

Shaping the Strategy for a Sustainable European Union

Global Challenges and Horizontal Issues

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JOINT PUBLIC HEARING

Brussels, 26-27 April 2001

Challenges to Sustainability

The view of the European Commission:

Climate Change

Threats to Public Health

Increasing Pressure on Vital Natural Resources

Poverty and Social Exclusion

Ageing Population

Congestion and Pollution

(the consultation paper, SEC(2001)517)

Concept of Sustainable Development

the origins...

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

Brundtland Report, United Nations, 1987

... included in the Amsterdam Treaty

“The Union shall ... promote economic and social progress and a high level of employment to achieve balanced and sustainable development, in particular through ... the strengthening of economic and social cohesion”

(article 2)

Concept of Sustainable Development

Our view:

Departing from a
**Partial and Short-term Vision
of “sustainability”**

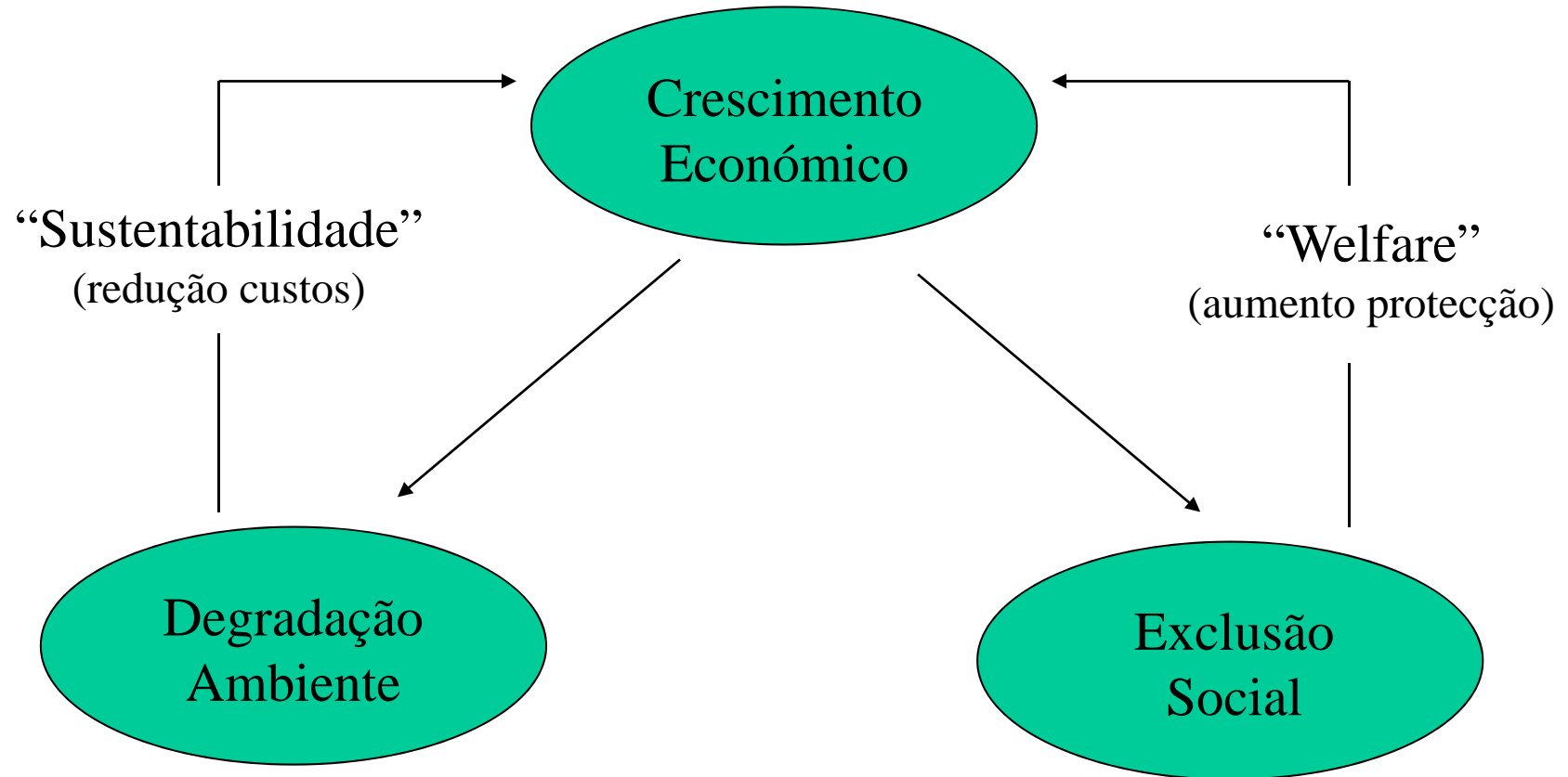
(trying to reduce damage on natural resources and maintain social protection but without really questioning the economic model)

...

