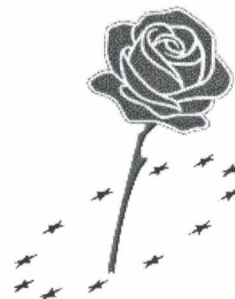


De Europæiske Socialdemokraters Parti • Sozialdemokratische Partei Europas  
Ευρωπαϊκό Σοσιαλιστικό Κόμμα • Party of European Socialists  
Partido Socialista Europeo • Parti Socialiste Européen  
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De Europeiske Socialdemokraters Parti • Partido Socialista Europeu  
Euroopan Sosialidemokraattinen Puolue • Europeiska Socialdemokraters Parti



Brussels, 5<sup>th</sup> March 2002

**Text to be submitted to the PES Leaders' Meeting on 14<sup>th</sup> March in Barcelona**

**PES Working Group on Sustainable Development**

*"As European socialists we must embrace the possibilities of the future. Guided by our social democratic values and vision for sustainable development we shall show political leadership.*

*Our ideas stretch beyond the future of Europe, they also include global responsibility. We as social democrats need to deliver a clear message for the World Summit in Johannesburg. We can make a difference in Europe but also for Europe as driving force for global solidarity.*

*We hope this report will be a fruitful contribution to the upcoming summit in Barcelona as well as to the Johannesburg preparations."*

Göran Persson, Swedish Prime Minister & Leader, SAP  
Chairman of PES Working Group on Sustainable Development

**1. Social Democracy – bearer of a modern social vision for sustainable development**

"Poverty is the greatest polluter and the struggle against poverty is also a struggle for a better environment." These were the words of the late Indira Gandhi at the 1972 UN Environment Conference in Stockholm. Now, thirty years on, the struggle for global justice is more important than ever before. International capital streams pit countries against each other and the prevailing short-term perspective takes neither social nor environmental conditions into consideration. At the same time, we can say that the prosperity of the industrialised countries is by large based on an over-consumption of the world's finite natural resources. Global threats such as climate change or extreme poverty point to the need for change and the fact that the industrialised countries have a moral responsibility to play a leading role in driving through such change. As European Social Democrats, we are prepared to accept this responsibility.

We have a proud tradition. With clear goals and the vision of the welfare society, we have pursued an active policy for change. Successes achieved have not led us to rest on our laurels and no challenge is considered insurmountable. Our conviction that politics is the driver of change is fundamental to our ability to face up to long-term challenges.

As European Social Democrats, we are the bearers of a modern social vision for sustainable development through the recognition of fundamental individual rights. Our principal aim is to transform our present society into one characterised both by solidarity between generations and solidarity between countries. A society in which economic, social and ecological goals establish a new equilibrium where all people's intrinsic resources are utilised and preserved.

The vision of sustainable development is a development of a Social Democratic model characterised by the goals of full and fair employment, welfare for all, international solidarity and a good living environment. In the new vision of the future, the environmental perspective, along with the economic and social angle, is fundamental to a society based on solidarity and justice – a society in which the citizens believe in the future and actively participate in the ongoing development.

Sustainable development, like social democracy, is a value-oriented vision based on democracy and

equality regardless of gender, race or religion aiming at an equitable distribution of life opportunities. The ongoing process of globalisation requires the development of a global civil society based on fundamental rights and responsibilities. Inequalities increase between countries as well as within Europe. That is why we, as European Social Democrats, consider recognition and further development of the Charter of Fundamental Rights as an important step.

The concept of One World implies a principle of joint, indivisible security; a global security that extends beyond the protection of borders. All people have a right to a secure existence and all states have an obligation to protect those rights. Based on these values we have to build our global platform.

Given the present situation, action for sustainable development is all the more urgent so that we can establish security for all. We must strive for a political coalition, with the aim of ensuring sustainable livelihoods for all peoples, nations and cultures of the world. It is fundamental that we promote integration instead of exclusion from society in order to remove the underlying causes of violence.

Perhaps the most important issue regarding sustainable development in Europe in the short term is the approaching enlargement of the Union. The implementation of EU policies and legislation in central and Eastern Europe will require rapid technological development to upgrade environmental protection, social welfare and economic growth. Technological aid and building up capacity to cope with this transition are issues of the highest priority. The dialogue with the candidate countries has to be strengthened in order to address better the specific challenges within an enlarged union. These countries should be included in the synthesis report due in early spring 2003 and the sustainable development strategy has to be considered when reviewing the accession funds. Sustainable development shall also have an important role in the further development of the EU's Barcelona process and Northern Dimension policy. Furthermore, Europe has a particular responsibility towards the Mediterranean zone and especially towards the countries of the South through the agreements between the EU and ACP countries.

