Sustainability: altering priorities in modern politics and economics

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Universal global agenda for sustainability, adopted at the end of 2015, provides for fundamental transformations in contemporary national governance as well as global one, through dramatic transformations in traditional political-economy’s patterns. Such challenges as digital economy and society, green growth and climate change actions, etc. coped with the post-covid recovery are changing almost completely the contemporary national priorities’ nomenclature.

Introduction. Sustainability, as a multi-sectoral reality in national growth, serves as a “uniting” factor in modern political-economy; e.g. in the developmental agenda it reflects novice sustainability’s dimension in main economy sectors, such as agriculture and energy, productive use of natural resources, foreign trade, investment and circular economy, digitalisation and biodiversity’s protection, etc. Actually, it is present global and European challenges that are inspiring fundamental changes in both politics and economics in their role of serving progressive socio-economic development along the societies’ drive towards its basic needs in equality and social cohesion, environmental quality and wellbeing.

The road to the present sustainability’s dominance in politics and economics dates back to global environmentalists who were generally worried about the perspectives of human survival affected by the hen 3rd Industrial Revolution. “Limits to Growth” (with a subtitle “a report on the predicament of mankind”), published 50 years ago, was a study of the patterns and dynamics of human presence on earth, pointed toward environmental and economic collapse within a century if “business as usual” continued. In 1972, the book’s findings sparked a worldwide controversy about the earth’s capacity to withstand constant human and economic expansion. The “Limits to Growth” prepared in 1968 by the researchers from the Massachusetts Institute of Technology, including husband-and-wife team Donella and Dennis Meadows, created a computer model (called World3) to track the perspectives of world’s economy and environment. That was the first time that politics and economics entered the contemporary “clash” with the dominant ways of “uniting” economic, social and environmental issues in development. Actually, the use of the term “sustainability” was coined into global political vocabulary by the 1983 UN Commission on Environment and Development and in the challenging report “Our Common Future” (1987); both known as the Brundtland Commission and Brundtland Report. Since then, sustainable development (SD) is commonly accepted as a definition of such national development that is oriented towards the needs of the present population without compromising the ability of future generations in meeting their own needs.

However the SD, uniting growth, social and ecological priorities, was first “institutionalized” globally by the so-called “Rio Process” (initiated at the 1992 Earth Summit in Rio de Janeiro); thus, up to the beginning of 21st century the concept did not acquire a desired effect on national growth patterns. Hence, for already three decades, the global community is trying to bring “sustainability” into the regional and national politico-economic context to satisfy the needs of growth and SD for the present and future generations.

Only at the end of 2015 the United Nations General Assembly adopted the Sustainable Development Goals, SDGs; however, without specific explanations on the ways the goals shall be integrated into social, economic and environmental agendas at the global and national
levels. The “Agenda 2030” conceived that 17 SDGs with their 169 targets should be just included into political and economic governance of a modern state.

Presently the SD, which includes three main overlapping aspects of human development (economic, social and environmental) forms the main fabric in the united concept of modern political economy, with such additional dimensions as evolution in modern spheres of corporate, financial, cultural, personal, etc. developmental aspects. Some SDG-guidelines are already seen in contemporary political economy facets: among most vital are, e.g. corporate sustainability, which includes business’ “vision” in social agenda and environmental policy (with “green business”); social sustainability, which includes all aspects of peoples’ wellbeing and welfare, etc. (1)

**Economic aspects in SDGs.** The EU’s main integration idea of “social market economy” is part of the European unity and sovereignty’s concept, making the EU competitive worldwide. However, the uncertainties of the first decades in 21st century are now being challenged by the 4th Industrial Revolution achievements: science, technology and innovation are moving forward fast making political economy trying quickly to adapt for an uncertain future. Thus, along changing the problem-setting’s paradigm, regional and national governance has to elaborate optimal solutions; the modernized national political economy is supposed to provide clear answers.

