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# Can Europe be the Global Leader on Sustainable Development?

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# Summary



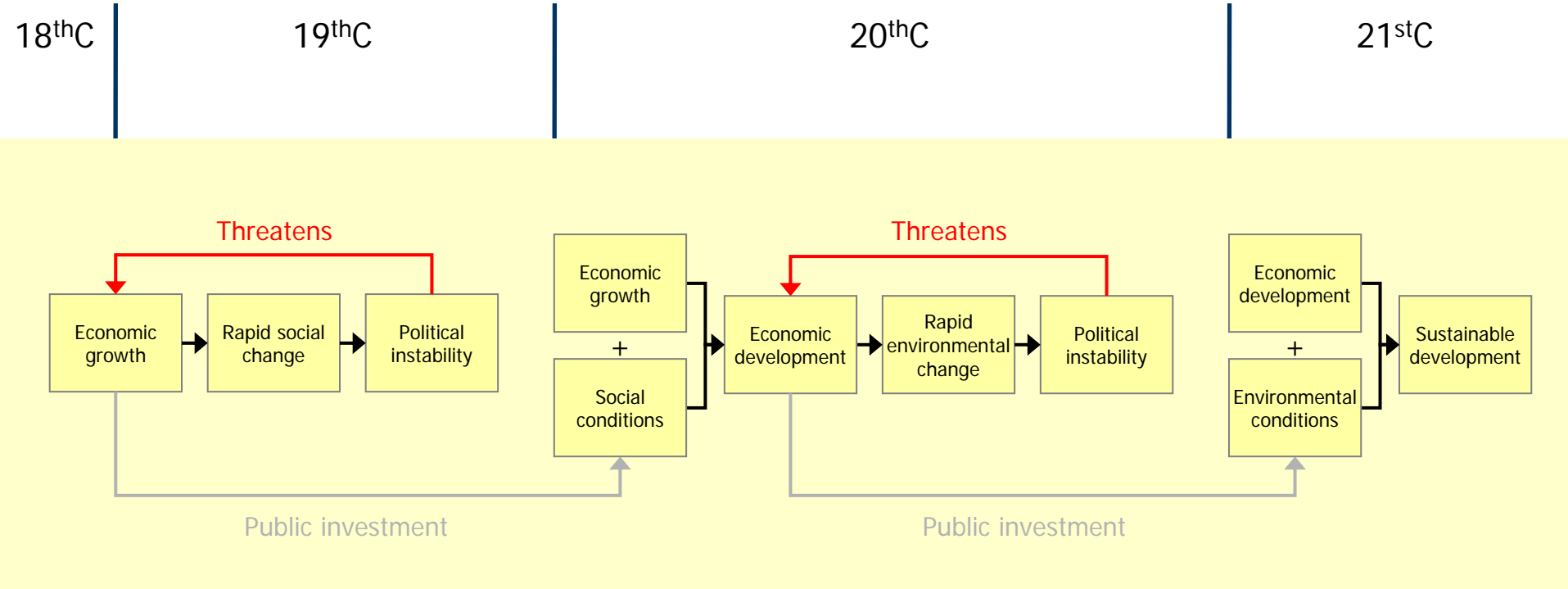
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- Achieving sustainable development is a creative act that requires new forms of leadership
- Europe has the assets, political alignment, public support and self-interest to make this the new European project
- This will require radical innovation in politics, diplomacy, technology and democracy to give new choices for Europeans
- The fate of Europe's ambitions on Energy and Climate Security in 2008-9 will be the test of this ambition



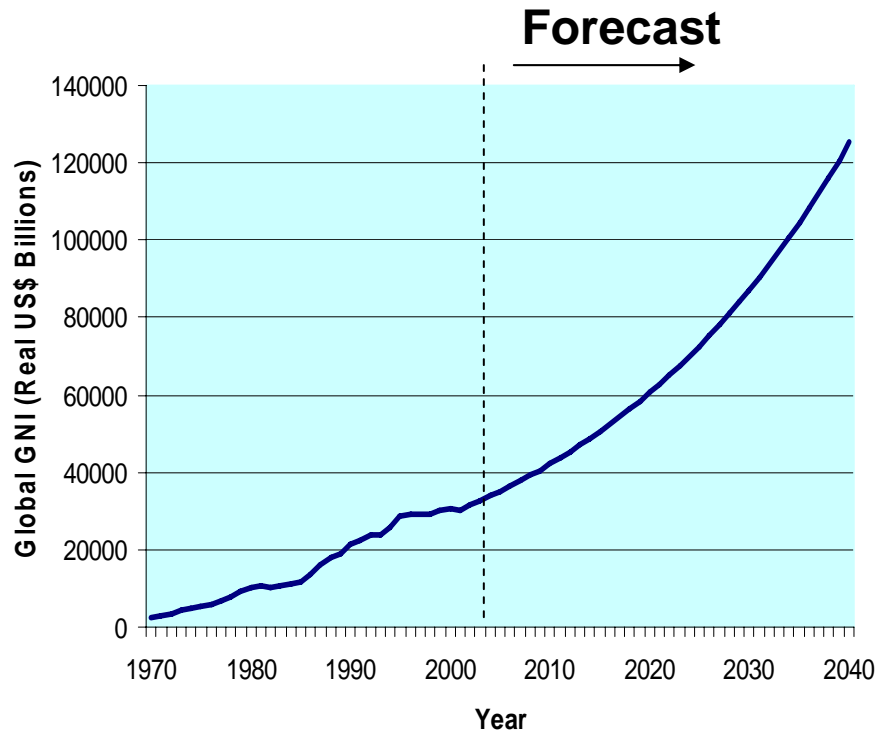
- Designing Sustainable Development
- Why Europe?
- Europe in the Mirror of the World
- What Needs to Change?
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# Historical Perspective on Sustainable Development: what does failure look like?



# Technocratic descriptions of sustainable development give an illusion of continuity and control

Global GDP will increase by 400%  
in 40 Years



(Source: World Bank)

- 400% change in 40 years is incredibly disruptive growth
- Trade will probably grow by 600-1000% with large shifts in production and consumption
- Regional distribution of growth will swing to South and East Asia
- This will have large changes in cost of commodities changing incentives for land use, water use, conservation etc

**Being “on this curve” will be exhilarating, frightening and confusing**

Real change is a messy and complex process. A reactive stance often makes sense.



