EU Commission received nearly 1,400 contributions from a wide range of stakeholders participating in a public consultation on "Europe 2020" (20). Stakeholders were: those with an institutional role (Member States, regional and local authorities, parliaments and governmental agencies, EU-level bodies), those with environmental, social and health care vocations, social partners (trade unions, employers and professional associations), political parties, consumer organisations, citizens, representatives of the education and research community, third countries and organizations such as the United Nations and the International Monetary Fund. Most contributions focused on the approach, objectives and governance mechanisms.
Regarding the former, salient comments called for:
- more holistic approach with an equal weight assigned to social, environmental, employment and economic dimensions
- strengthening the social dimension and its links with the environmental and economic pillars
- strengthening gender equality as an inherent pillar of the new strategy
- fighting against climate change and environmental degradation, poverty and social exclusion, inequality, insecurity and all types of discrimination
- integrating the new strategy with the Sustainable Development strategy, Social Agenda, Cohesion Pact, Energy and Climate Change, Stability and Growth Pact.

Contributions on the strategy objectives called for:
- pursuing a limited number of targets (and guidelines) at EU level and translating them into national ones with effective monitoring and benchmarking systems
- developing indicators "beyond GDP" to assess progress.

Suggestions regarding governance called for:
- providing more binding recommendations and arrangements while strengthening the open method of coordination (OMC) processes
- enhancing a full and equal partnership between different levels of government (multi-level governance)
- reinforcing participation of and ownership by stakeholders
- improving communication.

(20) EU Commission: *Europe 2020 – public consultation. First overview of responses*, COM(2010) 116 final; *Europe 2020 – public consultation. Overview of responses*, SEC(2010) XXX;
http://ec.europa.eu/dgs/secretariat_general/eu2020/contributions_en.htm

"EU 2020" TARGETS AND FLAGSHIP INITIATIVES

Following the consultation results, the EU Commission presented on the 3rd of March 2010 a comprehensive strategic document (21).

The Commission proposes five EU headline targets to be reached by 2020:

- Raise the employment rate of the population aged 20-64 from the current 69% to at least 75%.
- Achieve the target of investing 3% of GDP in R&D in particular by improving the conditions for R&D investment by the private sector, and develop a new indicator to track innovation.
- Reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30% if the conditions are right, increase the share of renewable energy in final energy consumption to 20%, and achieve a 20% increase in energy efficiency (as it was already stated by the EU "20/20/20" climate/energy targets).
- Reduce the share of early school leavers to 10% from the current 15% and increase the share of the population aged 30-34 having completed tertiary education from 31% to at least 40%.
- Reduce the number of Europeans living below national poverty lines by 25%, lifting 20 million people out of poverty.

The Commission proposes that EU goals are translated into national targets and trajectories, while a shared priority will be given to a Europe 2020 agenda consisting of seven flagship initiatives:

- <u>Innovation Union</u> to improve framework conditions and access to finance for research and innovation so as to strengthen the innovation chain and boost levels of investment throughout the Union.
- <u>Youth on the move</u> to enhance the performance of education systems and to reinforce the international attractiveness of Europe's higher education.
- <u>A digital agenda for Europe</u> to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.
- <u>Resource efficient Europe</u> to help decouple economic growth from the use of resources, by decarbonising the economy, increasing the use of renewable sources, modernising the transport sector and promoting energy efficiency.

- <u>An industrial policy for the globalisation era</u> to improve the business environment, especially for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.
- <u>An agenda for new skills and jobs</u> to modernise labour markets by facilitating labour mobility and the development of skills throughout the lifecycle, with a view to increase labour participation and better match labour supply and demand.
- <u>European platform against poverty</u> to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.

Governance methods will be reinforced and will rely on two pillars: the thematic approach and country reporting.

EU-level organisations, Member States, local and regional authorities will be required to implement the thematic approach constituted by the EU five headline targets and seven initiatives.

Country reporting of Europe 2020 and the Stability and Growth Pact evaluation will be done simultaneously.

Integrated Guidelines will be adopted at EU level to cover the scope of EU priorities and targets.

Country-specific recommendations will be addressed to Member States and policy warnings could be issued in case of inadequate response.

The European Council will have full ownership and be the focal point of the new strategy.

The EU Parliament will act as co-legislator on key initiatives and as a facilitator of citizens' mobilisation.

The EU Commission will monitor progress towards the targets and facilitate policy exchange and advancement in the EU flagship initiatives.

EU committees, national parliaments and authorities, regional and local authorities, social partners, civil society organisations and other stakeholders will be involved in the new governance methods.

The EU Commission proposes that the European Council: endorses the overall approach and the EU headline targets in March 2010; approves the detailed parameters of Europe 2020 strategy in June 2010, including the Integrated Guidelines and national targets.