A European strategy for sustainable development should be seen as a tool in the struggle against inequalities. We must promote a fair distribution of the positive opportunities created by the current process of globalisation. Fundamental to this strategy is the struggle against poverty both in Europe and throughout the rest of the world. A European strategy for sustainable development must send a clear-cut message to the World Summit on Sustainable development enabling developed and developing countries to reach a New Global Deal, linking issues between the pillars of sustainable development.

This report outlines a strategy for sustainable development containing elements of both internal and external European policies complementing developed strategies for employment and social cohesion. The strategy will have to be elaborated further and other elements added. We, the parties of the PES, commit ourselves to continue this work and together with other bodies and partner such as the Trade Unions implement a just and effective strategy.

## **2. Sustainable development – investment to promote welfare in the future**

The sustainability perspective is a necessity if coming generations are to be able to realise the Social Democratic vision of justice and equality in solidarity. The future resource base must be wide enough to promote an equal and just society. In this respect special attention has to be focused on conservation of biodiversity alongside resource-efficiency. The long-term perspective requires us to act now in order to break unsustainable trends.

Legislation, public investment, dialogue with civil society and the business sector as well as local participation are driving forces behind the transition to a sustainable society. Our efforts must emanate from and be deeply rooted in the everyday lives of our citizens. Investments in new infrastructure, technology and social welfare that do not bring with them increased environmental load will improve the quality of life for Europe's citizens in the long term - a development that will strengthen the competitiveness of the business sector, stimulate employment and bring economic and social stability. The regional perspective should be considered and further explored in the context of sustainable development. In order to enhance social cohesion job creation must be promoted in less developed regions. In this respect access to services of general interest are fundamental.

European Social Democracy wishes to pursue a growth policy, which unites the economic, social and environmental dimensions. The role of environmental technology in sustainable economic growth and increased employment must be utilised and further developed.

The conditions for small enterprises represent an important basis for the dynamic development we wish to create. It is often in small companies where new technology is developed. Sufficient scope for starting and running companies and successfully developing ideas is an important condition for creating ecologically sustainable growth.

It is also important to be able to transform ongoing research in these areas into finished products much more quickly. Closer cooperation is required between universities, the research community and business. In addition, public investment programs can serve as a driving and strengthening force.

Our overriding objective is to create a society based on economic, social and ecological sustainability within one generation. Europe is to be the most competitive and dynamic knowledge-based society in the world, providing scope for sustainable economic growth with more and better jobs, a higher degree of social cohesion and with ecological sustainability as the objective within one generation.

Together, we will work out a concrete and progressive strategy for sustainable development based on solidarity. A strategy that departs from every citizen's right to employment, good health, social security, decent accommodation and a good quality of life. For us as European Social Democrats, such a strategy is an important means of implementing our social vision.

### ***Overriding objectives***

Together, within the PES and the EU, we have formulated the overriding objectives that will steer our sustainable development efforts.

- Stable economic development with good growth, full employment, low inflation and strong public finances with a decreasing burden of debt. Public finances will break even or show a surplus.
- Employment levels will rise to 70 per cent in the EU and to 60 per cent for women by 2010.
- A high level of public health will be secured when drafting and implementing community policies.
- A high level of ambition will be set to prevent social exclusion.
- The implementation of the 6th Environmental Action Programme will facilitate economic growth decoupling from environmental impact. Ecologically sustainable development will be achieved within one generation.

### **3. Strategies and implementation**

#### The benefits of a holistic approach

The fundamental change and challenge that European Social Democracy faces is to develop a policy that leads to collaboration between the three dimensions of sustainable development.

Every political decision must be based on a holistic analysis that reflects the effects of such a decision on all three policy areas. By doing this, we can maximise the benefits and use resources efficiently. Investment in environmental technology produces such synergy effects as it simultaneously improves health and human well being, reduces healthcare costs, curtails absence from work due to illness as well as creates new jobs.

Or, on a more basic level, we should promote economic growth that provides scope for more people to be active on the labour market, thereby reducing social exclusion. Less social exclusion in turn lays the foundation for active social participation, safeguarding the common good for the future. Sustainable economic growth based on investment in technology which leads to less consumption of resources, at the same time as allowing a social and environmental level of protection to be established, provides the driving-force in the positive spiral created by a strategy for sustainable development.