Pandolfo Petrucci, Lord of Siena, to Machiavelli (Florence, c. 1515):

**'wishing to make as few mistakes as possible I conduct my government day by day and arrange my affairs hour by hour; because the times are more powerful than our brains'**



# Provocation: The Challenge of Sustainable Development



- Sustainable development requires a conscious driving of (global) societal change towards specific goals over limited timescales – this is an unprecedented human project
- The real challenge of SD is driving the necessary amounts of **change** – not setting targets or being “optimal”
- The transition to sustainable development will only be possible if we can change the fundamental “operating system” underpinning political choices and institutions

**Without reformed institutions to drive the transition to SD progress will rely on political will of key leaders. This is a very uncertain base on which to build a sustainable future.**



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# Europe's Assets

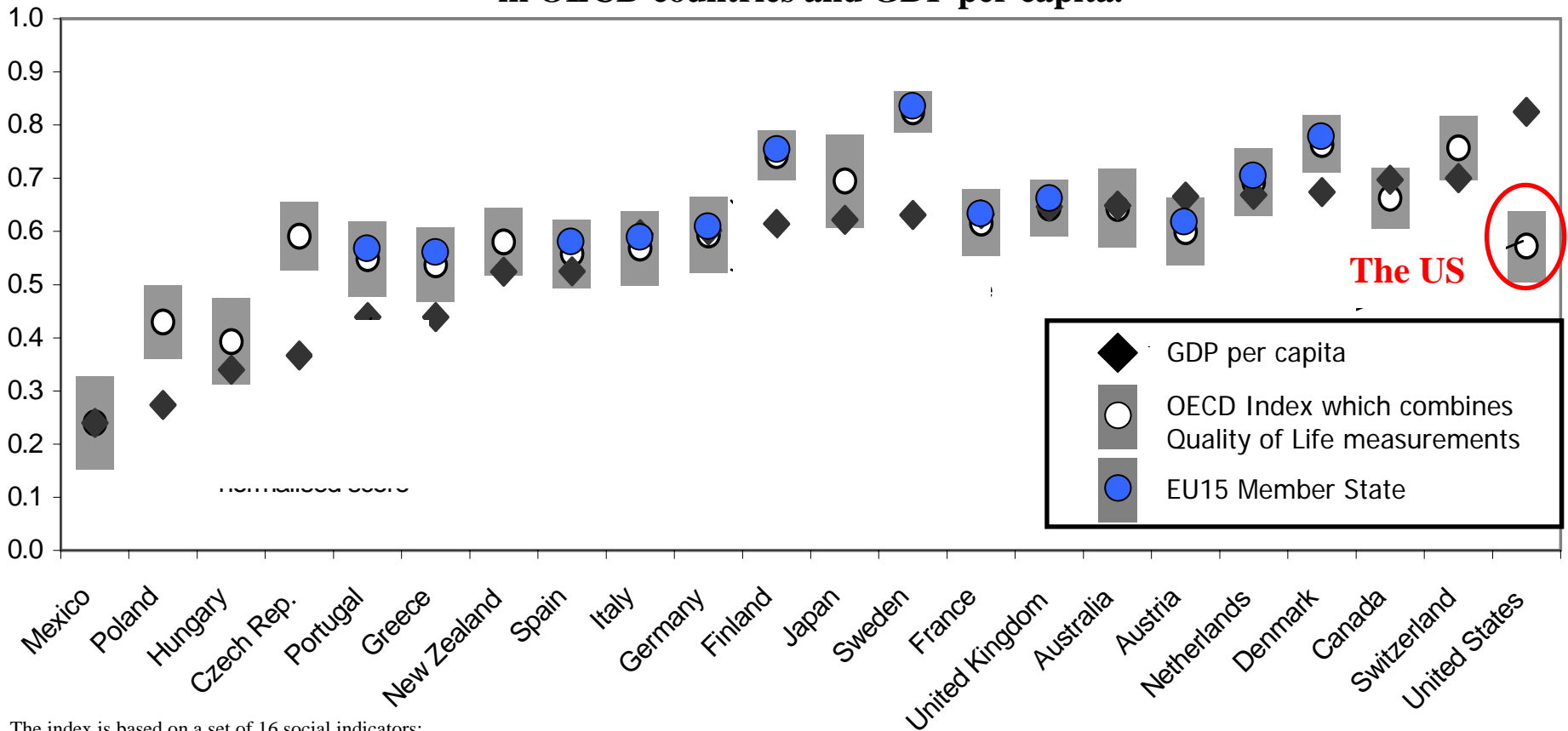


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- Europe is the largest global economic power - in trade, investment and development aid
- Europe is a world leader in all areas:
  - **Human Development Index** - 15 of the top 20 nations are European
  - **Global Competitiveness Index** - 12 of the top 20 nations are European
  - **Stringency of environmental regulations** - 14 of the top 20 nations are European
- Europe has (on paper) committed itself to sustainable development

# EU15 are outperforming the US in translating economic wealth into a High Quality of Life

**A composite index based on selected social indicators in OECD countries and GDP per capita.**



The index is based on a set of 16 social indicators:  
 Total employment rates, People in jobless households, Average years of schooling, Mean student performance, Income Inequality, Relative poverty rate, Child poverty, Gender wage gap, Healthy life expectancy at birth, Life expectancy at birth, Infant mortality, Potential number of years lost, Volunteering, Victimization rate, Convicted adults, Suicide rate

Source: "Alternative measures of well-being" OECD

# Europe is the global political innovator



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- Preserving diversity while pooling sovereignty
- Producing high levels of institutional innovation to tackle problems: Euro; EU ETS; Schengen etc
- Providing high levels of public goods and a rules-based, dynamic and liberal economy
- Projecting stability, democracy and prosperity through enlargement and structural ties – not military power
- Setting global standards and norms through cooperation

# Europe needs a new mission



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- European Union has been astoundingly successful in its initial goal: eliminating conflict on the European continent
- But this vision fails to motivate a younger generation who have not directly experienced conflict
- Future drivers of - and threats to - European prosperity and stability will come from outside Europe, and only Europe has the scale to influence them effectively.
- Vision of an outward focused Europe acting as a pathfinder for sustainable development could reinvigorate the European project