The EU institutions have already made it easier for the national governance to modernise existing economy’s priorities. Thus, for example, the Commission strongly encourages governments to include in their recovery and resilience plans investment and reforms in the following priority areas: - priority for future-proof clean technologies and acceleration of the development and use of renewables; - improvements in energy efficiency of public and private buildings; - accelerating use of sustainable, accessible and smart transport, charging and re-fuelling stations and extension of public transport; - fast rollout of rapid broadband services to all regions and households, including fiber and latest 6-7-G networks; digitalisation of public administration and services, including judicial and healthcare systems; - increase in the EU’s industrial data cloud capacities and the development of the most powerful, cutting edge, and sustainable processors; and - adaption of education systems to support digital skills and educational and vocational training for all ages. (2)

Although the EU future seems bright with strong economy and sufficient unity, the existing problems are mounting. Thus, even some of the main pillars of European integration are being subject to severe stress, e.g. a) the liberal-market economy in services and production is being challenged: without state-run companies there would be great problems in energy sector and electricity (as private sector is not motivated enough); free movement of people, although it clearly helps in trade and cooperation, is becoming a cause championed by populism and growing nationalism (with a significant rise in migration, not least due to Russia-Ukraine conflict); besides, about 250 million people in the world are migrants, 65 million displaced people seek a safety haven and 25 million refugees are fleeing their country.

Basically, age-old and traditional economic policies are being challenged because they are unable to guarantee stable high growth reflecting modern challenges, such as climate change actions, digital society, circular economy and environmental quality, to name a few. Solidarity among the EU states has been weakened: the states are being divided subject to the pressure of protectionism and “national patriotism”. European security used to be taken for granted due to NATO and the US support; presently the concept is threatened: from inside by terrorism, and from outside by conflicts that are drawing closer to the Union’s boarders.
Presently, governing political and economic elites in EU-27 are seemingly unable to provide adequate answers to mounting risks and challenges without sufficient financial and executive support; the latter is provided presently through a massive EU’s recovery and resilience assistance and external borrowing.

Modern process of European “reconstruction” is based on elaborating adequate answers to pressing challenges, which are, generally, evolving through adaptation of political-economy’s patterns to the new world realities; i.e. reforming political economy is being a major task for national governance. Hence, the EU states are learning both from the SDGs requirements and present recovery and resilience measures.

Reformed national political economies by adapting to century’s challenges and sustainability shall introduce the “new realities” into national priorities; only in this way the EU states could bring about new and optimal solutions that are needed for SDGs to succeed. (3)

**Political aspects in SDGs.** Although political elites – often as a “separate community” in most states - still function almost independently in the national governance system, political aspects play a decisive role providing general orientation on the most progressive and optimal pathways.

New political-economy’s approaches to national and transnational governance have to overcome traditional methods and instruments. Thus, it should be regarded as obsolete such doctrines as balance of power and “separation of power”; present political guidance need instead a concentration of available political and economic facilities for the “common good”, which apparently includes also SDGs. Besides, national financial institutions have to re-balance the concepts of “profits versus ethical/moral obligations” to detect and deter financial crime and money laundering. Present pandemic has forced national institutions to adapt to a different model, which opens up the opportunity to rethink their approaches to anti-financial crime efforts: transforming financial institutions can be done only through disruption of the cause, i.e. the illicit profits.