Monitoring and reporting are particularly important in order to consolidate the three dimensions. Through this, considered assessments of necessary measures can be carried out. At the summit in Göteborg, the European Council decided to provide the necessary political guidance to promote sustainable development at its annual spring meetings. The environmental component complements the Union's commitment to economic and social renewal. Through this process of further efforts to implement the strategy, a common platform for policy development and community-wide measures has been created.

The PES believes that effective implementation of the sustainable development strategy requires new institutional tools. We suggest a preparatory group on sustainable development that can add value to the individual sectoral Councils by taking a crosscutting view on priority topics and that can operate in a transparent way.

A joint and co-ordinated implementation process will strengthen the resolve of every individual member state including the accession countries. This applies not least to non-harmonised areas where dependence on the world around has previously constituted a decisive barrier to national measures aimed at promoting sustainable development.

#### Cooperation – one of the keys to success

Implementing a sustainable development policy requires efforts on the local, regional, national, EU and global levels. All appropriate measures demand both deep-rooted support from the people and their active participation.

To support active citizen participation in social change, efforts in the field of education and training are crucial. Changes must be effected so that sustainable development is reflected in mainstream teaching. A high level of education for all citizens is also of premium importance to the transition to a more modern knowledge-based economy. This will contribute to greater employment and enable structural and regional changes.

The work and policy development done by the ETUC indicates the commitment of the trade unions to take part in developing the strategy of sustainable development. The role of the social partners in policy development should be encouraged.

Extensive efforts are also needed in the areas of research and technological development. The EU's research policy must focus not only on the development of new technology as a support for sustainable development but also on the development of decision-aiding tools as well as evaluation and monitoring methods. We, the PES, believe that the EU research program should be guided by the sustainable development strategy, support the implementation of the 6<sup>th</sup> Environment Program and help develop the Cardiff process further.

A systems approach should be established where public and private interests can cooperate. Investments in new solutions and infrastructure require old spheres of responsibility to be reconciled and joint plans to be established.

#### Local action and participation

The global challenge has to be anchored in people's daily lives. With the perspective of basic individual rights and obligations the necessity for action and changed lifestyle becomes obvious.

Local and regional authorities, as the level of governance closest to people's daily social, economic and environmental concerns have a critical role to play, both in supporting citizens' commitments resulting from sustainable development, as well as cross-sectoral partnerships involving the private sector. The work with local Agenda 21 has to be continued and improved based on an evaluation of good and bad practice, and co-operation in regions involving applicant countries developed. Special attention should be given to the ongoing work involving countries in the Mediterranean zone and around the Baltic Sea.

In order to strengthen the local and national perspective in the global work, civil society should be encouraged to actively take part.

#### **4. National and European action plans for sustainable development**

The European Social Democrats wish to develop an action plan to help build the new, modern welfare society where the citizens and human development are the focal point. We will formulate time-bound targets for those sectors that are particularly important for sustainable development and an account will be given of the measures taken and investments made. Necessary policy changes concerning subsidies, investment support, economic instruments and pricing are all essential components of a Social Democratic programme for sustainable development. The overall aim of sustainable development has to be reflected among public spending priorities.

An overriding aim is to de-couple economic growth and increased environmental impact. This requires changes to present production and consumption patterns. Our policy will stimulate new resource-efficient technology - and with it produce environmental gains, economic growth and new jobs. Product and production standards have to be developed together with the implementation of an integrated product policy based on a life-cycle perspective.

As European Social Democrats, we want the EU to be the most resource- and energy-efficient region in the world and a leading partner for technological transfer to developing countries.

In global terms, environmental technology and environment-driven growth together represent one of the fastest-growing markets. Small and medium-sized enterprises can be supported on the export market through national networks that work as "shop windows" and marketing managers for environmental technology. Similar efforts are also important from an employment perspective.

The PES believes that Europe must continue to be at the forefront of technical innovation and make full use of its potential for growth and job creation. The Union should promote benchmarking and Best Available Technology in different sectors. Environment and sustainable development should be integrated into harmonised standards and technical specifications. An action program should be developed at European level in order to identify and remove obstacles for the promotion of clean and resource efficient technologies.

#### **A) Important instruments**

##### Sustainability impact assessment

All decisions should reflect the overall vision of sustainable development. In order to ensure policy coherence new instruments have to be developed. In addition to indicators and monitoring, sustainable impact assessments are essential and must be implemented. Such assessments should cover the potential economic, social and environmental consequences of all major policy proposals.

##### Sector integration

One important measure following the revision of the Amsterdam Treaty was the process of integrating environmental considerations into sector policies as decided in Cardiff. This process has to be further strengthened and reviewed with regards to the decisions taken in Gothenburg and Barcelona.