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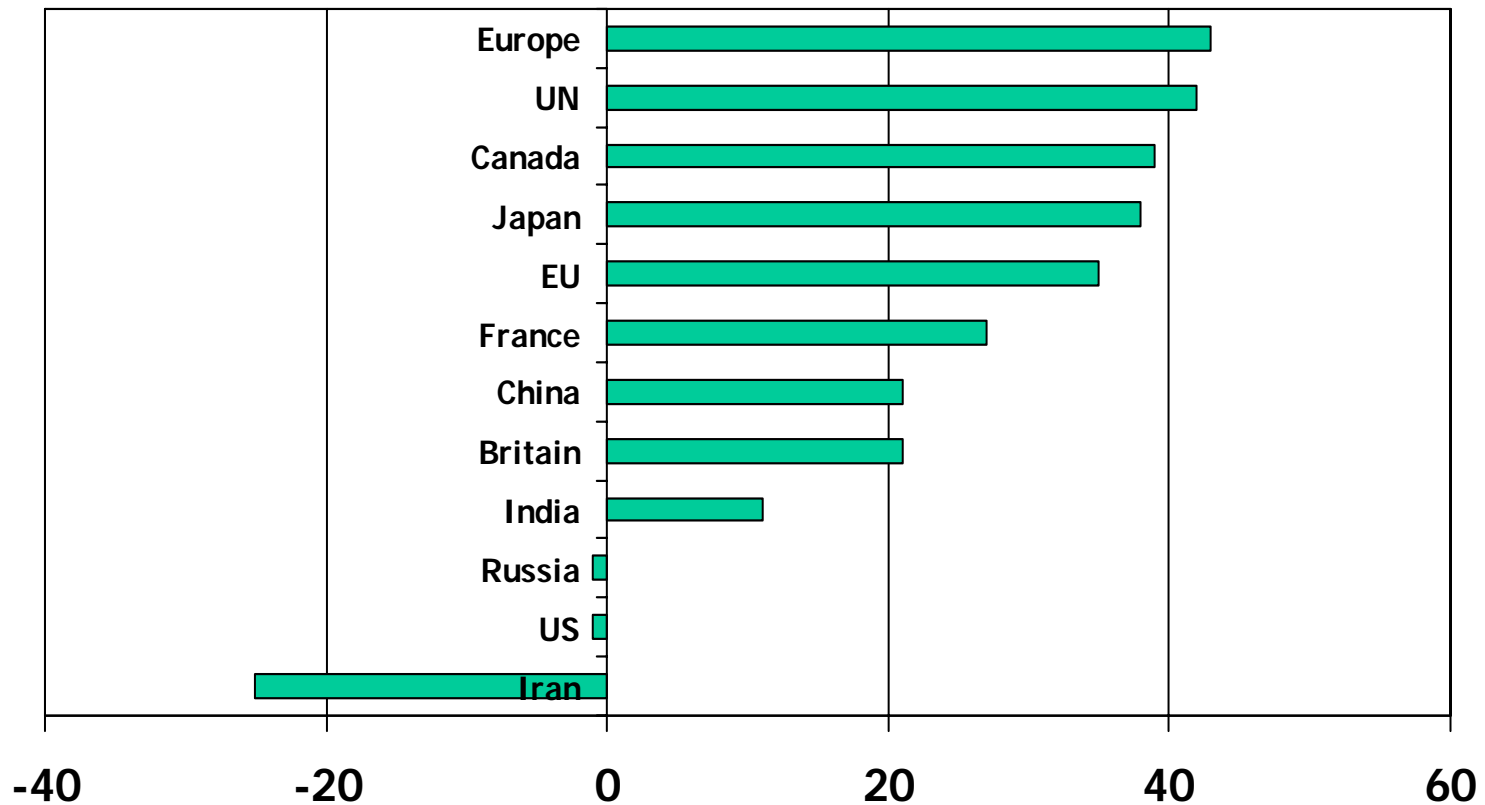
# Recognising the reality of Global Interdependence: the case of China



- The EU and China produce comparable levels of carbon emissions – per capita emissions are nearly 3 times lower in China
- 40% of China carbon emissions are from export production
- The EU is the largest investor in China; China is Europe's largest trading partner
- Key products made by European firms in China will return 50-80% of their value-added to Europe
- If Chinese development falters- especially under impacts of climate change – European wages will be 15-40% lower in 25 years and the “pension gap” much larger

Other countries see Europe is seen as the region of the world having the most positive influence.

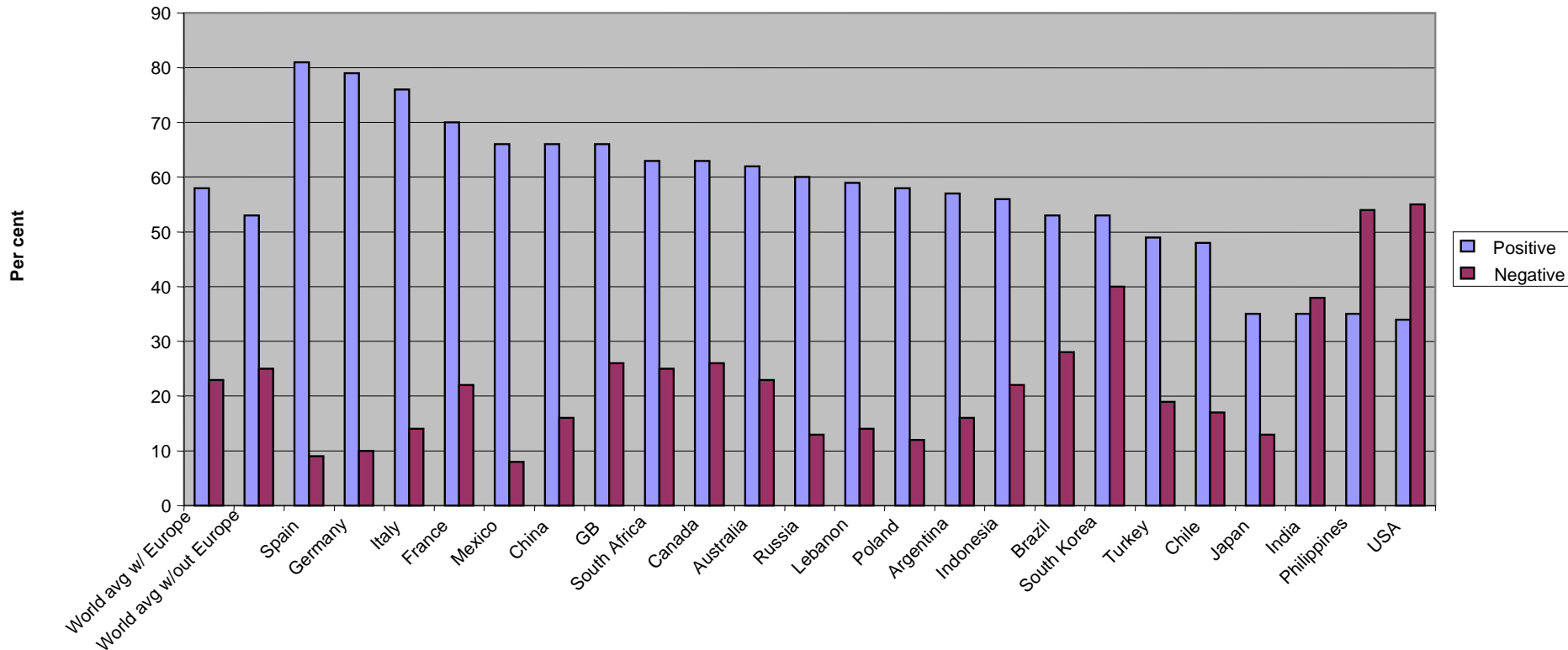
**Influence in the World**  
(Net rating: "Mainly Positive" minus "Mainly Negative")