... to build and operate
**Sustainability as a
Global Strategic Vision**

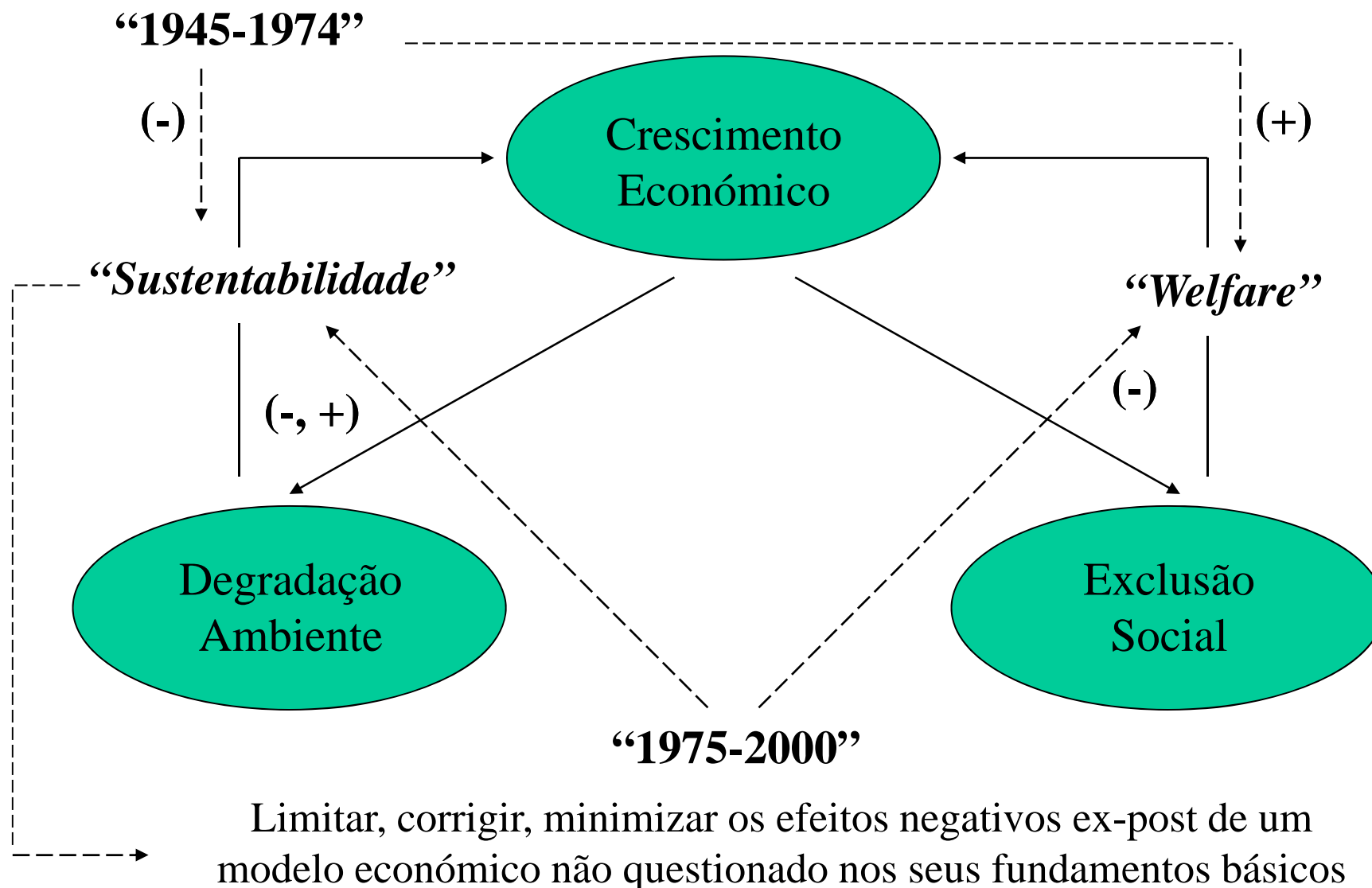
(changing the economic model and “reengineering” or “redesigning” public policies to respect nature and promote social cohesion as “built-in” features of economic development enforced by long-term consistent information, prices and regulations)

“Sustentabilidade” como visão parcial de curto prazo



“Sustentabilidade” como visão parcial de curto prazo

jogo “perde-ganha” no balanço dos aspectos ambientais e sociais



Concept of Sustainable Development

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(trying to reduce damage on natural resources and maintain social protection but without really questioning the economic model)

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(changing the economic model and “reengineering” or “redesigning” public policies to respect nature and promote social cohesion as “built-in” features of economic development enforced by long-term consistent information, prices and regulations)

Globalisation and the rising of a new paradigm

What is new ?

