

Parliamentary Advisory Council  
on Sustainable Development

Opinion on the 2004 progress report  
on the National Sustainability Strategy of the Government  
of the Federal Republic of Germany

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## **Opinion of the Parliamentary Advisory Council on Sustainable Development on the progress report of the Federal Government**

### **Introduction**

At the United Nations conference in Rio de Janeiro in 1992, the international community of nations affirmed the principle of sustainable development and adopted Agenda 21, a global action programme for sustainable development. Since then, the concept of sustainability and sustainable development has established itself as a guiding principle in many areas of political activity. The essence of this concept is that today's thought and action should be directed towards improving the lives of present generations without harming the prospects of future generations.

During its 13<sup>th</sup> and 14<sup>th</sup> legislative terms, the German Bundestag, by appointing study commissions on the protection of mankind and the environment, on globalisation of the world economy – challenges and responses – on demographic change and on sustainable energy in the context of globalisation and liberalisation, moved quickly to establish important substantive policy principles and to pave the way for the institutionalisation of the political pursuit of sustainability in Germany. The Study Commission on the Protection of Mankind and the Environment developed a triangular model of sustainable development which is based on the simultaneous pursuit of three types of objective – not only environmental but economic and social objectives too - and which emphasises the interdisciplinary nature of sustainability. The three sides of this triangle are equal in priority and value and thereby form, in the words of the Study Commission, a 'three-dimensional perspective' for a sustainable social policy.

The aim of such a policy is to safeguard and enhance the effectiveness of ecosystems, the economy and society. These are interdependent, and none of them can be optimised in isolation. It is a matter of satisfying the needs of present generations without restricting the opportunities available to future generations.

In 2001, the Federal Government appointed the Council on Sustainable Development as an advisory body. In its sustainability strategy, entitled *Prospects for Germany*, which it adopted in April 2002, the Government identified four priority areas for action and defined 21 indicators to make sustainable development measurable and quantifiable. In November 2004, the Federal Government presented, in its progress report for the year 2004, an initial assessment of the National Sustainability Strategy.

At its 89<sup>th</sup> sitting, held on 30 January 2004, the German Bundestag agreed to appoint a Parliamentary Advisory Council on Sustainable Development (Bundestag printed paper 15/2441). In this way, Parliament stepped up its active involvement in the sustainability debate. The Parliamentary Advisory Council coordinates this process by monitoring the development and the substantive and procedural implementation of the National Sustainability Strategy as well as setting its own priorities.

In the present opinion, the members of the Parliamentary Advisory Council present a cross-party assessment of the first progress report on the Federal Government's National Sustainability Strategy.

## **I. Sustainable development**

### **1. A task for the whole of society**

We are aware that sustainability and future viability are not a matter for the state alone but are also a responsibility of its citizens. Joint responsibility implies joint action. The key to success is a broad consensus within society on the aims of sustainable development and the way to achieve them. We therefore welcome the efforts of the Federal Government to involve social groups in a phased dialogue to discuss the further development of the sustainability strategy. This dialogue should be even more broadly based in future; it should not be confined to discussions among panels of selected experts and should include the use of other media besides the Internet. It must be part of a comprehensive communication strategy in which all tiers of government generate a wide-ranging debate within society. The fact is that sustainability cannot happen without motivation. The greater the number of people who are familiar with the principle of sustainable development and who can see connections and opportunities for action in their own walks of life, the more successfully will the sustainability objectives be achieved.

The consumption pattern of each individual has a direct impact on the global availability of natural resources and on the lives of future generations. The 'Western' lifestyle of rapid and short-lived consumption is being emulated worldwide, which is exacerbating the problems in many areas of activity. For this reason, there is a need to offer incentives to encourage sustainable consumption and to raise its standing in the eyes of society so that people become more willing to adopt sustainable lifestyles. Ways in which the various aspects of sustainability can be combined with an analysis of consumption processes should be further explored in the framework of the sustainability strategy. We believe that future progress reports should place greater emphasis on the relative importance of lifestyles and consumption patterns to the pursuit of sustainable development.

The purpose of this sharper focus would be to determine how consumption patterns and lifestyles can actually be shaped to meet the need for sustainability.

There is a continuing need to specify the basic conditions for sustainable lifestyles and consumption patterns.

This is not a matter of prescribing particular lifestyles but rather of making consumption a more transparent process and spreading awareness that a sustainable lifestyle can

enhance our quality of life and contribute to sustainable development. Necessary though it is to impart knowledge about sustainable consumption patterns and lifestyles, it must not be forgotten that people often have no option but to buy the cheapest product. This means that there is also a need to use fiscal policies to make sure that the public can afford to consume in a sustainable manner.

The commitment of civil society to Agenda-21 processes and public participation in them is already a sign of greater transparency and social responsibility. Local communities illustrate what sustainability can mean in practice. The advantage of action at that level is that it relates to people's own experiences. Sustainability first becomes an intelligible principle when people have a clear conception of its practical implications. This is why local government, as the political and administrative level which is closest to our citizens, plays an important role in communicating and implementing the objectives of sustainable development. It must be strengthened in this role and must likewise be part of the National Sustainability Strategy.

Many of the decisions that determine whether the right path to sustainability is followed are taken in the business sector. Companies play a key role in the sustainable management of resources. They operate increasingly on a global scale and constitute ever-greater centres of power. Through their production activity, their influence on lifestyles and consumption patterns and their use of resources and energy, they help to determine the extent to which pressure is exerted on the natural world.