Source: "How The World Sees Europe", Public Opinion Poll, Globescan 2006

# There is general global support for Europe to be more influential in the future.

Would it be mainly positive if Europe became more influential than the US in world affairs?



(Source Globescan [http://www.globescan.com/news\\_archives/GS\\_PIPA\\_EU.html](http://www.globescan.com/news_archives/GS_PIPA_EU.html))

In global surveys young people, those with a relatively high level of education and people with higher levels of income are more supportive of Europe becoming more influential



- Young people, aged 18-29, are more in favour of Europe having greater influence than the US in world affairs, than those aged 60 or more (60% vs. 51%)
- Larger percentages of young people than older people have a positive view of the influence of Europe (69% vs. 57%)
- People with relatively high levels of education are more likely to have a positive view of Europe becoming more influential than the US (63% vs. 53%)
- People with higher levels of income are more likely to have a positive view of Europe becoming more influential than the US.



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A lack of economic confidence makes European elites see Europe defensively. This approach fails to understand our global interdependence and does not drive conditions for cooperation.

*"It is **the only means to face [today's global] challenges**"... "a Europe of growth and jobs that **strengthens and protects us**"*  
Jacques Chirac (1)

*"**only as one can Europe face [the increasing power of China and India, along with the power of the US] effectively**"*  
Adam Daniel Rotfield (Polish Minister of Foreign Affairs) (2)

*"[As well as immigration], **the EU is also facing two other big challenges: our prosperity and our safety**"*  
Jose Luis Zapatero (5)

*"**We can only maintain our prosperity in Europe if we belong to the most innovative regions in the world**"*  
Angela Merkel (3)

*"The idea of Europe, united and working together, is **essential for our nations to be strong enough to keep our place in this world**"*  
Tony Blair (4)

Source 1: "Strength and solidarity: living up to European expectations" – Jacques Chirac  
[http://www.elysee.fr/elysee/anglais/speeches\\_and\\_documents/2005/analysis\\_by\\_jacques\\_chirac\\_president\\_of\\_the\\_french\\_republic\\_strength\\_and\\_solidarity\\_living\\_up\\_to\\_europe\\_an\\_expectations.31692.html](http://www.elysee.fr/elysee/anglais/speeches_and_documents/2005/analysis_by_jacques_chirac_president_of_the_french_republic_strength_and_solidarity_living_up_to_europe_an_expectations.31692.html)

Source 2: "Minister's Annual address 2005" by the Polish Minister of Foreign Affairs, Pro. Adam Daniel Rotfield 21st Jan 2005 [http://www.ms.gov.pl/Policy\\_2155.html](http://www.ms.gov.pl/Policy_2155.html)

Source 3: Transcript of Angela Merkel interview by Bertrand Benoit and Andrew Gowers [www.16beavergroup.org](http://www.16beavergroup.org)

Source 4: Tony Blair's address to the EU Parliament 23 Jun 2005 <http://www.number-10.gov.uk/output/Page7714.asp>

Source 5: Europe is the answer by Jose Luis Zapatero (Spanish PM) 26 Oct 2005 <http://www.guardian.co.uk/eu/story/0,7369,1600663,00.html>

# A global leader in sustainable development needs a convergence of qualities and competencies:



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Europe has the experience, the right approach and the support to be a global leader. However, it lacks the vision, ambition, alignment and confidence to take on this responsibility.



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# Europe needs New Choices



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- Redefining Success
- Building Intergenerational Cooperation
- Delivering Energy and Climate Security
- Investing in a Successful China
- A European Budget for the Future

(For more detail see the Europe in the World Pamphlet at [www.e3g.org](http://www.e3g.org))