##### Indicators – for credibility and citizen involvement

We must give the citizens and the entire civil society the chance to evaluate our policies. It is equally essential for us as a political power to be able to see that measures we have adopted produce the desired results. We would therefore like to see a number of indicators developed within the EU that are also broken down sector by sector and onto the national level. As a whole, the indicators should relate economic development, social prosperity and environmental impact. These indicators should also include human development indicators as already used within the UN. The system of indicators must cover all areas mentioned in the sustainable strategy. In the preparations for the Barcelona Summit six environmental indicators has been proposed. We, the PES, believe that this process has to continue, especially the development of indicators for the area of public health, in particular chemicals, and of sustainable natural resource management, in particular bio-diversity.

## Economic instruments – an instrument of sustainable development

For us as Social Democrats, economic instruments and taxes are fundamentally an important tool in our quest for a fair distribution of wealth. In recent years, charges and taxes have also, as a complement, gained in importance to encourage the right kind of action from the business sector and the citizens. This is not only true in the environmental field but also regarding, for example, regional development.

Taxes and charges can, if used correctly, stimulate a development towards better resource-efficiency and less environmentally harmful emissions. By increasing the pressure for change at such a rate that allows the business sector to continuously adapt, taxation policy can help give the European production system a more ecologically sensible structure at the same time as our aim of fair distribution is protected. The possibility for member states to use decreased indirect taxation to promote sustainability should be supported.

It is important that the sectors and various industrial operations pay the true costs of society. Pricing products so that the real social and environmental costs are reflected provides an incentive for the consumer and producer when they are deciding which goods and services are to be produced or purchased.

Individual countries cannot have taxes that differ radically from the world around us. Current efforts within the EU and the OECD to combat unfair tax competition are important if we are to discourage countries from attracting tax income by offering tax privileges. We as European Social Democrats must drive forward the work to draw up minimum tax rules, especially regarding the taxation of energy and capital, and endeavour to increase the exchange of information between tax authorities in different countries.

The PES believes that national tax systems should, as a compliment to the aim of fair distribution of wealth, serve as a catalyst for change towards sustainable development. A reform is needed based on introduction of environment related taxes – minimum levels should be recommended with priority given to carbon dioxide tax.

The financial market can support environmentally sound investment by new policy instruments. These possibilities have to be explored further and voluntary agreements encouraged.

### Increased taxation on environmentally harmful operations and reduced taxation on labour

The concept of green tax exchange couples environment policy to employment policy. Regarding the environment, tax exchange is about helping to create pressure for change – change towards an ecologically sustainable society. Regarding employment, it is about providing the right fiscal conditions for work. The transition of society to ecological sustainability and reinforcing the principle of full and fair employment are decisive components in our efforts to, for example, prepare society for the ageing population of the future.

The PES believes that implementing green tax exchange on the national level is important for sustainable development. We should strive for comparable levels within the field of taxation as far as possible.

### Public procurement

An important driving-force for technical and environmental development is the demand created by society's institutions when they procure goods and services. Public procurement within the EU is estimated at Euro 720 billion per year. Social and environmental requirements must play a more prominent role in this framework. The point of departure is that the negative impact of a product on human health and the environment should be minimised throughout its entire lifecycle. Such a change will create an instrument in support of sustainable development which can be much more powerful than any direct support or subsidy. Market-based instruments can be more cost-effective and also send an important signal to companies who voluntarily "green" their operations.

Public bodies must also take the social dimension into consideration when they are procuring goods and services. It is reasonable to place requirements that guarantee respect of accepted labour and employment conditions.

The PES would therefore like to see the development of a public procurement policy which allows for a lifecycle perspective to be taken of a product and for social and environmental requirements to be placed on it.

### **B) Infrastructure – transport, energy, building**

The infrastructure must satisfy citizens elementary needs and should be developed in such a way that access is guaranteed to services of general interests and competitiveness of the business sector and good working conditions promoted. In addition, it should safeguard a high level of good health as well as contribute to both regional and ecologically sustainable development.

The transition to ecologically sustainable development requires changes to society's mainstay infrastructure. Goals and instruments should be constantly developed within each sector in order to stimulate investment in new green technology.

Changes to the infrastructure are crucial to the Community's and each individual member state's chances of being able to fulfil their commitments under the Kyoto Protocol. We must break our dependence on fossil fuels.

As European Social Democrats, we want to lay the foundations of a new sustainable infrastructure that will help create a resource-efficient welfare system.