In addition, numerous companies are cradles of social, economic and environmental innovations. However, the conviction that strategic environmental and social objectives can also be expressed in economic criteria and that a narrow focus on short-term economic success can jeopardise a company's long-term viability is not shared widely enough at the present time.

Aspiring to sustainability also means establishing equality between the sexes. Greater awareness and more reflection on the need for fair treatment of men and women can only be achieved through active commitment to that goal in all social and political institutions, processes and structures. The Federal Government has already expressed itself in favour of 'gender mainstreaming', i.e. equality between the sexes as a universal norm.

It is all the more important now to develop equality between men and women systematically as a cross-cutting issue, to embed it more firmly in instruments such as the sustainability strategy and to highlight the ways in which it interacts with other sustainability objectives.

## **2. A political challenge**

The members of the Parliamentary Advisory Council on Sustainable Development have made it their aim to contribute to the removal of existing obstacles to the pursuit of a sustainability policy.

Above all, it must be recognised that a sustainability policy has to be cross-cutting in character and long-term in orientation if it is to make a sufficiently integrated response to environmental, social and economic problems. For all the differences on matters of detail, there is an astonishing degree of worldwide consensus on the general idea of sustainability.

In Germany too, there is cross-party agreement on the principle that the basic concept of sustainable development represents a model for political action that can stand the test of time.

In the National Sustainability Strategy, sustainable development is presented as a guiding principle for all areas of political activity. In everyday politics, however, decisions at all levels are often guided by force of circumstances, by powerful lobbying or by election dates.

Even though the aim of the present reform discussions in both Government and Opposition is to equip society to face the future, the messages and strategies emerging from them have too little to do with the overarching principle of sustainable development. This is squandering opportunities to win people over to a responsible policy and to move forward with public support. If sustainable policies are to be appreciated and even win votes despite the absence of short-term benefits, their implications must be made more clearly visible, for it is impossible to supply sustainable policies if there is no demand for them.

The achievement of the sustainability objectives must not be regarded in government departments as nothing more than the fulfilment of an onerous obligation. The sustainability strategy must be accepted as the benchmark for a coherent effort to combine economic and social reforms with environmental renewal, a benchmark which is reflected in political decisions and which makes policies more calculable and reliable in the long term.

To this end there is a need for model activities to overcome the traditional compartmentalisation into government departments, specialised disciplines and policy areas. The sustainability strategy must emphasise the integration factor, the contrast with today's departmental and specialised approach to policymaking, and must help to ensure that problems are tackled in a more coordinated manner and that interaction between policies as well as conflicts of aims are identified. The updated sustainability strategy should subject not only the focal points of the strategy but also, if possible, all the main political portfolios to critical analysis in the light of the sustainability principle.

### **3. The task of Parliament**

In the legislative process, Parliament must be more systematic than hitherto in applying an objective sustainability test to legislative proposals and in providing a transparent assessment of the impact of today's decisions on future generations. The Parliamentary Advisory Council is developing proposals for the instruments that will be required for these impact assessments.

Parliament must exert greater influence on the development of the sustainability strategy from an earlier stage and must assume more responsibility for the practicalities of its implementation. Throughout Europe it is observable that the executive branch is very predominant in activities relating to sustainability. Through the Parliamentary Advisory Council on Sustainable Development, the German Bundestag is assuming a more active role. By supporting the public debate, the German Bundestag seeks to raise the profile of Parliament's position on key future-related issues and to enhance the effectiveness and the public visibility and audibility of measures designed to promote sustainable development. In the spheres of budgetary policy and EU affairs, cross-cutting issues are part of the daily political routine. This is the model on which the Parliamentary Advisory Council will base its efforts to benchmark the mainstreaming of sustainability principles in the work of parliamentary bodies. Sustainability principles should be reflected in all relevant political portfolios and indeed in all areas of political and social activity, spawning processes that generate their own momentum.

In addition to such monitoring instruments as progress reports, sustainability indicators and sustainability impact assessments - an approach developed by the European Commission - general impact assessments of proposed legislation also play an important role. The aim of a sustainability test must be to improve the quality of legal provisions and cut back the impenetrable undergrowth of regulations. The following questions must be asked to ascertain the quality of a legal provision: is the provision clear and comprehensible, has due consideration been given to other options, including non-regulation, and what are the likely direct and indirect effects of the provision? The legislative bodies must be enabled to assess more effectively and more accountably the economic, social and environmental impact of legislative measures (transparent impact assessment). This goes hand in hand with better parliamentary scrutiny. With the aid of this instrument, the legislature can test proposed bills against efficiency criteria and make the necessary alterations (parliamentary evaluation). The impact of a law covers its effects on society as a whole as well as on individuals. It comprises intended effects (effectiveness) and unintended effects (side effects), both financial and non-financial in either case. On 26 July 2000, the Federal Government adopted a new version of the Joint Rules of Procedure of the Federal Ministries, which includes provision for impact assessments of legislation for the first time. A distinction is made between preparatory, accompanying and retrospective assessments. The preparatory assessment comprises a needs assessment, the development of regulatory options and an impact analysis. The aim of the accompanying assessment is to optimise the proposed statutory instrument. The retrospective assessment serves as the basis for an improvement process. In practice, these impact assessments have yet to achieve the required level of success. The

retrospective impact assessment, for example, has only been conducted on a random basis by the federal ministries. There is no obligation to examine statutory instruments, nor is there a fixed assessment schedule. Moreover, the results of retrospective impact assessments of legislation are merely communicated to the federal ministry responsible for the application of the law in question, which uses the findings entirely at its own discretion. There is no agency responsible for coordinating and discussing the findings of these impact assessments. The Advisory Council intends to formulate practical proposals for an objective and transparent sustainability test in order to ensure that sustainability and generational justice are more firmly embedded as legislative aims.