*New relation links between supply and demand
(demand dynamics, “demand driven economy”)*

*Diversification of profit factors
(minimizing resources vs. maximizing income)*

*New ways in obtaining productivity gains
(“systemic” vs. “local”)*

*Important qualitative growth of scientific intensity
and information content
(“Knowledge based economy”)*

Globalisation and the rising of a new paradigm

New demands, values and practices

Information, Knowledge, Imaterial, Differenciation

“Better, Faster, Cheaper”

Organisation, System, Value

vs.

Work, Equipment, Production

“Solutions” vs. “merchandises”

“Delivered or Made by” vs. “Made in”

Globalisation and the rising of a new paradigm

The concepts of economic growth, technological development and innovation process are changing

Technological modernisation based on equipments
Linear concept of innovation / “exogenous growth”



Technological development based on “Knowledge”,
Interactive/integrated concept of innovation based on a value chain
approach / “endogenous growth”

Globalisation and the rising of a new paradigm

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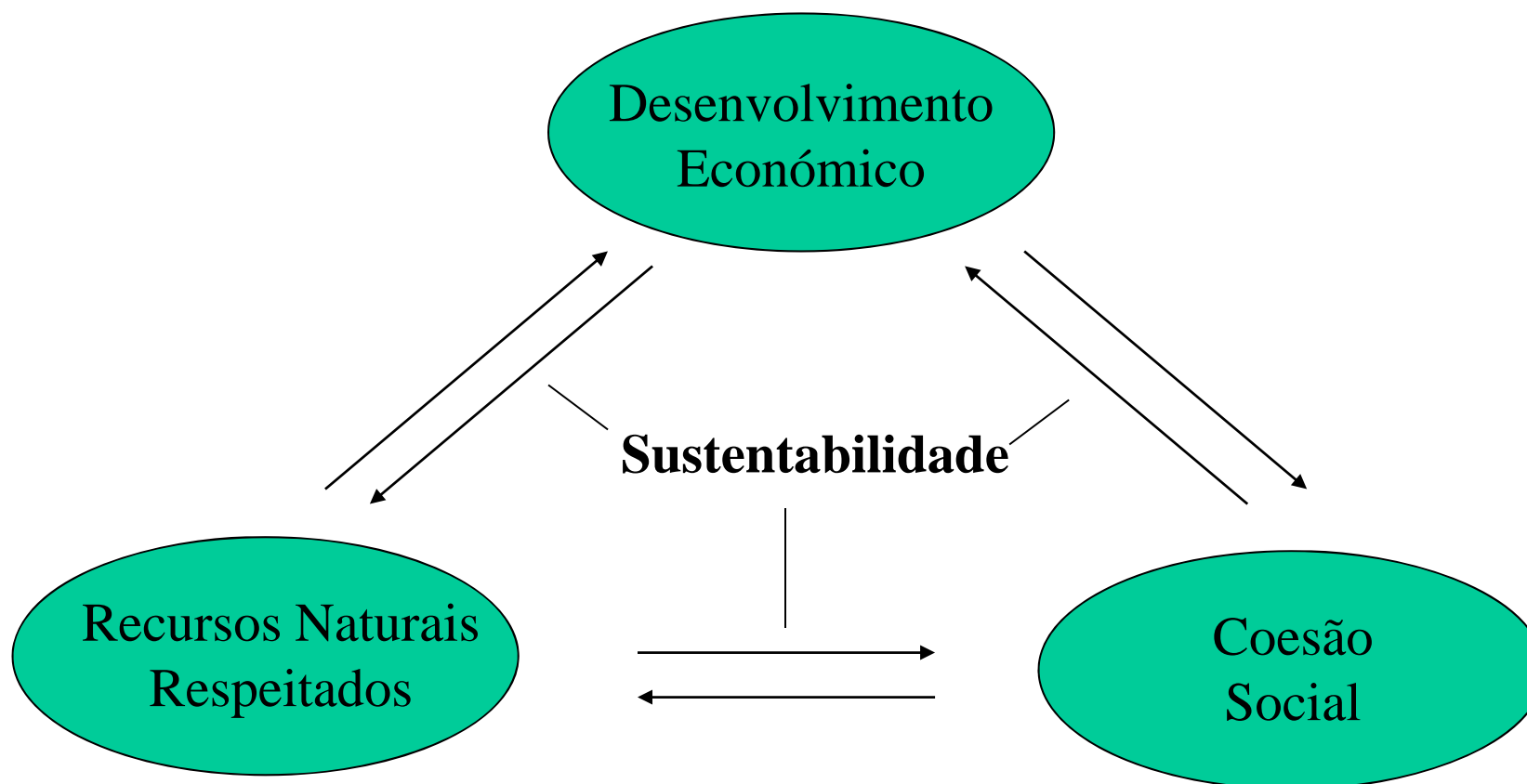
New models of production and economic efficiency
(“colective efficiency and clustering)