However, the “economic bloc” and governing elites are separately introducing necessary changes following their own interests, just following “economic component” in a developmental paradigm. On the EU level, among the EU’s strategic political priorities up to 2024, there are the following main recommendations for the member states (often quite far from SDG concept):

a. as soon as the EU aims to be the first climate-neutral block of countries by 2050, the member states have to adopt growth policies based on modern and resource-efficient economy (so-called “green deal” between the EU and the states);

b. the EU’s digital strategy will empower people in the states with a new generation of technologies (with the so-called “Europe fit for digital age” program);

c. the EU member states must create a more attractive investment opportunities and the national growth shall create quality jobs, especially for young people and small businesses;

d. the EU-27 will strengthen its “collective voice” in the world by championing multilateralism and a rules-based global order (so-called “stronger Europe in the world” policy);

e. the EU member states (as well as the EU institutions) must protect the rule of law, support all justice’s concepts and the European core values (the so-called “promoting European way of life” strategy); and

f. the EU member states governance is obliged to provide their citizens a bigger say in adopting politico-economic decisions, as well as in protecting national democracy from external interference such as disinformation, online hate messages, etc. (with the so-called “new push for European democracy” approach). (4)

The new political economy’s paradigm reveals a clear perspective for the states around the world and in the EU being oriented –firs of all – towards optimal directions in the European and global competitiveness. So far, socio-economic situation in the present global ratings shows
that, for example, the Baltic States still need “additional impetuses: thus, Estonia occupies 30th rank, Lithuania 35th and Latvia is on the 49th place among 138 states in the world; political elites should treat such estimates as serious signal for urgent steps to increase competitiveness. However, some states, e.g. Latvia in its national-2020 plan included only a very modest task, to “reach 45th rank in the global competitiveness index. (5)

**Sustainability's perspectives in modern governance.** The task for most states’ decision-makers is to be more active in moving quickly to create new mechanisms in SDGs implementation through extensive use of digital technologies. As experts in the World Economic Forum-2020 underlined: “time and expertise on one hand” coped with “enabling government policies and regulations on the other” could only trigger sufficient progress. As soon as the rapid pace of change in technological innovation is going to proceed, the “channels of technology” will play a greater role in supporting states’ efforts in SDGs implementation. Thus, government actions in the member states are likely to include the following actions: = developing responsible “technology codes and standards” as well as data protocols in consultation with industry; = harnessing public procurement tools (including sustainability standards) for digital assets and suppliers of “responsible technology requirements”; = prioritizing investment in the 4IR-enabling infrastructures including broadband, open cloud connections, satellites and energy grids; = taking a lead in basic/applied research and fintech at the “intersection of technology and societal/environmental impact”, including opportunities for more customers’ oriented research; = catalyzing innovation in new solutions, e.g. through incubators, accelerators and price support mechanisms; = performing perspective sectoral and environmental policy solutions through subsidy reforms; and = updating national structural policies to reflect the 4IR achievements, including reforms in labour market, taxation, social safety nets and education. (6)

Existing digital applications being deployed presently through the specialists’ exploration of the “fourth industrial revolution changes, 4IR would provide for drastic innovation in the next decade in all spheres of socio-economic development. Digital aspects in the research, development and innovation’s phase are already providing an active support for quicker SDGs implementation. For example, quantum-computing is already determining optimal carbon capture materials and AI-enabled research assists in creating new antibiotics to address microbial resistance to current antibiotics; in short, there are apparent and breakthrough innovations –in technology and social/governments policies- to assist the SDGs' implementation. Regardless of some problematic issues, modern societies are capable of turning available science, technology and digital achievements into breakthrough solutions that shall bring countries closer to optimal SDGs implementation.

**Legal aspects in a new political economy.** The EU’s basic law has had some measures and instruments connecting the legal and economic issues: e.g. the states that breach the rule of law can see a reduction in the EU’s funds, especially in the states which are net contributors. The EU institutional governance admitted that it has been “quite naive in the past” believing, that the rule of law principles would stay unchanged forever, and they will work in the states automatically and without any problems... The EU’s political imperative has turned to increased pressure on member states to follow the adopted Union’s principles included into the Treaties (sr.2 TEU). The “pressure” is about the trust among the member states and the EU institutions, independent courts (working everywhere with the same quality and certainty) and free social media; as, generally, it is about peoples’ trust in the European integration. However, peoples’ trust in the national governance and the EU institutions is decreasing: it is seen in most of the member states, including for example, Poland and Hungary.
The EU’s €1.8 trillion multi-year budget up to 2017, as well as the recovery/resilience financial package for the states, includes some “rule of law” mechanisms, which were agreed by the EU leaders in July 2020. However, Poland and Hungary disagreed with the idea and abstained from voting in the Council. Hence, the EU authorities continue to search for a compromise on that element of the deal even if Poland and Hungary will never “come on board”. However, some sort of agreement has “to work” even if only two states out of 27 do not agree; in that situation, the European co-legislative institutions, in particular the European Parliament has to be very tough in voting on this issue. (7)

