The UN Sustainable Development Goals – Some Reflections from the Perspective of the European Economic and Social Committee

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Abstract

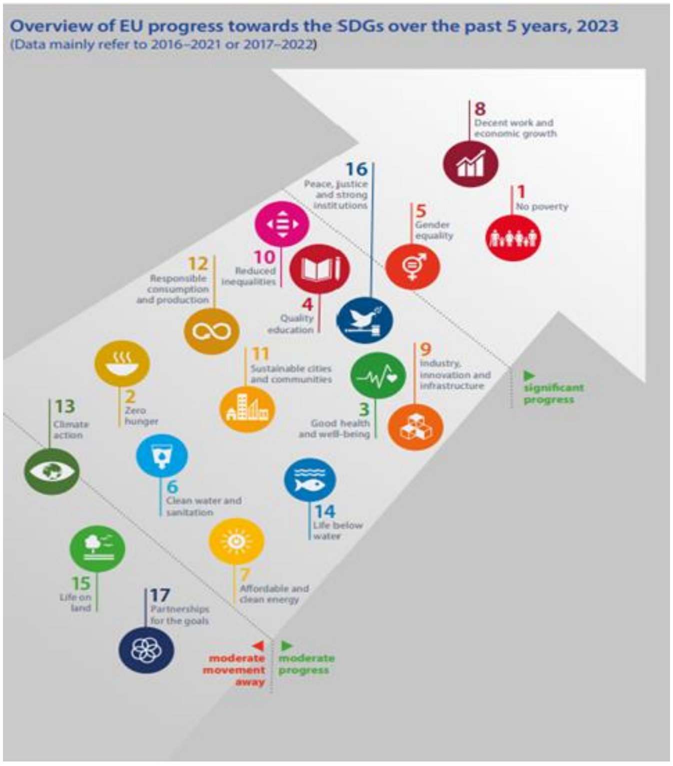
To some, it might seem odd that the Sustainable Development Goals (SDGs) would be of relevance to the highly developed industrial nations that form the EU. But the SDGs were not the first global target agreements of the United Nations. They were preceded by the "Millennium Development Goals" (MDGs), which set eight goals concentrated on combating poverty in the world, especially in developing countries. Its successor, the 17 SDGs, have a much broader reach in terms of goals and scope, and included highly developed countries and the EU as well. These developed societies face the same need as developing countries for a major transitionary and transformative change towards sustainable growth that protects the environment, helps communities and their inhabitants adapt to a changing climate, and which is more inclusive regarding social and resource-conserving goals. This paper shows that the European economic model of a Social Market Economy offers a good starting point for successfully mastering the structural change towards a more resource-efficient production. The European Economic and Social Committee (EESC), representing the voice of social partners and civil society in the concert of the EU institutions, contributes to the three pillars of sustainability - economic growth, social equity and ecological sustainability - reinforcing each other by balancing the right regulatory and institutional framework for transition.

1. The Stakes

The past two decades have seen the emergence of new concepts, indicators and sets of targets for assessing the economic and non-economic well-being of populations. Virtually no national ministerial agenda can now go along without monitoring and assessing its actions against the UN's 17 Sustainable Development Goals (SDGs). The EU even submits an annual SDG monitoring report (Eurostat, 2023). This development is also reinforced by the clear desire among the European population for more climate protection and environmental sustainability: 1) A Eurobarometer survey from the summer of 2021 shows that, according to European citizens, climate change is the most serious problem facing the world (European Commission, 2021). 2) A survey of young people in 45 countries born between 1983–1994 (Millennials) and 1995–2003 (Generation Z, or "GenZ") shows that environmental and climate protection and issues of health, unemployment and growth are equally important to them (Deloitte, 2021). Despite numerous other, newer challenges, climate change also remains high on the agenda for business leaders. At the same time, in many organisations, there remains a gap between understanding the urgency of the issue and concretely embedding sustainability into strategy, operations and corporate culture (Deloitte, 2023).