New principles in production organisation
(networking)

A sustentabilidade como visão estratégica global

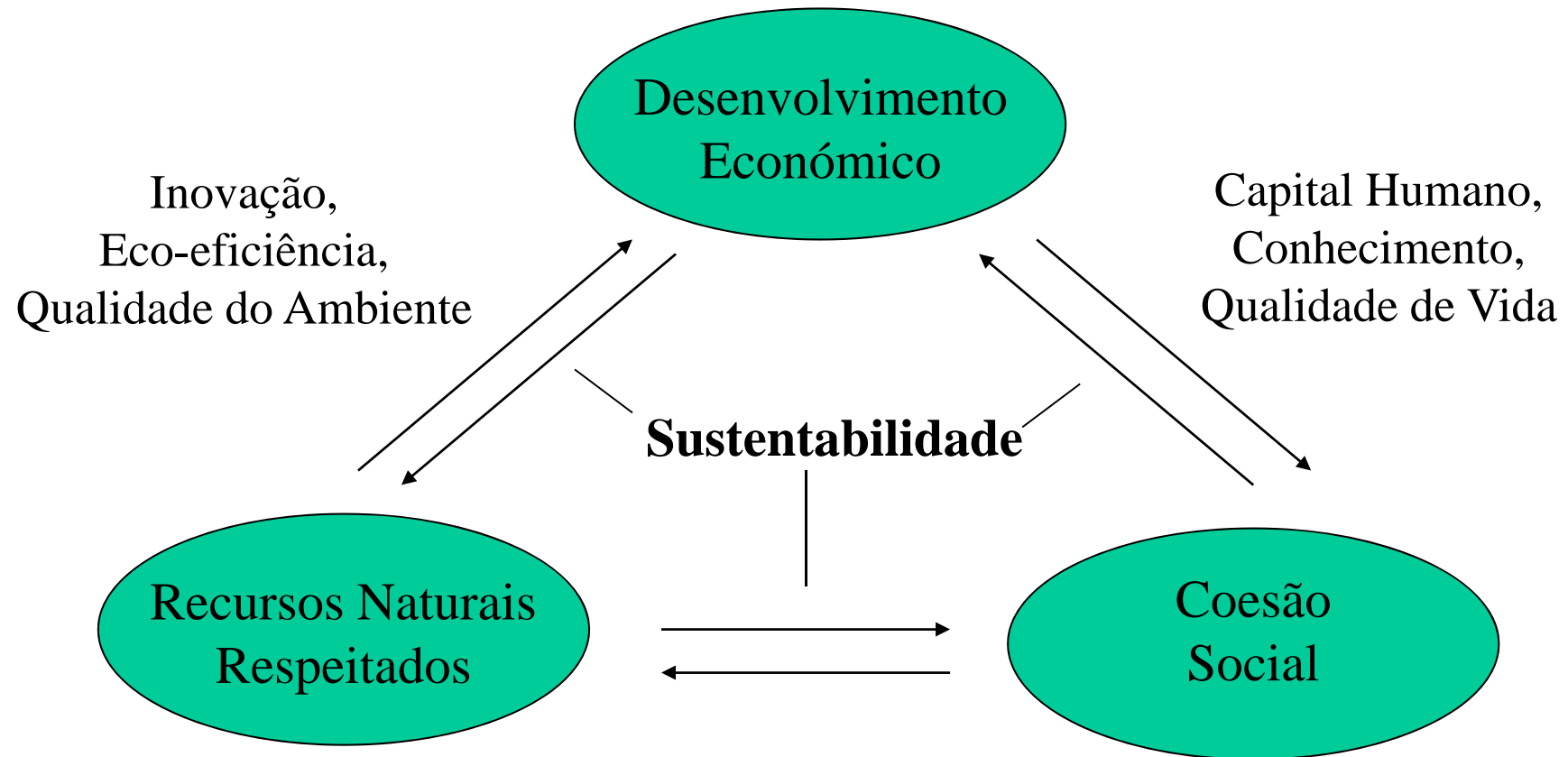
Sustentabilidade como coração do “motor” do progresso humano e social, suportada, mas não dirigida, pela competitividade das economias



