

EV5V-C794-0394

INSTITUTIONAL ADJUSTMENT FOR SUSTAINABLE DEVELOPMENT STRATEGIES

SUMMARY FINAL REPORT

JULY 1996

Key words : sustainable development; Agenda 21; Local Agenda 21;
institutional response; subsidiarity; empowerment

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I. OBJECTIVES

The three objectives were:

1. To assess the institutional response at the national, and EU level, to Agenda 21, the sustainable development remit applied to all states and the EU by the UN Conference on Environment and Development (UNCED) in 1992, with a view to identifying the degree to which sustainable development has become an organising concept in political, social and economic change.
2. To test for this focus of institutional change by means of eight parameters, namely: language of interpretation and definition; policy co-ordination; interdepartmental co-operation on evaluative procedures; legislative audit of tasks and priorities; sustainability indicators; green accounting and ecological tax reform; business response; and Local Agenda 21 performance.
3. To reveal the contradictions in the EU legal position over integration and sustainability as a prelude to understanding possible future roles of institutional adaptation in reconciling the tendency towards globalism and localism in economic and social affairs through the evolving interpretation of sustainable development.

II. METHODOLOGY

This project involved a collaborative approach with five European countries, namely, the UK, Germany, Norway, Greece and Portugal, as well as the European Union as a governing and legal entity.

The project team operated as a collective unit. It held 3 day workshops. Each of these resulted in a protocol of common purposes, research commitments and integrated objectives and reporting. The success of this approach lay in good comradeship, a genuine commitment to the programme of work, a sense of mutual responsibility for the integrative approaches required to make the project a success, and a willingness to adapt to changing demands and research findings.

In terms of actual methodology, the teams worked from documentary evidence, interviews and mutual learning through the workshops themselves. There was nothing new in the format of the research method. The key was to be sure to obtain as many relevant documents as possible, to verify their authenticity through interview and assessment, and to ensure that appropriate judgements are made as to their significance. This last element can be achieved by sharing drafts with "people in the know", but being sure that one is authentic to the research objective.

Interviewing officials, policy analysts and interest group representatives is a special art. The team was versed in the techniques of interviewing. This meant selecting the appropriate people, confirming them in advance of the role of the research, giving them a protocol of questions, and ensuring that they are aware of how their information is being used in the final research. It is all too easy to miscue on key interviews of this kind. The techniques should be discussed by the team, and were in this case. Above all, the purposes of the research as it unfolds should be fully understood so the all interviews are conducted with similar interest and integrity.

III. MAIN RESULTS

The overall conclusion of the project was that the concept of sustainable development could become a very important organising force for institutional innovation and adjustment. There are important precursors to this imperative, as will be described below. Right now the idea of sustainable development is still being formed in the collective institutional mind.

To provide a focus for this research the notion of sustainable development was considered to have three components :

- i. the reliability of continuous and durable economic growth that ensured wealth creation and redistribution (the continuation requirement)
- ii. caring for present and future generations as well as for the life support functions of the planet so that well-being is recognised, evaluated and maintained (the stewardship requirement).

iii. ensuring local identity, local economies, and local cultural norms are allowed to evolve in a manner that is commonly tolerable (the empowerment requirement).

In the view of this research team, these are three essential conditions for any transition to sustainable development. Right now, none of these is being achieved. But in various ways, each is being addressed.

For this momentum to be promoted, it has to be co-ordinated and reinforced with other supportive trends in modern European economies. These have little, or at least only incidentally a little, to do with sustainable development.

These two trends are:

- institutional adjustments is a continuous process, prompted by a tendency for new policy initiatives to be formed, helped by the coalescence of new combinations of policy communities to form fresh and dynamic policy coalitions, and the general permeation of sustainable development ideas into independently evolving initiatives in local community activism, international relations, changing notions of security and threat, tax reform, and constitutional change in electoral processes and central-local government relationships.
- the drive towards economic integration through increasing competitiveness and improving structural realignments for open markets is creating tensions between a legal right to freedom of trade and the movement of persons, goods and ideas, on the one hand, and a rise in local self-help political activism geared towards some sense of communal independence in the face of global economic and information homogeneity, on the other. That tension is not resolved within with patterns of legal rights in the EU or in its Member States. Nor is it resolved by processes trying to find a bridge between economic and social well-being as a unifying political agenda.