**Transport policy** is currently undergoing change – the health and environmental perspective is being developed in relation to social and economic aspects. The most important issues to come to grips with are climate change, acidification, eutrophication, air quality and noise. A sector strategy should stimulate the introduction of new technology (engines and fuels), lead to more efficient utilisation of capacity, increase coordination between different modes of transport and increase the proportion of rail transportation. The environmental impact of air traffic should receive special attention. We must decouple economic growth from increased transport volumes.

Planning policy needs to be re-examined in order to establish effective and sustainable commuting, both within cities and between cities. Furthermore, new research has to be focused on increasing problems related to transport such as noise and electromagnetic radiation in order to make future action possible.

Example - decisions taken at the Göteborg summit:

*The European Council invites the European Parliament and the Council to adopt by 2003 revised guidelines for trans-European transport networks on the basis of a forthcoming Commission proposal, with a view to giving priority, where appropriate, to infrastructure investment for public transport and for railways, inland waterways, short sea shipping, intermodal operations and effective interconnection;*

The PES believes that:

- Large-scale investments have to be made in infrastructure so that EU can become a model for sustainable development.
- It is necessary to bring about a shift in transport use from road to rail, water and public passenger transport. The share of CO2 emissions, at the EU-level, from the transport sector should in 2010 be no greater than in 1998.

- All community planning should give an account of the transport requirements and promote public transport.
- Through co-ordinated investment, Europe should create the world's most efficient rail network. The opening up of the railway market, together with further development of the Trans-European networks, is an important step that requires measures to significantly reduce technical and other barriers to cross-border rail transport within the Community. This includes harmonised security rules, education of drivers and tariffs.
- By 2005 the Commission should have developed a framework for transport charges in order to establish a fair and efficient pricing regime, which internalise external social and environmental costs.
- We should introduce an international aviation fuel tax to reflect the environmental costs of flying, if this does not succeed alternative actions within the EU should be considered.
- Tax instruments for road transport of heavy goods, such as a kilometre tax, should be implemented by member states.
- Alternative fuels, including for example biofuels and hydrogen fuel cells, should account for at least 20% of fuel consumption of cars and trucks by 2020 at EU level. A system of green certificates, as for renewable energy, should be considered for alternative fuels.
- The wording of the mineral oil directive should be reviewed with the aim of achieving established targets for increased proportions of renewable fuels.

**Energy policy** is an important factor affecting the competitiveness of the business sector and social development. At the same time, the energy production base must change if environmental objectives pertaining, for example, to carbon dioxide emissions are to be attained. Efforts to expand renewable energy sources should be combined with efforts to bring about more efficient energy use.

Renewable energy incentives should be combined with strategies to phase out fossil fuels in energy production. An important starting-point in this context is that prices must reflect the real costs and subsidies to fossil fuel energy production must be reformed with a view to progressive phasing out.

The market for renewable energy must be strengthened. Flexible and market-based instruments that work on a deregulated and integrated market must be developed as a complement to other policy mechanisms.

Example - decisions taken at the Göteborg summit:

*The European Council furthermore reaffirms its determination to meet the indicative target for the contribution of electricity produced from renewable energy sources to gross electricity consumption by 2010 of 22 percent at Community level as set out in the Directive on Renewable Energy;*

The PES believes that:

- Europe should lead the technical development of renewable energy production.
- In perspective of the established indicator on energy consumption related to GDP we should consider formulating a EU-wide target for energy-efficiency.
- Energy labelling has to be further developed in order to promote energy efficiency.
- The adoption of the energy products tax directive including minimum tax rates is essential.
- Reform of subsidies to fossil fuel production should be implemented with a view to progressive phasing out.

**Housing and buildings** in their design and location represent an important part of society's infrastructure. Planning and design partly dictate what scope there is for good natural resource management concerning for example land and water. An active housing policy is also an important instrument of social development and can combat segregation by supporting the right to decent accommodation and by encouraging social diversity.



The design of housing and buildings is closely connected with energy consumption, either for cooling or heating. It is important to introduce environment friendly building material and environmental certification of buildings including recommended energy consumption based on best-available technology. Traceability of building material is fundamental for their recycling. Because of the health risks related to asbestos, lead, radon etc financial and regulatory instruments should be used in order to deal with these problems.

Water consumption has to be brought under control using appropriate regulations and public awareness campaigns.

Our internal environment is dependent on the building materials used and the design of the ventilation system. In environments where there are children, such as schools, these issues should receive particular attention as they have a direct impact on health. The function of ventilation systems should be included in building regulations.