# Europe needs new ways to engage citizens and project its influence

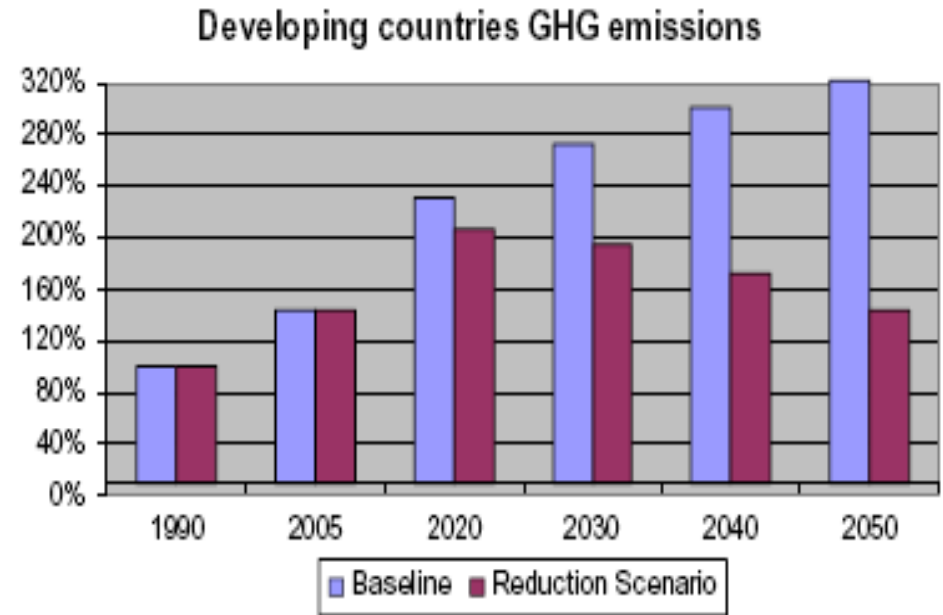
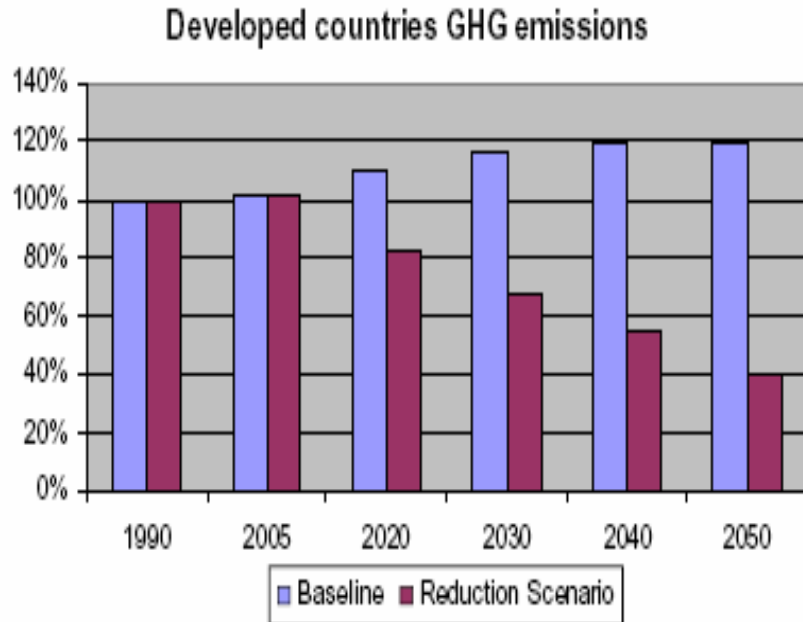


- Pan-EU Deliberative Polling – first October 2007
- Deliberative Budgeting – at 2009 European Elections?
- EU Climate Change Ambassador – to drive a 2009 Global Deal
- Radically New European Diplomatic Service – projecting soft power and conflict prevention



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# A 2C future means Developed Countries effectively decarbonising their energy sector by 2050-60



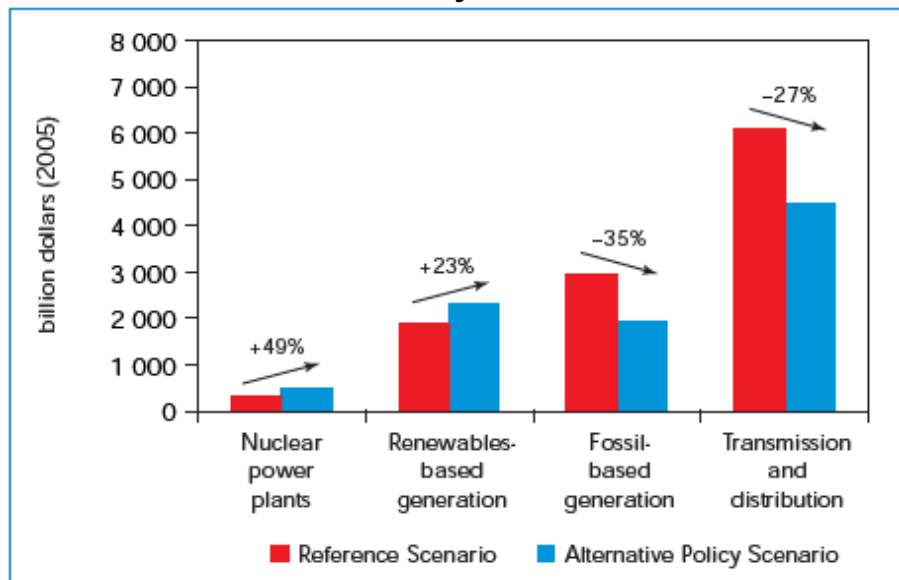
Source: European Commission EPRG January 2007

This aggressive scenario gives a 50% chance of avoiding a 2C temperature rise

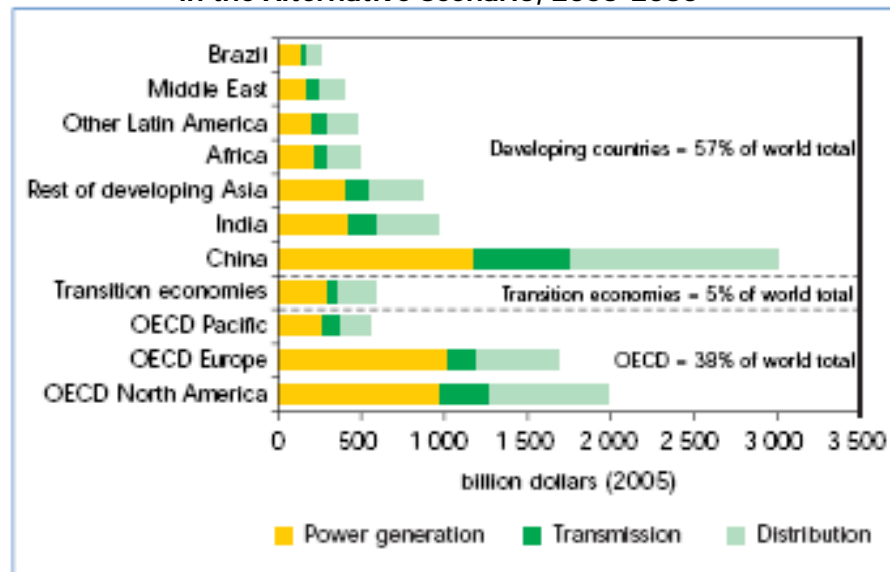
# 2C future implies shifting \$20 trillion in energy investment from high to low carbon in 25 years



Cumulative Global Investment in Electricity-Supply Infrastructure by Scenario, 2005-2030