Sustainable development, therefore, has the potential to be the integrating process between both the shift towards policy coalitions and more environmentally and socially just means of evaluating change in economies and societies. Sustainable development could also help to form the bridge between economic homogeneity and local heterogeneity in the evolution of progress in a modern state. Sustainable development, by supporting a common purpose of creating reliable growth, by promoting the cause of stewardship towards the vulnerable and the disenfranchised (including ecosystems and future generations), and by generating empowerment to policy coalitions, especially at the local level, would play a vitally important role in resolving these contradictions.

The research looked at two major sets of institutional themes in its search for an integrating focus to be supplied by sustainable development.

- i. The role of European law as laid down in the Maastricht Treaty has produced a paradox. The legal supremacy of market integration dominated the, as yet, ambiguously stated responsibility to sustainable development. This suggests that, in general, legal norms emphasise a super continuity of economic growth with too few legal safeguards for stewardship and empowerment. Yet the EU can create legal institutions (both laws and rules) that could guide Member States into the sustainable transition. This is a unique quality of the EU. The research revealed that there is an emerging basis in legal norms to allow this transition to take place. But this relationship will require clarification in the Maastricht Treaty, and a means to achieve this was developed in the research.
- ii. Sustainable development as an integrating focus in socio-economic change can be identified by eight parameters, namely language of interpretation and definition, policy co-ordination, interdepartmental co-operation or evaluation procedures; legislative audit of tasks and priorities; sustainability indicators to drive targets and performance; green accounting and ecological tax reform; business response in collective terms to change “free” market conditions, and Local Agenda 21 performance. In all of these eight arenas, the research found discernible movement. Admittedly in Greece and Portugal the power of the Cohesion Funds antagonised stewardship principles; and local government is still going through democratic evolution. But in the areas of language and auditing and improved evaluative procedures, in all countries, there is a step towards continuation and the element of stewardship. Empowerment is beginning to emerge in LA21 in the UK and Norway, but it is hugely thwarted by central governments political and fiscal forces, and by a tradition of political subservience.

IV. SCIENTIFIC INTEREST AND POLICY RELEVANCE

From a scientific point of view this research showed that institutional innovation needs to contain changes in regulatory and accounting (or evaluative) practices, as well as shifts in the structural positioning of key agencies and non-governmental bodies, if it is to have staying power as a factor in the transition to sustainable development.

This means better use of green accounting techniques, with a clear link to community-valued approaches to “improved” social and ecological well-being as well as ingenious economic calculations on depreciation accounts and environmental burdens of emissions. It also means a more co-operative approach to regulatory compacts across trading blocks and trade associations of complementary industries. There are difficult requirements in the immediate future, but shifts in the “macro” picture will hopefully resonate with shifts in the “micro” regulatory picture to enable convergence. The research here suggested that there is distinct communication already between these two patterns of regulatory and auditing accountancy.

Also from a scientific point of view, this research helped to show that these key themes of sustainability transition, namely *continuation*, *stewardship* and *empowerment* must develop both sequentially and synergistically. For this process to take place, there must be a broader political and economic support for these changes, located as much in the economy and in society generally, as in the sustainable development notion itself.

Finally from a social science point of view, this research has helped to reveal that integrationist and competitive freedomist tendencies in a modern economy may act seriously at odds with cultural identity, social vulnerability and local autonomy movements that are very much a part of modern social change. If these two tendencies remain at odds, there could be trouble ahead for efficiently functioning democracies.

The main issue here is the scope for institutional reform in legal norms and judicial principles to allow a super-national perspective and the necessary linkage between integrationism and localism. More work on the significance of integrationalism on the loss of sustainability principles and practices at local levels now needs to be undertaken to prove this point.

This last point was the key finding for policy relevance. There needs to be a clearer institutional focus to relate integrationalist tendencies to sub-subsidiarity requirements. At present there is no such institutional bridge. Shifting the position of legal competence and legal rights towards sustainable development generally and sub-subsidiarity in particular is one such institutional move. Generating in that shift towards sustainable development a greater sense of policy integration and equity-orientated evaluation procedures is another.

From the policy perspective another finding was the need for the Union as a whole to learn from the collective initiatives being undertaken in the name of the sustainable transition by the Member States. There is no equivalent to the Commission for Sustainable Development within the European Commission. Such an institutional innovation would be welcome. It would integrate the emerging work on sustainability indicators and environmental reporting being co-ordinated by the European Environment Agency with the best practices in Member States as modified for each cultural and economic tradition. Above all it would help to create a better integrative fusion for Commission policy and spending in the name of sustainable development.