The PES believes that:

- The planning of housing and other buildings should depart from sustainable development, focussing particularly on resource use, health and social development.
- National management mechanisms for limited energy consumption in housing and other buildings should be developed including tighter minimum standards and labelling requirements in order to improve energy efficiency.

### ***C) Production based on natural resources – agriculture and fisheries***

The prudent use of natural resources is a fundamental prerequisite of sustainable development and also significant for sustained regional development. Along with climate change, the threat to the Earth's bio-diversity and thereby to the wealth of all life on Earth, is one of the most serious global environmental threats.

In an economic perspective, the role of the biological production system becomes clear. The value of the "services" which bio-diversity provides us with every year is estimated at 36 thousand billion dollars for the whole world. The world's total economic production, on the other hand, amounts to 39 thousand billion dollars.

In relation to the use of natural resources water policy is of great importance. The use of water within the EU must gradually adapt to the mandate of the framework Directive on water. The core objective is to recover water and improve its quality. Member states are compelled to guarantee a more sustainable use of water, especially water destined to agriculture and farming. Therefore it is of great importance to promote technologies to obtain, treat and distribute water in order to prevent negative impact on the eco-systems. The fight against drought and desertification is also one of the priorities in this respect.

At the Göteborg summit, it was decided that "the depletion of bio-diversity shall be stopped and that this objective should be achieved no later than by 2010". The PES believes, therefore, that it is essential to develop indicators for measuring bio-diversity.

***European agriculture*** is an important part of our society, history and culture. Agriculture helps to preserve historical values and regional balance. It is also significant for employment. As Social Democrats, we would also like to underscore the goal already established by agriculture sector - to guarantee a high level of food safety and competitive prices. Public demands for traceability and labelling must be met.

Transforming agriculture so that ecological aspects are also taken into consideration will make the sector a strong driving-force for sustainable development from a clear economic, social and ecological perspective. We, as European Social Democrats, would therefore like to see an amended Common Agricultural Policy (CAP) that encourages ecological concern and high food quality complemented with guidelines for preserving agriculture in less privileged areas. General subsidies should be redistributed in favour of financial incentives for organic farming, energy crops and the implementation of measures to promote bio-diversity. Such a change would make it easier for new Member States to be gradually phased in to the system and would also preserve small-scale agriculture in the candidate countries.

Export subsidies should gradually be phased out in accordance with the agreement at Doha in order to ensure developing countries market access.

A long-term reform applied in a socially acceptable manner includes support to the production of collective commodities such as environmental services that can contribute to new or continued activity in agricultural enterprises. The reform of agricultural policy must also integrate policy for rural development with the aim of restructuring the agricultural sector and the creation of new jobs.

Example - decisions taken at the Göteborg summit:

*The European Council agrees that the Common Agricultural Policy and its future development should, among its objectives, contribute to achieving sustainable development by increasing its emphasis on encouraging healthy, high quality products, environmentally sustainable production methods, including organic production, renewable raw materials and the protection of biodiversity;*

The PES believes that:

- \* The purpose of the present overhaul of the EU's CAP should be to effect change that would stimulate ecologically sustainable farming and preserve the cultural landscape. It should also include anti-eutrophication measures.
- \* Ethical production methods and animal protection should also be stimulated.
- \* The use and impact of pesticides and chemicals must be reduced. Close co-ordination of the new Community legislation on chemicals and regulations for pesticides has to be ensured.
- \* The precautionary principle should be the guiding principle when using GMOs.
- \* Agriculture's contribution to both climate change and eutrophication should be reduced.

**Fisheries**, just like agriculture, are an important part of our society, history and culture. The sea is not only used for different types of activities such as fisheries and shipping but is also of major importance for people's recreational opportunities. A sustainable production capacity in the sea is a direct prerequisite for the cultural-historical environments that coastal areas constitute. Marine reserves should, in the same way as land areas, be established with the aim of protecting those areas that are especially valuable for bio-diversity.

The European fishing fleet must be reduced and new fishing equipment must be developed in order to reduce resource consumption. Measures need to be implemented when the fisheries policy is overhauled in 2002. Subsidies should be substantially reduced in a socially acceptable manner in order to phase out over-capacity.

The sea's production capacity is also affected by pollution caused for example by oil spills and nutrient leakage from agriculture. Powerful measures must be implemented to alleviate these problems.