As soon as about 70 percent of the member states’ laws originated in the EU institutions, the role of the national legislators (i.e. national parliaments, etc.) is reduced to a political agenda. Besides, the EU political guidance in the recovery-resilience plan has already suggested some directions in the national priorities: mainly, it is about two main elements in the national budgets, i.e. 37 percent for climate change actions and 20 percent for the digital economy and society issues.

In many ways the “old normal”, i.e. traditional political economy’s patterns, has proved to be ineffective; besides, present post-pandemic has required not only the launching of emergency measures in the states but necessitated the respect of basic principles of “unified politics and economics” with an increased social dimension. The disruption caused by pandemic lockdowns affected peoples’ day-to-day life and work; however, pandemic at the same time has opened a window of opportunity in modern changes towards tackling most urgent socio-economic issues by providing answers to perspective growth and wellbeing.

Implementing SDGs: still bumpy road ahead. Recent UN-OECD findings in countries’ achievements in SDGs and their efforts in meeting specific global sustainable growth patterns by 2030 have shown that quite a few states are moving towards while others are quite away from the goals and targets. The pretentious “Short and Winding Road to 2030: Measuring Distance to the SDG Targets”, represent the latest assessment of the global community’s ways in reaching SDGs through last seven years, that's about half the way to a “final destination”. Based on a “global indicator-framework” for SDGs and leveraging UN and OECD data, this report provides a trustful high-level assessment of OECD-UN member countries’ performance across in SDGs up to 2030. The data aims to force national governance to put the SDGs implementation and the 2030 Agenda at the top of national policy agenda both in the ongoing progress towards achieving the SDGs and in the context of the national growth in post-pandemic and recovery-resilience’s phases. (8)

Using a unique comparative methodology, which allows closely watching progress across SDGs’ goals and targets during almost half-way to the final goal, the report evaluates the optimal outcomes for the states in reaching the SDG targets. By providing a high-level overview of countries’ strengths and weaknesses in SDG-performance, experts grouped all 17 SDGs into five interactive clusters: people, planet, prosperity, peace and partnerships. For example, in hunger (Goals 1 and 2), the goals are towards ensuring that all human beings can fulfill their potential, which is particularly vital in terms of health and education (Goals 3 and 4) without being excluded because of their governments’ abilities and execution.

According to the OECD-37 states-block’s recent assessment, only a quarter of member states have met or are close to meeting 25% of the SDGs targets: progress towards 21 targets is “way off track”, only ten targets have been met so far and another 18 are closer to being fulfilled. The report makes particular attention to the so-called SDGs of “basic needs”, covering such areas as: - access to sanitation; - fresh water and energy; - reducing maternal and infant mortality; - access to early childhood education; - providing modern education facilities, and - affording legal identity to all citizens, etc.
However, there some visible achievements:
- On environment-focused targets, the report finds progress in many areas, such as energy intensity, water use, and municipal waste management. But some of this progress has come from shifting production abroad in resource-intensive and pollution-intensive sectors. In addition, “the use of material resources to support economic growth remains high, and many valuable materials continue to be disposed of as waste”.
- On climate action (SDG 13), greenhouse gas emissions have been somewhat decoupled from GDP growth, but total emissions are not decreasing at the necessary pace.
- On biodiversity (SDGs 14 and 15), the rising threats signify that not only none of the biodiversity targets were fulfilled by 2020, there is a risk that they would have been met by OECD countries.
- Generally, the report finds that 136 of the 169 SDG targets are covered by available data, but even they are having some gaps and do not provide sufficient data on the current outcomes or performance over time. To inform decisions towards 2030, governments need to accurately track their progress on the SDGs, but in many cases data are still inadequate. As the authors write, “if the SDG reporting framework is incomplete or not up to date, or fails to represent all segments of the population, any inference about the efficiency of policies risks being flawed. The same is true if diagnostic tools cannot provide a comprehensive assessment of the most recent trends, especially in times of uncertainty.” (9)