#### **4. International coordination**

Sustainable development is not a goal that individual nations can achieve alone. We want Germany to be an international engine of sustainable development. For this reason, as the development of the National Sustainability Strategy continues, it would be wrong to focus exclusively on the domestic situation. Germany must look at the bigger picture and coordinate its own efforts more closely with the aims of the European Sustainability Strategy, the aims of the United Nations and international commitments. We propose the initiation of a process of discussion and experience-sharing within the EU on indicator systems with the aim of harmonising sets of indicators for the sake of greater transparency and comparability.

The European Sustainability Strategy was adopted at the EU summit in Gothenburg in June 2001. It integrates the objectives of the Community Environment Action Programme and adds an environmental component to the Lisbon strategy for sustainable growth, employment and greater social cohesion. An update of the European Sustainability Strategy has been announced for 2004. In particular, the instruments for monitoring the implementation of the jointly established aims need to be improved. The further development of the European Sustainability Strategy could benefit from a European network coordinating the activities of the national institutions responsible for sustainability. The creation of an EU Sustainability Council could lend additional impetus to the process. The Parliamentary Advisory Council for Sustainable Development is committed to using its contacts to share experience with parliamentarians from other EU Member States with a view to pressing for a more active role for parliaments in the sustainability debate.

#### **II. Opinion on the progress report**

With its first progress report, the Federal Government is honouring its voluntary commitment to evaluate the National Sustainability Strategy on a regular basis and to compile a biennial catalogue of successes and failures. The progress report emphasises that the sustainability strategy is a process and documents the commitment of the Federal Government to the process that has been launched. The strategy and the progress report set ambitious and demanding targets. The record shows both highs and lows. In some areas progress was achieved in spite of the shortness of time. In general, however, action

to implement the strategy must be bolder and more decisive if the defined objectives are to be achieved.

We support the approach of focusing on specific projects and measures in each area of activity. As the process continues, however, the reports should also analyse problems, examining the numerous interconnected factors and presenting solution options. We agree in principle with the selection of the four new priority areas – the economic and social potential of older people, the new energy-supply structure, including renewable energy sources, alternative fuels and propulsion technology, and land use.

We are critical, on the other hand, of the fact that, contrary to previous announcements, the Federal Government does not undertake to accord the same priority status to biodiversity and sustainable fiscal policy when the strategy is updated for the period from 2006. The Advisory Council also proposes that more consideration be given to the following areas of activity and cross-cutting responsibilities in the further development of the sustainability strategy:

1. education for sustainable development,
2. research and innovation,
3. prevention,
4. demography and infrastructure,
5. consumer policy and lifestyles, and
6. international coordination.

*Dissenting opinion of the CDU/CSU members:*

*The structure of the progress report creates the impression that the pillars of sustainability are not of equal importance.*

## **5. Targets and indicators**

### **Management approach correct**

The Parliamentary Advisory Council welcomes the choice of management approach reflected in the National Sustainability Strategy; the aim of this approach is to apply the principle of sustainable development to practical politics with the aid of targets, indicators and specific measures. The implication of this approach is that the strategy, being designed for the long term, will have to be continuously reviewed and developed. It is too soon for the Federal Government to satisfy this requirement fully in the first progress report, which assesses the state of play after only two years. The Parliamentary Advisory Council has identified the following work that needs to be done for the next review period:

### **Long-term targets required**

Targets are an important component of the management approach to the sustainability strategy. They show clearly where action is needed and play an important part in performance testing. For this reason it is essential to formulate short-term, medium-term

and long-term objectives in every area of activity. Long-term targets are indispensable in the field of climate protection, for example, partly because economic investment decisions relate to the distant future and also because calculable prescribed targets play a hugely important part in the dynamics of environmental innovation and investment. The formulation of objectives should be governed by the rules of sustainability management and therefore respect criteria such as the absolute tolerance limits of ecosystems.

It is also important that potential conflicts of aims and relationships between targets are fully explored from the outset. This is necessary because of the requirement, when checking performance against targets, to make it clear why particular targets have not been achieved. Such an analysis of obstacles and reasons for failure to achieve targets is imperative if the strategy is to be properly developed and meet with widespread approval.

### **The indicator approach – a sound and proven instrument of performance testing**

Indicators are an important tool for the assessment of success or failure in specific areas of activity. It should be borne in mind, however, that indicators can never provide more than a simplified depiction of developments (trends). Moreover, informative indicators must be found for each area of activity, which is generally a difficult task. Notwithstanding these words of caution, we regard the indicator approach as a sound and necessary instrument of performance testing.

The National Sustainability Strategy contains 21 key indicators, which have remained largely unchanged in the progress report. We believe it is right to concentrate on a manageable number of indicators. At the same time, we see a need to re-examine the informative value of individual indicators and to develop the system with the addition of new indicators.

We ask the Federal Government to consider the following points as it pursues the development of the indicator approach:

- It is advisable to ensure that indicators do not stand alone but are always presented in a brief explanatory context.
- The set of indicators needs to be systematised and supplemented.
- In our view, certain indicators do little to measure progress along the path to sustainability. These indicators must be re-examined for their informative value and, where appropriate, replaced or supplemented.
- The complexity of indicators should be based as closely as possible on the factor being measured; in other words, more complex processes require a more complex set of indicators.