Sustentabilidade como rede de interações equilibradas

A sustentabilidade como visão estratégica global

Qualidade do “motor” muito mais importante que o ritmo quantitativo
“crescimento endógeno”



Equidade inter e intra-geracional
“Governar para os nossos netos”

Sustainability: The Real Global Challenge

Sustainability is not about preserving an economic model with known negative long-term effects and impacts on nature, climate and people and on markets, states and institutions, acting through partial adjustments imposed by a reactive response to scarcity, crise or need on a short-term approach.

*Sustainability is about changing the economic model to control and manage long-term effects and impacts on nature, climate and people through structural reforms on markets, states and institutions,
pro-acting by intelligence to prevent scarcity or crise and to use efficiently science and knowledge to meet increasingly demanding human and social needs
on a strategic approach.*

Axes for sustainability

*Preserve the core resources of our economies and societies
- natural, physical, human (health, education, knowledge), social
(institutions, networks)*

*Improve technology and organization to meet population dynamics and
trends (growth, ageing, concentration)*

*Impose cost effectiveness and adequate long-term economic valuation
on environment and social issues to articulate “competitiveness” and
“solidarity”*

*Design new policies to internalise externalities improving the interaction
between “market” and “democracy”*

*Plan “situations” – build action in the present as a backward exercise
from the future (structural reform and adjustment) – and not “rhythms” –
projecting the limits of the present into the future (inertia).*

Questions

The view of the European Commission:

Focusing Helps Operationality ?

Progress in Europe \Leftrightarrow Progress in the World ?

Enlargement and Sustainability ?

Practical measures for “Policy Integration” ?

Reduce Costs and Seize Opportunities ?

Public/Private & Political/Social Cooperation ?

Areas, Steps, Objectives ?

from the questions ... to the answers

Focus on the crucial matters ... i.e. on **unsustainability**

1. Urban concentration, Transport system and Territorial disorder
(pressure on water, greenhouse effect, inner-city poverty)
2. Mass consumption & Demographic trends
in a “having” – not “being” - society
(insecurity in “food” & “drug” chains, ageing viewed as cost, welfare financial difficulties)
3. Social & Economic Cohesion Fractures
(Competitiveness and solidarity are not matched,
EU converges as set of countries, but not as a set of regions, enlargement means a new kind of diversity)

A new set of public policies is needed...

A global redesign of public policies oriented set the adequate rules and environment for a new economic model, at european, national, regional and local level, should allow:

1.

A structural balance linking “Macro” (axed on stability) and “Micro” (axed on innovation) policies designed for concrete territories and actors

2.

Horizontal policies (open incentives to empower people and organizations) should take the place of sectorial policies (closed incentives to protect established activities)

A new set of public policies is needed...

3.

Strategic, but effective, regulation should replace administrative over-regulamentation (free but fair markets, decision by market and decison by democracy)

4.

New fiscal consensus (financing real value collective services, “sustainability” prices reflecting all externalities and long-term maintenance)

... as a new breed of institutions

Social institutions are no longer needed to redistribute ex-post the “fruits of growth” through an approach based on public spending and aimed towards more or less homogeneous social groups

Social institutions are needed to improve the ability to create economic and social value and to manage growing diversity

Structural Reforms are crucial to create a new environment focused on equity, risk, innovation and quality of life and to ensure social dialogue as a tool to build the future (and not to support established interests or short-term biased governments)

Conclusion

The **Cardiff** process – integration – is positive but insufficient because we need to put “sustainability” in the central core of public policies

The **Lisbon** strategy – Knowledge driven economy – lacks a specific relation with “sustainability” and an humble, but bold, path to overcome the european gap on competitiveness

A new economic model can be built seizing the real opportunities and dealing with the real problems ... but only if we are able to produce deep and strategic reforms of our policies and institutions in Europe.