The OECD report also suggests some ideas to spur thinking about the framework for global action that will succeed the SDGs: e.g. it highlights the need to consider how a new framework could capture the interlinkages between different goals, targets and indicators and their overall coherence; global monitoring and assessment instruments such as the “System of Environmental Economic Accounting”, SEEA should be promoted as crucial “public goods”; the causal chain from inputs to processes shall be better identified including closer liaison between outputs and outcomes in evaluations and assessments of the SDG-framework. However, policy instruments and measures of ultimate socioeconomic outcomes should be separated.

OECD-expert opinion suggests that “the SDG implementation needs shall be sensitive to national needs and priorities, as well as limited resources,” with national dialogues undertaking the task of selecting targets and indicators. (10)

Examples of SDG-9 (for industrial growth) and SDG-11 (on clean and safe cities) have shown that it is difficult and often even impossible to fully implement some of the SDGs, providing enormous complexities for national governance. (11)

**European efforts in SDG implementation.** “Sustainable development in the EU-2022 monitoring report on progress towards the SDGs” provides a statistical overview of the states’ progress towards achieving SDGs. Data show that the EU has made progress towards most goals over the last five years, in line with Commission’s priorities in key policy areas such as the European Green Deal, the Digital Strategy and the European Pillar of Social Rights Action Plan. While progress towards reaching some goals was faster than for others, movement away from the sustainable development objectives occurred only in few specific areas. (12)

The EU has been fully committed to delivering on the SDG-implementation, including new European “green deal” and measures reflected in the Commission’s document “Delivering on the UN's Sustainable Development Goals: comprehensive approach”, adopted in 2020. (13)

Generally, the SDG-progress in the EU states is assessed over two periods: a) past five years (“short-term” analysis) and over the past 15 years (the “long-term” analysis) according to elaborated indicators. The set of EU-SDGs indicators comprises around 100 items structured along 17 SDGs; for each SDG the implementation measures focus on aspects relevant to the prospective EU development.
Specifically, progress is assessed for those SDGs, which mainly concentrate on areas of climate change, energy consumption and education. Thus, among SDG-2022 findings over the last five years, significant progress occurred only in five SDGs and moderate progress in most others. In particular:

- Continued progress was made in SDG 16 (on fostering peace and personal security and improving access to justice as well as trust in public institutions). The share of the EU population reporting crime, violence and vandalism has fallen from 13.2% in 2015 to 10.9% in 2020; the share of the EU population considering the justice system in their country to be sufficiently independent, increased by 4 percentage points between 2016 and 2021 (from 50% to 54%).

- Significant progress was made towards the goals of reducing poverty and social exclusion (SDG 1), on the economy and the labour market (SDG 8), clean and affordable energy (SDG 7), as well as in innovation and infrastructure (SDG 9).

- Positive assessment of SDG 7 was strongly influenced by a remarkable reduction in energy consumption in 2020 (minus 8 % compared to 2019) as a result of pandemic-related restrictions on public life and lower economic activity. Thus the EU was able to reach its 2020 energy efficiency target and was on track towards its 2030 target. Moreover, the use of renewable energy has grown continuously, with its share doubling since 2005: in 2020, renewable energy accounted for over 22 percent of gross final energy consumption; however, imports of fossil fuels still cover more than half of the EU's energy demand; it seems that the lower energy consumption recorded in 2020 is likely to be temporary.