## **The need for systematic development of action plans**

Specific measures and steps towards the realisation of sustainable development form the core of the National Sustainability Strategy. A package of various instruments and approaches, sometimes involving action at more than one political level, is generally a highly effective tool. The National Sustainability Strategy has already identified specific measures in many areas of activity and has introduced new priorities for action. In certain areas, however, there has scarcely been any progress yet. As the strategy is further developed, these gaps must gradually be closed.

## **Concrete expectations of the Parliamentary Advisory Council in specific areas of activity**

In the following areas of activity, we consider it imperative that objectives, indicators and measures undergo further development:

### **Climate protection and renewable sources of energy**

The Parliamentary Advisory Council emphasises the need to set long-term targets for the protection of the climate. As the largest emitter of greenhouse gases in the EU, Germany bears particular responsibility. The predictions on climate change necessitate action extending beyond the horizon of 2020. The Federal Government must therefore employ its best efforts to ensure that the European Union continues to play a pioneering role and that it formulates climate-protection targets for 2050.

The Parliamentary Advisory Council warmly welcomes the proposal made by the Federal Government in the progress report for a 40% reduction in greenhouse-gas emissions in Germany by 2020 if the European Union makes a binding commitment to reduce its emissions of greenhouse gases by 30% over the same period. To this end, the EU will have to create practical implementation and monitoring mechanisms.

#### ***Dissenting opinion of the FDP members:***

***Long-term targets in the domain of climate protection are indispensable. The aim of reducing greenhouse-gas emissions in the EU by at least 30% by the year 2020 is therefore right and proper.***

***The Federal Government must make an appropriate contribution to this effort without making unilateral commitments to bear heavier burdens than the other countries of the EU. In our view, the strategy of pledging a particular level of reduction before negotiations take place within the EU is the wrong way to go about achieving a fair distribution of burdens.***

The Parliamentary Advisory Council also notes that it would have expected the Federal Government to make an honest admission that the national climate-protection target of a 25% reduction in the 1990 volume of emissions by 2005 cannot now be achieved.

### **Land use**

The Parliamentary Advisory Council believes that the the increase in the percentage of land covered by buildings and transport infrastructure is an easily communicable indicator but an inadequate yardstick. It only takes account of the total area covered by construction plans and does not permit any distinction to be made regarding the quality of building projects, i.e. how much soil will be lost to such developments and whether they promote urban sprawl or the overdevelopment of rural areas. There is also a need to set regional targets in this area of activity, because the territorial distribution of developments within Germany is an important factor in any assessment of land consumption.

### **Government debt**

The Parliamentary Advisory Council points out that the national, regional and local authorities have fallen far short of their targets for the reduction of government debt. In the coming years, sustainable public finances must become a political priority in the pursuit of sustainable development.

### **Economic provision for the future**

The Parliamentary Advisory Council regards the ratio of gross fixed-capital formation to GDP as a suitable indicator. A target ratio, however, is lacking. This target should be based on trends in comparable industrialised nations.

### **Education**

The Parliamentary Advisory Council recommends the setting of targets in the field of education. In addition, the indicator should be focused more sharply on the quality of education and its social integration potential. Targets and indicators should be based on material such as international comparative studies – the Pisa research, for example. The Advisory Council also considers the percentage of graduates (e.g. the percentage of an age cohort obtaining bachelor degrees) to be a better yardstick than the percentage entering higher education.

### **Economic prosperity**

The Parliamentary Advisory Council considers the continued use of gross domestic product (GDP) as the sole indicator of economic prosperity to be an inadequate solution. The Federal Government should undertake to find another more suitable measure which relates more closely to the objectives of sustainable development. One example of an indicator that could be examined as a potential means of assessing economic success and prosperity in the context of the sustainability strategy is the index for sustainable economic welfare (ISEW). The development of a suitable economic indicator requires a broad debate within society. Moreover – and this refers to GDP too – a target value should be prescribed which is high enough to have a beneficial influence on the employment situation.

## **Mobility**

In the realm of mobility, the Parliamentary Advisory Council notes a considerable shortfall in relation to the percentage targets for the carriage of goods by rail and inland waterways. The Advisory Council also considers it essential that safety records be included in the assessment of transport performance.

The number of victims of transport accidents, for example, could be included as an indicator.

## **Food and nutrition**

The Parliamentary Advisory Council believes that the targets and indicators in the field of food and nutrition need to be extended. The aim of minimising the overall level of environmental damage caused by agriculture should feature more prominently. In the light of these observations, the Parliamentary Advisory Council believes it is not enough to assess progress purely by the percentage of land given over to organic farming. The aim is to reduce the adverse environmental impact of farming activity. The achievement of that aim depends on improvements in all farming methods.

*Dissenting opinion of the FDP and CDU/CSU members:*

*To this end we need innovative plant varieties which are resistant to disease and pest infestation, whose development with the aid of genetic engineering is far advanced and which help to reduce the use of pesticides.*

## **Health**

The Parliamentary Advisory Council believes that the health indicators are not very informative.

The emphasis should be shifted to prevention. Potential indicators here include the percentage of children who are overweight and the percentage of infirm, elderly and disabled people who can receive care in their own familiar surroundings.

The health reporting by the *Länder* and the Federal Government should take more account of sustainability factors.