On average, the EU has made progress in achieving 14 out of 17 SDGs over the last five years, and only three areas have seen slight regressions (see Figure 1). The goals "Decent work and economic growth" (SDG 8), “No poverty” (SDG 1) and "Gender equality”" (SDG 5) rank at the top of the list of improvements, showing “significant progress”. But SDG progress is not linear, and is heavily affected by exogenous shocks like the war in Ukraine: Within the last year, the goal “Peace, justice and strong institutions” (SDG 16) lost its place as the area showing the most improvement. “Affordable and clean energy” (SDG 7) has plummeted from a top rank to one of only minimal progress. But besides the striking impact of the Ukraine War on SDG performance, international meta-analysis points out that the goals do have a certain political influence on institutions and policies, from local to global politics, but this influence has so far rather affected the way in which sustainable development is understood and communicated. “More profound normative and institutional impacts, from legislative action to changes in resource allocation, have been rare” (Biermann et al., 2022). In many cases, the step towards concrete action has yet to be taken.

Figure 1: Overview of EU SDG Progress over the past 5 years



Source: Eurostat 2023, p. 11.

So, how can this gap between academic expertise and political uptake of the respective insights be bridged more effectively? It must be saluted that the European Union (EU) has fully committed itself to delivering on the 2030 Agenda, and that the SDGs form an intrinsic part of the European Commission's work programme. But other players are necessary as well. Here is where the European Economic and Social Committee (EESC) comes in. As the representative of the social partners, employers and workers, the EESC, one of the founding institutions of the EU, has a special role as the voice of civil society. Structurally, it is in a position to develop exploratory and other opinions, either on the request of other EU institutions or by its own initiative. It therefore can become that bridge – with its unique combination of representativeness and specific influence over the EU's policy agenda.

The EESC is particularly committed to the SDGs. It has, for example, launched an "EU Organic Award" to reward the best and most innovative actors in the field of organic production in the EU. In 2017, the EESC, together with the European Commission, launched a "European circular economy stakeholder platform", which provides visibility and exchange opportunities for various circular economy projects. It supports UN projects such as the "Youth Visual Call", which aims to motivate young people in particular to think about sustainability in a creative way, or the annual "circular week". The EESC strives to use its outreach to European civil society, but also to European policymakers, to draw attention to promising projects and ideas, to serve as a mouthpiece for European actors in the field of sustainability and to make promising initiatives more visible. It is thus a forum that promotes and actively elevates the SDGs from the "grass roots" up to the political spotlight.

It also created a "Sustainable Development Observatory"[1]. This is the only body within the EU institutions exclusively dedicated to advancing cross-sectoral sustainability action. Through public hearings, conferences, workshops, but also through its contributions to EESC opinions, it provides a unique platform that brings together and connects people and organisations from a wide range of disciplines and social groups. Its members cooperate with similar bodies in EU Member States, but also outside Europe. In addition, through this observatory, the EESC works to achieve the fundamental SDG principles of, among other things, social inclusion, clean energy development, responsible energy use, sustainable consumption and universal access to the rule of law and public services.

Not all 17 SDGs have the same strategic importance in and for the EU. To drive the sustainability transition in Europe, the Observatory and the EESC have chosen to prioritise a number of goals: a) a just transition to a low-emission, circular and resource-efficient economy; b) the shift towards a socially inclusive society and economy with decent work and human rights; c) the shift towards sustainability in food production and consumption; d) investment in innovation, the long-term modernisation of infrastructure and the promotion of sustainable enterprises; and e) the contribution of trade to global sustainable development. The EESC's main tool for influencing the EU's policy agenda is on the EU Commission's

[1] https://www.eesc.europa.eu/en/sections-other-bodies/observatories/sustainable-development-observatory.

legislative proposals and priorities identified on its own initiative and in consultation with the social partners.