- Progress toward SDG 8 on the economy and labour market (with the latest available data for 2021) was positively influenced by strong economic growth and labour market performance; e.g. employment rate went up to 73.1 % in 2021, even exceeding its pre-pandemic level.

- Progress has been quite moderate in EU towards the goals in such areas as health and well-being (SDG 3), life below water (SDG 14), gender equality (SDG 5), sustainable cities and communities (SDG 11), reduced inequalities (SDG 10), responsible consumption and production (SDG 12), quality education (SDG 4), climate action (SDG 13) and zero hunger (SDG 2).

- Assessment of progress for partnerships (SDG 17) and clean water and sanitation (SDG 6) was neutral: it means that these SDGs were characterised by an almost equal number of sustainable and unsustainable developments.

- Finally, a slight movement away from respective SDGs' objectives over the past five years (short term) has been found for life on land (SDG 15), indicating that ecosystems and biodiversity remained under pressure from human activities. While both the EU's forest area and the terrestrial protected areas have slightly increased, pressure on biodiversity continued to intensify. As an example, the occurrence of common birds was an indicator of biodiversity because many of them require specific habitats to breed and find food, which are often also home to many threatened plant and animal species. Since 2000, the number of common birds declined by 10 percent; however, after many years of decline, it seems that the numbers of common birds have started to stabilise.

Major contribution to achieving the SDGs in the EU's future is made by the newly adopted NextGenerationEU program aimed at adequate reforms and re-oriented investments in the member states in their recovery and resilience plans.

**Conclusion.** Presently, when the expert community and national governance institutions acquired the UN-OECD assessment, questions would appear on the reasons of bad SDGs performance: i.e. almost half-way to completion, only three SDGs reached 50 percent; the rest are of "now progress" or "no data available". Most OECD states have not made any progress during last decade in poverty reduction; major economies still support the production and consumption of inefficient fossil fuel subsidies.
Available reports made a very pessimistic acknowledgment: “no country is expected to meet all targets”, and “the momentum shall be kept beyond the 2030”. Is it recognition of a failure? What could be the explanations for such a bad performance in many nations’ efforts?

Only three goals in the “people’s theme” have been accomplished by half, i.e. SDGs 1 “now poverty”, SDGs 5 “gender equality” and SDG 6 “clean water and sanitation”; is it so that these items are most important for governance and/or they are so easy to accomplish?

One could think that the world-wide pandemic was the main disadvantage; partially it is true! But on the other side, the pandemic was, actually, a “blessing”: factories and production was stopped, followed by long-term lockdowns, people were not traveling, etc. which in several facets were good for environment and other sustainability factors.

Of course, there is a need for stronger actions; although covid-pandemic significantly deteriorated public finances, still monitoring and reporting can be improved. However, looking at the most active and progressive countries in reaching SDGs one can see that these are states with solid socially oriented political economies, like e.g. the Nordic European states. Isn’t better in most cases just to emulate the best examples? (14)

Notes and references
14. More information on the issue under discussion in the following Commission’s weblinks: = Sustainable development in the European Union — 2022 monitoring report on progress towards the SDGs in an EU context; = Sustainable development in the European Union. Overview of progress towards the SDGs in an EU context; = Digital publication "SDGs & me"; = Visualisation tool “SDG country scores”; = Statistics Explained articles on Sustainable development in the EU; = Dedicated section on the EU Sustainable development indicators; = Database on the EU Sustainable development indicators.

There are two other vital documents: = Communication from the Commission: "Next steps for a sustainable European future – European action for sustainability" and Commission staff working document ‘Delivering on the UN's Sustainable Development Goals – A comprehensive approach'.