## **Crime**

The Parliamentary Advisory Council believes that the number of house burglaries is an unsuitable indicator of crime levels. Violent crime should be put at the heart of the assessment of public security. One possible indicator would be re-offending rates for young first offenders.

## **Integration of immigrants**

The Parliamentary Advisory Council considers it essential that differentiated targets be set for the integration of people from immigrant backgrounds. Moreover, foreign school-leavers without the minimum leaving certificate should be changed to a more positive indicator, i.e. the percentage who leave school with a certificate, and the focus should be broadened to cover all school and other educational qualifications and to include German school-leavers from immigrant backgrounds. The aim should be a representative percentage of immigrant children at every level of qualification. Their numbers should include German school-leavers from immigrant backgrounds. The assessment of integration should cover the whole range of opportunities prescribed by the new Immigration Act.

### **Development cooperation**

The Parliamentary Advisory Council considers it imperative that the internationally agreed target of 0.7% of gross national income (GNI) for development aid be achieved. This long-term target must involve a credible timetable (e.g. achievement by the year 2015) with specific defined steps towards the ultimate goal. The Federal Government also intended to increase its own development funding to 0.33% of GNI by 2006. The achievement of this goal is becoming an ever more compelling necessity.

### **Opening of markets**

The Parliamentary Advisory Council considers it desirable, in principle, that the targets and indicators in this area of activity should be more internationally orientated. One of the indicators, however – EU imports from developing countries – is questionable on two counts: firstly, it does not reveal the nature of the imports – the whole figure might relate to ‘plundered’ natural resources, for example; secondly, Germany’s power to influence the volume of EU imports is limited.

We ask the Federal Government to find a suitable indicator for the key aim of achieving more open markets and to use it in the National Sustainability Strategy.

### **Objective performance assessment of existing measures**

In the framework of the continuing development of the sustainability strategy, the Parliamentary Advisory Council considers it crucially important that the progress reports should review the situation in a highly transparent and objective manner. One essential element is a perspicuous appraisal of whether and to what extent targets are being achieved. Another key element is an analytical identification of the determinants of successes and shortcomings in the various areas of activity.

In particular, the analysis of obstacles and misjudgements that affect the pursuit of targets and the implementation of measures is an indispensable component of the management approach.

This sort of critical evaluation is also the prerequisite for the subsequent development of a new and more targeted action plan.

## **6. Selected areas of activity**

The Parliamentary Advisory Council set priorities for its examination of the 2004 progress report. This entailed the selection of five areas of activity from the progress report and sustainability strategy for detailed assessment. It now makes the following additional recommendations to the Federal Government on these areas, partly with a view to the further development of the sustainability strategy:

### **6.1 Land use**

We warmly welcome the assignment of priority to a reduction in the expansion of the built environment. Land is a valuable resource, and its unrestricted use for transport infrastructure and building developments would have serious environmental consequences. Consideration must also be given, however, to the social and economic consequences of transport and housing policies.

The area of land given over to new development fell to a daily average of 105 hectares in 2002; the latest figures for 2003 indicate a further reduction to 93 hectares per day. The Federal Government's aim is to reduce the average daily assignment of land for building projects and transport infrastructure to 30 hectares by 2020.

The importance of land use as an indicator in the sustainability strategy of the Federal Government should be more fully substantiated in terms of environmental impact. The indicator needs to be refined. Focusing on the 30-hectare target in isolation could result in quite serious conflicts with other political aims. For that reason it would be wise to distinguish between various types of land use and to highlight conflicts of aims between mobility and efforts to limit the expansion of the built environment.

If this aim is to be achieved, it will be necessary to translate the principle of reducing land consumption into operational arrangements by highlighting specific areas of action, defining a sequence of tasks and identifying intermediate chronological and regional targets. The benefits of each measure in terms of biodiversity should be specified (e.g. safeguarding the national system of wildlife corridors). Financial incentives for investment in the existing building stock could be a fast-acting measure in the framework of an urban-development strategy. New instruments for the reduction of land consumption should be tested without delay in pilot projects with a view to assessing the various methodological approaches.

In the ongoing development of its sustainability strategy, the Federal Government should examine the recommendations of the German Council for Sustainable Development on land use, set out in a document entitled *Mehr Wert für die Fläche* ('Attaching greater value to land'), and those of the Office for Technology Assessment of the German

Bundestag in *Reduzierung der Flächeninanspruchnahme - Ziele, Maßnahmen, Wirkungen* ('Reduction of land consumption – aims, measures, effects').

In view of the distribution of powers among the national, regional and local authorities, measures to reduce land consumption must take account of all tiers of government and involve them in the planning process at a sufficiently early stage.

## **6.2 Mobility**

Mobility determines our lifestyles and work patterns nowadays. For decades the need for mobility has been steadily increasing in Germany, as in the rest of the industrialised world, and will become far more significant yet across the globe. There is still no sign of a reversal of this trend. Mobility creates traffic. The aim of sustainable mobility is to improve mobility while reducing the volume of traffic and the adverse impact of heavy traffic on man and the environment. Since mobility has always been associated with considerable pollutant emissions and greenhouse gases, higher priority must now be given to research into environmentally acceptable forms of propulsion, so that the present increasing need for mobility can be reconciled with the pursuit of sustainable development.

Although the progress report deals with all aspects of action in this field and provides information on the present state of transport policy, its potential and its aims, the presentation is restricted to technocratic influences on modes of transport and the planning of transport systems. There are no cross-references and links to other areas of activity, particularly land use and demographic change. Moreover, the assessment period is too short to permit a meaningful appraisal.