2. Building blocks for the EESC's work on Sustainable Development Goals

To guide its SDG work, the EESC can rely on five fundamental building blocks: Building block 1 is the clear basic position that sustainable and generationally equitable growth is most likely to be achieved through market-based policies. Based on international comparative data, it becomes clear that the economic governance model of the "social market economy" offers a good starting position to successfully master the transformative structural change towards a more resource-efficient production. The founding fathers of the social market economy recognised early on that an economic and social order can only be successful in the long run if it is designed to be sustainable. Long-term thinking is a characteristic of a market-based economic and social order: "He who reaps the benefits must also bear the losses" - this is axiomatic for the understanding of sustainability in the regulatory thinking of Walter Eucken (1952, p. 279), the intellectual head of the so called “Freiburg School of Economics”.

The competitive, i.e., market-based element of such a system, however, must be complemented by a dedicated political frame that requires an efficient and conserving approach to the use of resources because sustainability is very much intertwined with frugality. In an international comparison of the 17 sustainability goals of the United Nations for 164 countries, numerous European countries rank at the top, both in terms of level and change. This is especially true with regard to the SDG targets, which can be subsumed under the headings of equity and sustainability. Interestingly, there is a positive correlation between social justice and a liberal regulatory framework (see building block 5). Moreover, prosperity and social justice generally go hand in hand: countries that have a high level of material prosperity also tend to offer more social security and justice. In this respect, too, Europe has made the greatest progress of all country blocs in the past decade.

A second essential building block (Building Block 2) in a market economy framework is that the current material prosperity must not be due to a lack of pricing on the use of natural resources. Otherwise, a negative intertemporal externality would be generated, which would lead to a load shift into the future, where future generations would have to pay an increasingly higher price. The normative reference behind this is the so-called "golden growth", an intergenerational balance between present consumption and future investment. This idea of intergenerational sustainability is borrowed from the "golden rule of capital accumulation", a macroeconomic rule for sustainable growth according to which, in the optimum, the economic investment rate should correspond to the economic profit rate. In other words, a generation should invest just that part of its income for the future generation that the previous generation invested for the current generation (Phelps, 1961, p. 642).

Building block 3 would be that even with a broader concept of sustainability in the measurement of prosperity, gross domestic product (GDP) per capita remains the most important indicator for assessing the performance and level of prosperity of an economy.

Around this central variable, a constellation of different indicators can be grouped into three dimensions of sustainable development, consisting of economic sustainability (Profit), social sustainability (People) and environmental sustainability (Planet). This approach is compatible with the SDG consideration and shows a very close correlation between alternative welfare indicators such as the "Human Development Index" (UN, 2022) or the "Better Life Index"[2] on the one hand, and GDP per capita on the other. GDP per capita is thus, in addition to its empirical advantages, also a good indicator of a country's prosperity and the quality of life of its citizens. However, the SDG approach has not yet necessarily placed such findings at its conceptual centre.

Building Block 4 addresses the matter that conceptual developments of the 17 SDG headline targets. With their 169 sub-targets and 232 indicators, are helpful for an analytical approach to the link between SDG performance and economic performance, through a measure of progress on the SDG targets. Through this strong data basis, target achievement levels can be measured and graphically condensed in a very catchy way. However, the concept also has its limits. The large number of goals makes the measures and paths to greater sustainability confusing and difficult to get an overall picture from. In order to increase the potential of SDG progress measurement as an orientation for policy, an aggregated SDG index has therefore been developed, which also enables country comparisons in SDG target achievement (Sachs et al., 2021). In addition, this opens up an empirically supported disclosure of conflicting goals, in that an analysis of the positive and negative correlations between the individual SDG goals can be carried out (European Commission, 2022). Such an empirical foundation can be helpful in taking greater account of the opportunity costs of political decisions and their consequential costs.

A final important building block (building block 5) is that - through more aggregated data - the achievement of SDG targets can be analytically linked to differently focused data sets. If SDG target achievement levels are combined with data on economic freedom in an international comparison, it becomes apparent that economic freedom and sustainability not only do not contradict each other, but that they are even complementary. According to the SDG Index, those countries that have good starting conditions for achieving the 17 goals also have greater social and entrepreneurial freedom. Conversely, countries that are highly regulated, i.e., that grant companies and entrepreneurs less freedom, have a hard time. However, political, economic and social freedom only promote prosperity and sustainability if there is a reliable regulatory framework. In the absence of property rights, rule of law, provision of public goods, incentives and rules to avoid externalities (such as air pollution) and political stability, sustainable investments and economic activities are very risky, unattractive and, above all, only oriented towards short-term profitability. However, these success factors of social participation and economic prosperity are ultimately all principles of a rules-based market economy of European provenance.