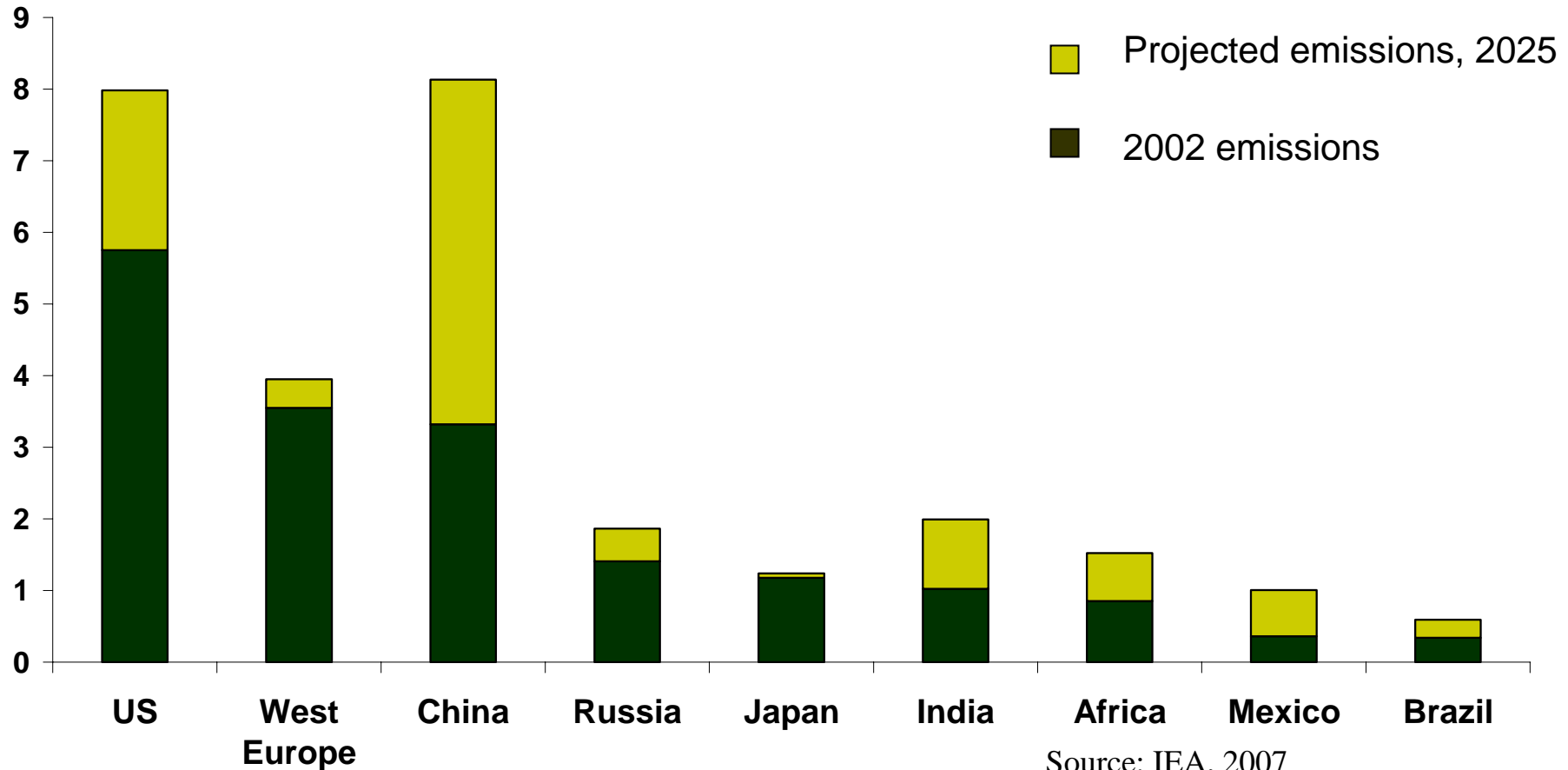


Cumulative Power-Sector Investment by Region in the Alternative Scenario, 2005-2030



- The IEA alternative scenario produces an emissions trajectory towards 600ppm
- Energy sector investment falls from \$19-21 trillion to \$9-11 trillion. \$2 trillion lost from power sector and \$2.4 trillion more investment in energy efficient goods by 2030.
- 62% of all the energy investment needed worldwide to 2030 is in middle-income countries, where demand and production increase most quickly.