The Advisory Council suggests a sharper focus on the following facets of sustainable mobility:

The present high level of demand for transport should be examined. No in-depth research is being conducted into the reasons for this demand nor is sufficient consideration being given to ways of reducing the volume of traffic. Town and country planning proposals relating, for example, to the convergence of homes and workplaces can make an important contribution. As far as the priority area of sustainable spatial and settlement structures is concerned, the debate is still in its infancy. The potential here has not yet been sufficiently explored.

The Parliamentary Advisory Council welcomes the adherence to the aim of shifting some of the volume of traffic from road to rail. It has to be said, however, that growth in the percentage of goods traffic carried by rail, and by inland waterway too, remains very slow. The aim of 25% by 2015 is still a distant dream. Indeed, the percentage of traffic carried by rail and inland waterway has actually fallen in recent years. There has been no analysis, however, of the reasons why the long years of efforts to transfer traffic from road to rail have so far been in vain. Pollution caused by the use of inland navigation as

an alternative to road haulage and the potential saturation of rail and waterway capacities are not discussed in any depth. The potential of combined freight transport and intermodal services for passenger transport, such as the combination of public transport with car-sharing schemes, should be exploited. Unless there is keener competition within the railway network, the potential of rail transport will not be increased. In the case of inland navigation, local measures to create more capacity, such as raising the height of bridges and increasing the size of locks, are preferable to large-scale development schemes.

The subject of traffic noise does not receive sufficient coverage in the progress report. On the issue of road-traffic noise, the report lags behind the state of the art, as does the German car industry, disregarding the noise-reduction potential of new technological developments.

The same applies to the introduction of noise-reduction technology in the realm of rail transport. There is a reference to the problem of noise abatement, an area where responsibilities are fragmented and which is not consistently regulated by law, but the problem is not addressed in detail.

There is a conflict of interests between the increase in the volume of traffic and environmental sustainability.

The aim of sustainable development must be to allow the volume of traffic to increase while minimising its impact on the environment and the climate. This means on the one hand that vehicles must be made more energy-efficient and on the other hand that efforts must be made to stimulate research into new forms of propulsion technology and to promote their introduction as a means of reducing the level of pollutant emissions from vehicles.

For this reason, the Parliamentary Advisory Council supports the new prioritisation in the domain of alternative fuels and propulsion technology. We welcome the fact that the Federal Government has refined the fuel strategy outlined in the first draft of the progress report. We regret, however, that the presentation of the strategy remains largely descriptive and that only a few practical options have been singled out. No priorities have yet been set for political action on the other options. An important step has been taken in a key area of innovation. This must now be followed by a decisive political starting signal.

As is set out in the fuel strategy, we consider that, for the period up to the year 2020, the greatest potential for reducing the use of fossil motor fuels lies in the development of more efficient petrol and diesel engines, in synthetic biomass-to-liquid (BTL) fuels, in hybrid propulsion and in hydrogen and fuel cells. Today's internal-combustion technology, on the other hand, is a blind alley in terms of sustainable development. The finite supply of fossil energy sources and the aim of reducing greenhouse-gas emissions call for a new way of thinking.

The use of fuel cells to power vehicles by electricity offers a long-term solution with the prospect of zero-emission cars. For the sake of the environment, long-term efforts must focus on the use of non-pollutant hydrogen fuel produced from renewable sources. Other countries, such as the United States and Japan, are already investing billions of dollars in the development of hydrogen technology and have set themselves ambitious targets for its introduction. In terms of government support, these countries have already left Germany trailing. If our country is not to be left hopelessly adrift of its international competitors, efforts must be made to establish this type of technology, and to this end government and industry must work together to develop hydrogen technology for commercial applications. The implication for the Federal Government is a requirement to provide more support than hitherto for basic research and pilot projects.

Mobility policies also have a vitally important role to play in guaranteeing the welfare of future generations. Investments in the modernisation of the transport infrastructure and innovations such as traffic-management systems are therefore important tasks for the future, and they must be effected in accordance with the principle of sustainable development.

*Dissenting opinion of the CDU/CSU and FDP members:*

*The Transrapid high-speed maglev train is a new and innovative development that uses less energy than aircraft, conventional trains and cars and could also create numerous jobs in Germany.*

### **6.3 Global responsibility**

The progress report focuses chiefly on political strategies in the national context. The need for responsible conduct on the global stage is, however, addressed in several chapters, although the subject of global cooperation is not dealt with in the form of a consolidated and coherent treatment of the interaction between national and international political decisions and sustainability strategies.

#### **Development cooperation and opening of markets**

Development policies are policies for the future too. They are a component of sustainable development in the international context. As a major industrialised nation that earns a living by exporting goods and services to the four corners of the world, Germany has particular responsibility in the field of international development.

The aim of such development must be to promote a stable community of nations and to help nations to help themselves in cases where stable political and economic conditions do not yet exist.

It is very much in Germany's interests to provide the best possible conditions and opportunities for the development of these nations and to contribute effectively to their successful integration into the global economy. This entails the pursuit of a policy of

opening markets to the products of developing countries and transferring knowledge and technology.

Development policy plays a key role in the provision of sustainable long-term support to our partner countries in their efforts to establish democratic structures, the rule of law and a market economy.

Moreover, only if development policies help to overcome poverty, ignorance and hopelessness can international terrorism be cut off from its natural breeding ground.