Example - decisions taken at the Göteborg summit:

*The European Council agrees: that the review of the Common Fisheries Policy in 2002 should, based on a broad political debate, address the overall fishing pressure by adapting the EU fishing effort to the level of available resources, taking into account the social impact and the need to avoid over-fishing;*

The PES believes that:

- \* Economic subsidies within the fisheries sector must be gradually phased out in a socially acceptable manner.
- \* The overhaul of the Community's fisheries policy should aim to adjust the size of the fishing fleet to match the sea's biological production capacity.
- \* The fisheries policy must actively support the use of fishing equipment that reduces undesirable by-catches.

#### **D) New sectors – IT – new development for sustainable development**

IT should be used to achieve transition to the ecologically sustainable society. With new, resource-efficient technology and other technological advances, welfare and prosperity can be built up without depleting the environment.

It is also important, however, that changes in lifestyles and new infrastructures do not risk us getting locked into new unsustainable structures. An example of such a change is the recent increase in Internet shopping which, if incorrectly designed, can lead to increased transportation volumes. The social and environmental dimension must be considered as early as possible in the planning stage of IT applications.

Options that should be investigated further include; more efficient transport flows, less energy consumption in buildings, the design of a delivery system for Internet shopping and reduced transport requirements as a result of, for example, tele-working or video- and teleconferencing.

A strategy for expanding the IT infrastructure that takes environmental concerns into account will contribute to sustainable development in a regional policy perspective as well. Our objective is to facilitate access to new technology for everyone, especially in schools and universities etc.

The PES would like to see more research into the IT sector's role in sustainable development. The business sector should develop internal systems that encourage greater use of IT communications to reduce transportation requirements.

#### **5. Global responsibility – a message to Johannesburg**

The European Social Democrats want to adopt an action plan that guarantees all the positive opportunities provided by globalisation and which will lead to a fair global distribution and provide sufficient scope for achieving sustainable development. Globalisation has to work for sustainable development. This will mean modification to trade and development assistance policies that should be assessed based on their effects on sustainable development. Combating poverty and provide greater access to markets for the poorest countries are also important components of a Social Democratic programme for sustainable development.

Environmental problems are closely related to the injustices that are ingrained in today's society, both within and between countries. The poor is often the first victim of environmental degradation and loss of natural resources. The richest five per cent of the world's population is responsible for 86 per cent of the world's total consumption whereas the poorest twenty per cent is responsible for just 1.3 per cent. This leads a doubled pressure being exerted on the global environment. The poor farmer is forced to use dirty fuel and chop down his last tree in order to survive whilst the over-consumption in the industrialised countries leads to resources being squandered, unnecessary emissions and the creation of vast amounts of waste. A substantial difference is however that the citizens in the developed countries have much greater freedom to choose their lifestyle – the poor have no such choice.

These global challenges require clear political leadership. As European Social Democrats, we are prepared to take our responsibility prior to the World Summit on Sustainable Development in Johannesburg in 2002. The overriding objectives are combating poverty, promoting sustainable livelihoods and sustainable consumption and production patterns.

The strong European commitment to the Kyoto Protocol should be followed by a rapid ratification. We, the PES, urge that all parties to the protocol complete their national ratification procedures in order to enable the protocol to enter into force before the World Summit on Sustainable Development.

The rapid globalization of the world economy has created a possibility for redistribution of investments between north and south. But it also exposes individual countries, and the world economy as a whole, to greater instability. The establishment of the European Monetary Union is one instrument developed to respond to this reality. For many developing countries, largely dependent on exporting raw material and primary products, the question of stability is a question of stable prices. The commodity regime has to reflect this particular problem. On a global level we have to establish a policy of sustainable prices that takes in to account the need for earnings stability, environmental costs and leads to a decrease in the pressure for extraction of raw materials in poor countries. The most important however is a transition to a more advanced and diversified economy based on self-sufficiency in food production and a developed production.

On a global level we have to generally strengthen the political instruments in order to ensure that the markets work in the interest of the people. The concept of global security has to be broadened from the traditional focus on the security of states to include the security of people and the security of the planet. The rapid pace of globalization has surpassed the capacity of the system to adjust to new realities, i.e., a more independent, interlinked and integrated world. The goals of global security, eradication of poverty and the achievement of global justice as well as financial stability are today all intertwined.

All global and regional institutions, each responsible for particular aspects of economic and social life, have to improve their role in contributing to sustainable global development. Stronger political accountability, not least in securing consistent and coherent policies, is fundamental for change. We need an institutional framework for sustainable development that will provide for policy integration, knowledge-based decisions and participation.