# Europe's additional projected emissions are small relative to global trends

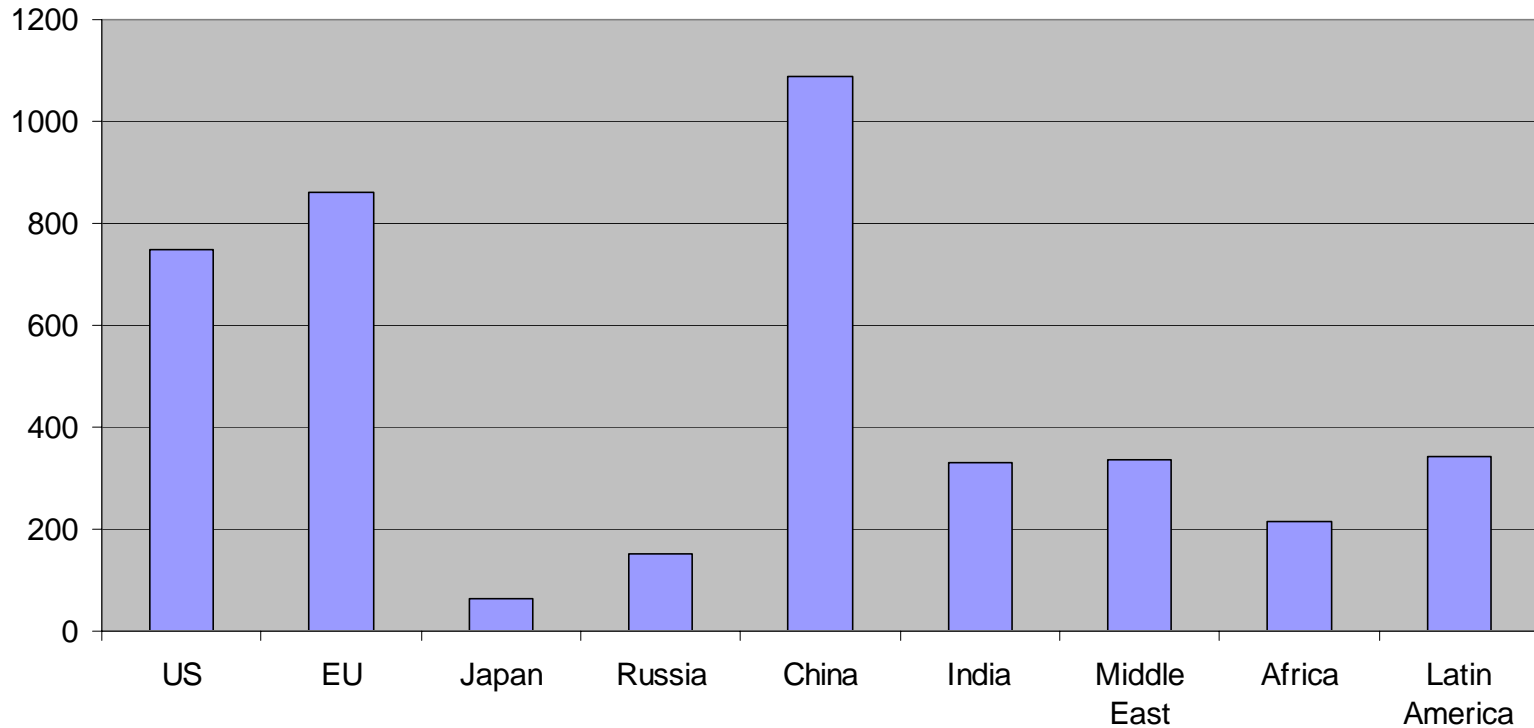


Source: IEA, 2007

# But aging infrastructure means Europe's new energy investment similar to China and US



New Electricity Capacity 2005-2030 -GW



Source: IEA, 2006; Euroelectric 2007

# Europe's low carbon transformation is critical to global efforts

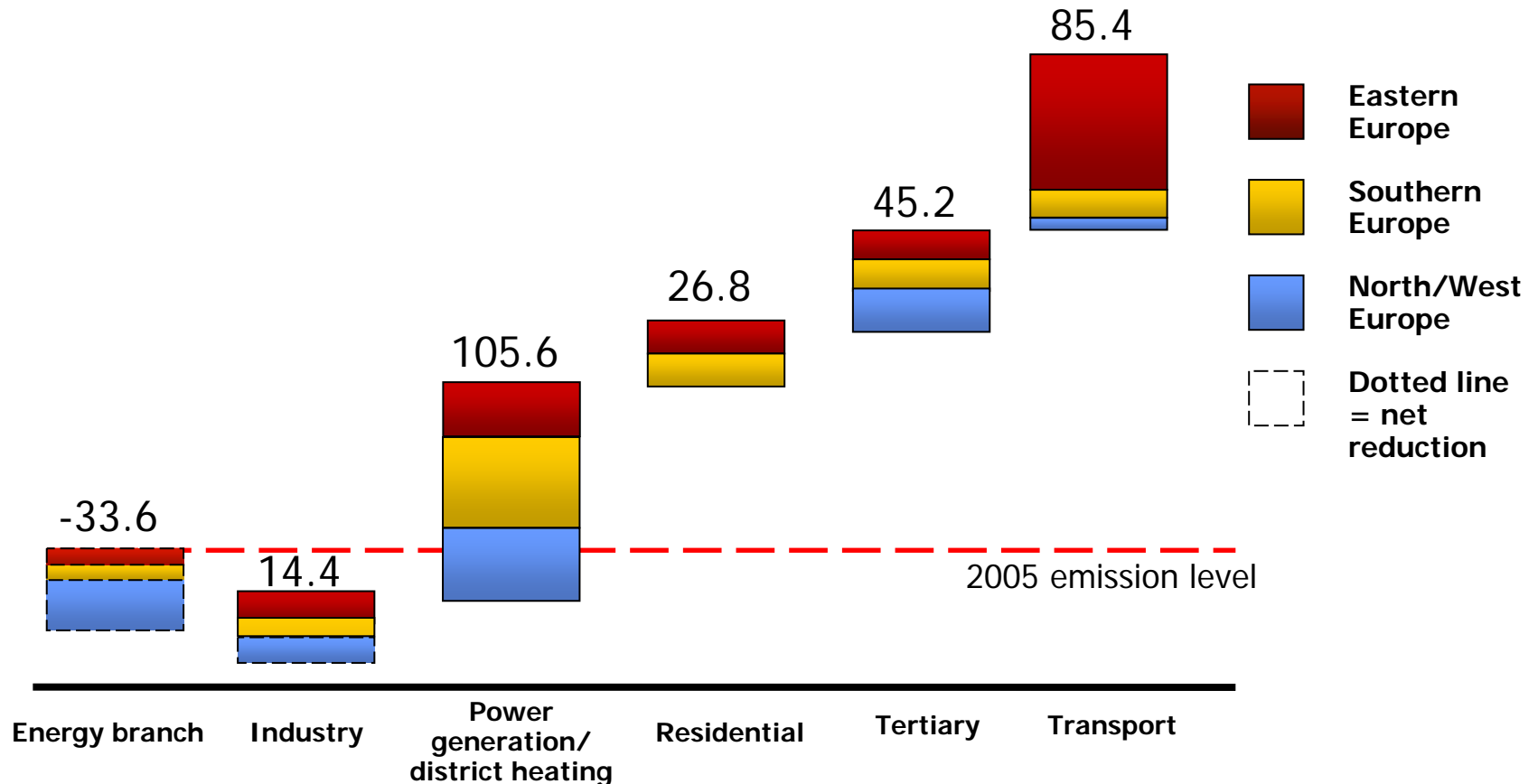


- Europe is the first major emitter to fully commit to shift to a low carbon economy in the next 4 decades
- Europe needs to forge consensus between its North, South and East and so is in some ways a microcosm of global climate politics
- European commitments – including the ETS – have been crucial in forming expectations in global business that action on climate will happen and will result in the creation of real low carbon markets
- European progress is being watched in US, China and India and success will be crucial to ambitious action in those countries

**The climate cannot afford to see Europe fail to meet its own objectives, and needs it to drive global politics and markets**

# Incremental emissions will be growing fastest in Eastern Europe and the power/heating, transport and buildings sectors

Incremental emissions by sector and region 2005-30 (Mt CO<sub>2</sub>)



# March European Council Package was very ambitious but there is low EU elite confidence on delivery



- EU re-commits to 2C goal; 60-80% GHG cuts by 2050
- EU commits to a unilateral 20% cut in GHG from 1990 levels in 2020; 30% if strong international agreement is in place
- Binding 20% share of renewables in all energy by 2020; 10% biofuels in transportation sector by 2020 and low carbon fuel standard
- 20% increase in energy efficiency by 2020 (non-binding action plans)
- 12-14 demo CCS plants in Europe; CCS deployed as standard by 2020 if possible