The progress report highlights deficits with regard to world trade, the opening of markets and the WTO meetings. At the Doha and Cancún meetings, the main demand from the developing and newly developed countries was for the North to open its markets in agricultural products.

It took until July 2004, almost a year after Cancún, to agree at least on a negotiating framework for the continuation of the Doha 'development round'. Even though Europe signalled an end to agricultural export subsidies and the removal of other barriers to free trade, there is no real prospect of a development breakthrough.

The issue of debt cancellation for the poorest countries is not mentioned in the report, in spite of the fact that the highly indebted poor countries (HIPC) initiative launched through the World Bank and the IMF is an important instrument without which the world's poorest countries could not even begin to formulate strategies for their own sustainable development. This initiative improves the global prospects for the implementation of the resolutions of all the UN conferences since Rio, but it can only be one building block in the development of these countries and must be linked with reforms promoting a market economy, the rule of law and education.

We recall the requirement to increase the size of the development budget towards the internationally agreed target of 0.7% of GNI as soon as possible. At the Millennium Summit, it was agreed that the number of people living in extreme poverty was to be halved by the year 2015. To this end, the Federal Government wanted to increase its own development funding to 0.33% of GNI by the year 2006. The achievement of that goal is becoming ever more urgent.

***Dissenting opinion of the CDU/CSU members:***

***The latest cuts in the Federal Government's development budget are a particularly alarming signal. There is no recognisable sign of a purposeful and sustainable approach to development policy. High-profile action programmes do not suffice; constructive professional work is needed. A prime example of the Federal Government's aimlessness is the action programme to halve global poverty by 2015. In view of the extent of poverty in today's world and current trends, it is simply utopian to set the target of halving extreme poverty within 13 years. The quest for sustainability begins with the realisation that it is wise to do the things that can be done before setting unattainable targets in a blaze of publicity.***

In this context, it would have been better if the Federal Government had laid stronger emphasis on the close connection between sustainable development and a stable security policy. Security is not only a basic prerequisite for development; the vicious circle of poverty and underdevelopment is also one of the causes of violence and terrorism.

### **Water**

The Federal Government is aware of the importance of water. In the field of development cooperation, Germany devotes more funding to water projects than any other European donor. Because of the great importance of water, the Parliamentary Advisory Council would have wished it to be listed as an essential resource. Moreover, in view of the need to use water in a sustainable manner, there remains a great deal of potential in the environmental dimension of water (e.g. recycling of water and water pollution), its economic dimension, its social dimension (e.g. war on poverty, water-saving technology) and its political dimension (e.g. access to water as a human right), which the report has not yet explored.

Irrespective of whether water is supplied by a private company or public utility, the legal and institutional framework must be examined with a view to guaranteeing a socially acceptable and environmentally sustainable supply of water to everyone throughout the world, including the poorest strata of the population.

### **Global change**

The greatest environmental challenges in the realm of sustainability today are the changes in the global environment. The Federal Government has established its own scientific advisory committee, the German Advisory Council on Global Change. This body has published several alarming reports. In particular, recent findings on climate change have shown that the Kyoto Protocol, necessary though it is, does not go far enough to prevent dangerous anthropogenic interference with the climate system. This, however, is the very requirement formulated in Article 2 of the United Nations Framework Convention on Climate Change, which Germany, along with most other States, has ratified.

The Parliamentary Advisory Council recommends that the tasks arising from the findings of the German Advisory Council on Global Change be incorporated into the sustainability strategy. With regard to preventive action to protect the climate, we believe that more use should be made of flexible and cost-effective instruments such as Joint Implementation in transition countries and the Clean Development Mechanism in developing countries. In this area we expect the Federal Government to take the initiative both nationally and in the EU framework.

### **Globalisation**

The trend towards globalisation in production, trade and capital transactions is perceived on the one hand as a social and economic threat, but it is also an opportunity to promote development and political freedom, which makes it an enormous political challenge.

Since 1990 the globalisation process has gathered speed and momentum: global production has trebled, the volume of trade has increased sixfold, the total value of direct investments has increased tenfold, and the daily turnover of the currency markets has rocketed to \$1.2 billion.

At the same time, the gap between rich and poor has widened considerably, but upward social mobility has also increased in most countries. Some of the poorest countries have also experienced a disquieting process of deindustrialisation, having been unable to sustain many of their young industries in the face of competition, particularly from the newly developed countries. The safety mechanisms that characterise a social market economy do not exist at the global level.

The average *per capita* GDP of the industrialised countries currently stands at \$20,900. In spite of the population explosion, the number of people who have to live on less than one U.S. dollar per day has fallen by about 118 million. A sharp fall in the number of people living below the poverty line in China and southern Asia in particular – in China, the figure fell from 377 million in 1990 to 212 million in 2001 – contrasts with a dramatic rise from 227 million in 1990 to 314 million in 2001 in the countries of sub-Saharan Africa.

The Advisory Council calls on the Federal Government to campaign for liberal but fair governance of the globalisation process. Economic globalisation must be accompanied by political action to improve the international legal framework in accordance with the sustainability principle. There was no consensus within the Parliamentary Advisory Council, however, on the balance and stringency of the requisite rules.