We need a new platform for global environmental efforts. Our institutions must be strengthened and made more efficient. The international community must gather behind a joint strategy with concrete measures. Prior to Johannesburg, we must build a bridge of trust between north and south. In partnership with the civil society and the private sector, we shall endeavour to strike a "New Global Deal". Crucial to such an agreement are concrete steps regarding the financing issues, the transfer of technology, the dismantling of subsidies that constitute a barrier to trade and the status of the environmental dimension in relation to trade policy.

Regarding the financing issue, we, as Social Democrats, believe that concrete steps must be taken before Johannesburg in order for the EU countries to live up to the UN's development cooperation objectives. A plan for a gradual increase should be drafted and implemented. Furthermore, we will strive for a progressive outcome of The World Conference on Financing for Development in Monterrey, Mexico, 18-22 March. Besides the institutional reform agenda we need a new balanced procedure to ensure more orderly workouts of unsustainable debts in order to assist debtor countries in maintaining social stability and to promote more equitable burden sharing.

A plan to achieve the development cooperation objectives should be completed with a plan to phase out subsidies within, for example, the agricultural and fisheries sector. Through these two strategies, the economic benefit of development financing will be maximised. Subsidies often lead to overuse of natural resources at the same time as poor countries are prevented from gaining access to the market.

The business sector can play an important role as a result of direct investments that are made in developing countries. By living up to fundamental social and environmental norms applied within the Union we contribute to sustainable development in these countries. Furthermore, closer cooperation should be established between development assistance bodies, the research community and the business sector with the aim of stimulating transfer of technology. As European Social Democrats, we want to contribute to such initiatives within the transport and energy sector.

Export credit policy can contribute positively to sustainable development and should be consistent with that objective. The recently adopted OECD proposal on common approaches also takes into account consultations with civil society. The implementation of this proposal will mean that all major exporting countries of the OECD will be applying environmental review mechanisms. This decision is a positive first step that requires revision of national policies for export credits within the Union.

An important prerequisite of sustainable development is that the financial markets are based on economic, social and ecological concerns. In this way, proper assessments can be made at an early

stage and in certain cases regulated policies can be avoided. This approach should bear its mark on the regulatory framework for international trade, including the WTO. International social and environmental agreements and the WTO must be mutually supportive. The social and environmental perspective must be strengthened during the forthcoming round of trade negotiations. We, the PES, commit ourselves to the Doha development agenda.

The PES believes that:

- Global governance has to be strengthened in order to guarantee that globalisation works in the interest of the people. We need to ensure better coordination and mutual support between policies and actions of institutions like the UN, Bretton Woods and WTO.
- A New Global Deal, restoring trust between north and south, has to be defined prior to the Johannesburg Summit.
- The Johannesburg Summit agreement should include an Action Plan in order to implement Agenda 21 and the Millennium Declaration. It needs to focus on deliverables and the need for resources such as public and private financing, capacity building and transfer of technology.
- The global environmental platform has to be strengthened by developing UNEP financially and institutionally, with a long-term view of a World Environment Organisation.
- An open and fair trade regime has to be developed where trade agreements should be assessed based on how they affect sustainable development. Sustainable impact assessment should be implemented in the EU's trade policy.
- International conventions, especially those of the ILO, relating to health, labour rights and the environment must be respected in the WTO's regulatory framework.
- The precautionary principle should be applied within international bodies such as the WTO.
- The EU's agricultural and fisheries subsidies that can both be seen as ecologically unsustainable and as trade barriers should be modified and ultimately phased out in a socially acceptable manner.
- People in developing countries should have full access to medicines at fair price levels in order to combat diseases such as HIV/AIDS, malaria and tuberculosis.
- The EU should actively contribute to the fulfilment of the goal of halving world poverty by 2015.
- The EU member states should fulfil the UN's development assistance objective of 0.7 per cent of GDP and progress on this issue should be made before Johannesburg 2002.
- The EU's policy towards the world's poorest countries should give them greater access to the market and allow their debt to be written off, especially those who are pursuing internal poverty alleviation policies.
- The EU's development assistance should contribute to strengthening the voice of the poor by investing in the civil society.
- European companies' investments should guarantee fundamental trade-union rights and protection of the environment and export credit policies apply to recommendations from the OECD regarding sustainable development.
- The EU should develop a policy framework in order to promote exchange of clean and resource efficient technologies. This framework should include partnership with the private sector, reduction of trade barriers as mentioned in the Doha ministerial declaration, capacity building and a program for cooperation between universities focusing on exchange programs for students.

In conclusion, the political will to act is essential for the achievement of a more sustainable development. We need to find the right tools to implement the agreements and strengthen partnerships. We, the member parties of the PES, will strive to achieve this at the Barcelona and Johannesburg Summits.