Policy elite in Brussels and major capitals are very cynical about package- don't believe it is well based and don't think it will (or can) be delivered

# Recent European Set Backs



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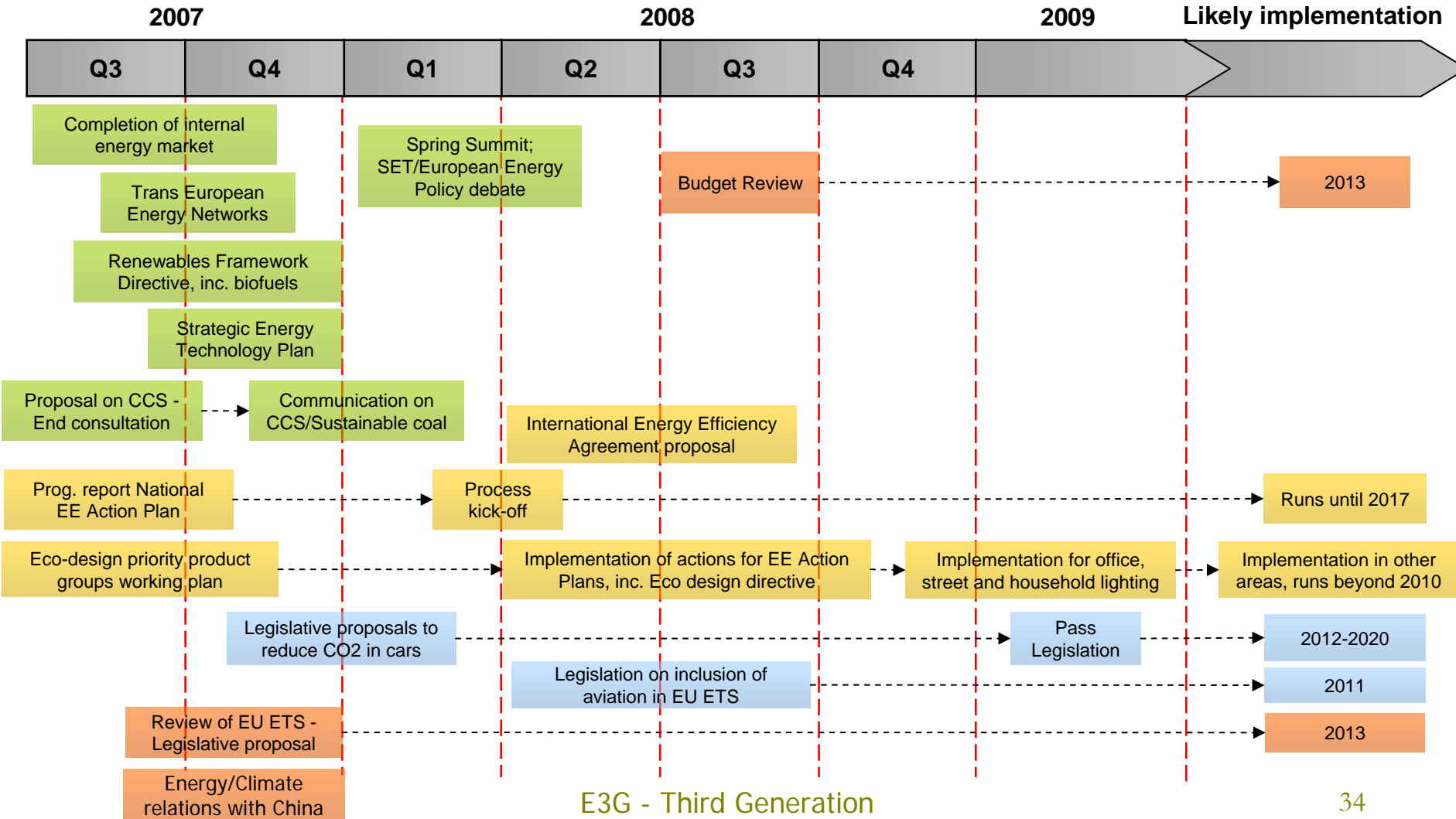
- Challenging of ETS plans by 9 CEE countries
- Failure to produce Energy Efficiency Action plans by most European States
- Massive increase in planned coal power stations across Europe
- Weakening of car emissions targets
- Lack of funding for Carbon Capture and Storage demonstration plants
- Removal of proposal for mandatory carbon capture and storage regulation

# Europe suffers from the weaknesses of top-down leadership on climate



- Europe's leadership on climate change – despite broad public support – has been top-down and is somewhat brittle.
- There is no pan-European popular movement on climate, and civil society capacity to deliver public opinion and policy implementation is patchy.
- Debate in UK, Germany and France is at very different stages – economic interests are resistant in power, automotive, air travel and heavy industry.
- “Competitiveness” worries are rife – especially in France, Italy and Poland.
- Critical non-environmental policies in energy, transport, industry, research and taxation are still not prioritising climate change

# EU policy activity takes off in early 2008 – but will the politics back it up?



# Key Tests for EU Climate Leadership



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- Scale-up of efficiency measures and plans:
  - Legal Enforcement of EE Action Plans – aggressive action in CEE
  - Zero-emission new buildings by 2017
  - Aggressive Eco-design Directive setting global standards with China
- Technology plan to deliver CCS by 2015 – including funding for demo plants and mandatory deployment by 2020
- “Renewables Europe” routemap with regional demonstrations of 60-80% renewable energy systems by 2020.
- Zero carbon transportation routemap for 2050
- Radically revised European Budget funding green infrastructure and R&D in Europe – and adaptation and low carbon shifts in developing countries
- EU-China low carbon trade, investment and technology agreement

# Key Actions for Europeans



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- Build a European-wide Citizens Movement on Climate Change – hold leaders accountable for their promises
- Mobilise young people to protest against new coal power stations and wasteful infrastructure
- Align scientific and engineering talent to address core innovation problems
- Drive forward radical low carbon transformation at the City and Regional level and through public-private partnerships
- Engage outwards with existing networks and partners in developing and developed world to build consensus about radical action on climate

# Simplicity not Simplistic



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*“I would not give a fig for the simplicity this side of complexity. However, I would give my life for the simplicity on the other side of complexity”*

Oliver Wendall Holmes

More material available at [www.e3g.org](http://www.e3g.org)