[2] Cf. https://www.oecdbetterlifeindex.org/

3. How the EESC can help

In its role as the voice of the European social partners and civil society, the EESC is also affected by the changing times, which lead to changing preferences for different goals such as SDGs. Firstly, it is evident that both within an SDG target and between the individual SDGs, depending on the economic situation, targets can also be pursued with varying degrees of intensity and urgency that have no direct economic reference, for example such as SDG 11 (Sustainable cities and communities) or SDG 17 (Partnerships for the goals), or which are in potential conflict with each other, such as SDG 10 (Reduced inequality) and SDG 13 (Climate action), as can currently be observed in the wake of the rapid rise in energy prices and its negative distributional effects. In particular, the possible conflicts of goals between the individual SDGs deserve special attention, especially in times of rapidly changing global political challenges.

Secondly, the outbreak of war in Europe raises the question of whether the previous SDGs are still able to adequately reflect this and other crisis-related developments such as the pandemic. At present, it cannot be fully foreseen to what extent the goal hierarchy of the 17 SDGs and their potentially conflicting goals will change in the course of this “Zeitenwende”. The geopolitical and energy situation in the EU has been changed drastically already, and this also has an impact on the geo-economic statistics as a basis for the economic situation in the EU. Already, the last European SDG Progress Report stressed that the multiple COVID-19 waves and the war were "a major setback for the SDGs and human development around the world" (Lafortune et al., 2022, p. v). Moreover, the global impact of the war on Ukraine would "most likely undo even the progress made so far" (ibid.).

Thirdly, at the halfway point of the current SDG target period (2015 to 2030), a review and, if necessary, reprioritisation and recalibration of the 17 SDGs needs to be undertaken. There are lines of thought through which previous SDG work could be moved more strongly from discussion to action. These include, for example, a reorientation of media reporting, an upgrading of the role of the private sector in achieving the SDG targets, a more decisive transformation of education systems, more appreciation of bearing risks in fragile countries, to the improvement of infrastructure and care services (Center for Sustainable Development, 2023). In this context, it is interesting to note that the debate on a different institutional set-up for poverty reduction has now also reached the World Bank institutions.

Ultimately, however, it remains the task of politics in a democratic system not only to help shape voter preferences, but also to take them into account in political action. If, for example, climate protection is clearly higher on the list of the population's priorities, but this has economic consequences in the form of higher CO2 prices or falling real incomes, this will certainly have an impact on the hierarchy of goals in the SDG context. In essence, these potential trade-offs lead to the question of the relationship between growth, equity and sustainability on the one hand and the "economic", "social" and "environmental" sustainability dimension on the other. Maintaining this "triple bottom line" of sustainable development is a challenging task. Empirical monitoring is helpful in ensuring that the three sub-dimensions of sustainability are given equal weight. It can be used to check how the progress in the 17 overall goals is going on. It can provide an empirical basis for determining what progress is being made on the individual goals, but also what goal conflicts may arise. The empirically supported disclosure of conflicting goals provides an important orientation for sustainability-oriented market-based policies. A first step in this direction is the analysis of positive and negative correlations by the EU Commission (2022, p. 40ff.).

And this is exactly where the EESC can come in, in its specific capability to provide a framework or platform for a structured exchange on changing objectives and priorities in society. In two former studies carried out for the EESC, national experts identified forty-eight cases of significant public policies or 'good practices' deployed in different European countries. Of these cases, around twenty were selected for in-depth-study, in order to be a reference that could be replicated by other national and regional governments (Monzón/Chavez, 2017). This shows that EESC can serve both as a mirror and as a mouthpiece for the various groups vis-à-vis European politics since it has, by nature, a specific sense for bringing competing goals into harmony and balancing them with each other in political action. The EESC can and will continue to make its contribution to how this balance can best be achieved.

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