***Dissenting opinion of the CDU/CSU members:***

***International responsibility for sustainable enhancement of the opportunities available to the developing countries demands that a joint approach be pursued with international institutions such as the European Union and the United Nations. Above all, the role of the WTO must be strengthened.***

#### **6.4 The potential of older people**

Demographic change will determine the course of political action in Germany in the coming decades. Down through the centuries, people have managed, with the aid of improvements in medicine and hygiene, to improve their living standards and increase their life expectancy. This achievement is changing the age structure of society, particularly since it coincides with steadily falling birth rates. In its forecasts for 2050, the Federal Statistical Office in Wiesbaden estimates that average life expectancy will have increased to 86.6 years.

This development has consequences for almost every area of human activity and must therefore be accompanied by political involvement from an early stage. Longer lives require new approaches in all sorts of areas, for example in the pensions system, the

welfare system and the world of work. As demographic changes occur, political action must also undergo profound change.

The activity rate of older people between the ages of 55 and 64 is far lower in Germany than in other OECD countries. Redundancies, semi-retirement and early retirement have left a considerable employment gap among people in this age bracket. Many older people are, in fact, able and willing to do a good job of work. They have no wish to be cast aside to live on benefits. It is incontrovertible that people who are becoming older and healthier can and should work longer too. The details, however, are less clear.

In its progress report, the Federal Government proposes several 'flagship projects'. The Parliamentary Advisory Council for Sustainable Development agrees that these projects should be discussed and that they should then be piloted by businesses and administrative bodies. The proposals are essentially sound, but they are far from adequate as a means of improving the employment prospects of older people. Disincentives and obstacles to the recruitment of older employees must be removed. Rigid age requirements for retirement and access to pension benefits and age barriers enshrined in employment and public-service legislation must be reviewed.

***Dissenting opinion of the FDP members:***

***Among the specific disincentives that need to be removed is the termination of semi-retirement under the so-called block model; it should also be made easier for pension recipients to engage in paid employment, and section 428 of the German Social Code (Book III) must be repealed. The age criterion should be deleted from the factors to be taken into consideration by companies issuing redundancy notices. An optional model specially for older employees, involving a severance payment in lieu of statutory protection against dismissal, should be introduced into the law governing the resignation and dismissal of employees.***

An inseparable element of this approach is the systematic development of further education and advanced training into a system of lifelong learning. Large numbers of older people are already taking advantage of the senior citizens' courses offered by universities.

The Internet is a good source of contacts and information for older people too. Both in working life and in the education sector, a new way of thinking is required, a mentality that recognises and encourages the potential of older people.

A wide range of opportunities for further education and advanced training must be made available to older people to enable them to share in the benefits of social and technological progress. This in turn will considerably improve their prospects of retaining or obtaining jobs.

In this context, existing production processes and work cycles must be reviewed for their compatibility with the needs of older people. Modern technology, if designed and used properly, will open doors for an ageing society in a way that will greatly benefit the individual and the economy as a whole.

Governments, businesses and the parties to collective agreements are all called upon in equal measure to improve the working conditions of older employees. Society must reach a consensus on the changes that have to be made. This is no easy task, but it is an exciting challenge. The Parliamentary Advisory Council for Sustainable Development will seek to share experience with trade unions, employers and academics.

Older people must have opportunities to play a productive role within and outside regular employment. A system of voluntary service, along the lines of the voluntary year of social service for young people, should be created for older people. Younger generations can benefit – economically as well as socially - from the composure and practical experience of the older generation. The recognition accorded to older people and the feel-good factor will be valuable spin-offs. There is a need to foster understanding between the generations. It is not a matter of young against old but of young and old working together. Instead of being allowed to drift apart, young and old should be encouraged to understand each other, which will promote solidarity and cooperation between the generations.

## **6.5 Energy and climate**

The Parliamentary Advisory Council welcomes the fact that the issues of energy supply and climate protection are already core elements of the sustainability strategy. With decreasing volumes of greenhouse-gas emissions, growing energy-efficiency and an increasingly large portion of renewables in the energy mix, Germany is on the right road in important aspects of sustainable energy supply.

The Parliamentary Advisory Council expects Germany and the European Union to continue to play a pioneering role on the international stage in the sphere of climate protection. The Federal Government must also urge the EU to commit itself to the achievement of ambitious long-term climate-protection targets by 2050.

The Parliamentary Advisory Council points out that the reduction targets agreed in the Kyoto Protocol, which is not yet being implemented, will not suffice for sustainable protection of the global climate. Far greater worldwide efforts are needed above and beyond the Kyoto goals.

For example, the negotiations on the second and subsequent commitment periods defined in the Kyoto Protocol must also cover limitations on emissions growth in developing countries and newly developed countries such as China and India. This must, however, be contingent upon the industrialised countries having made convincing efforts to reduce their own emissions and producing evidence of appropriate reductions.

If the developing and newly developed countries are to be committed to the reduction process, further development of the flexible Kyoto mechanisms will be essential.

In Germany and throughout the world, the targeted promotion and development of energy from renewable sources in power and heat generation and in transport are indispensable elements of any sustainable energy policy. The contribution of energy from renewable sources to the electricity consumed in the EU as a whole is to be increased to 22% by 2010. At the same time, the contribution of renewables to total energy consumption in the European Union is to be increased to 12%.

Renewable energy sources combine three major political assets: their long-term importance in protecting the climate, their technological innovation potential and their role as a key to new export markets. Another reason for supporting renewable sources of energy, however, is to maximise their cost-effectiveness and efficiency so that they become marketable and competitive. The aim of sustainable development must be the systematic reduction of dependence on fossil fuels such as mineral oil and natural gas. To this end, more extensive measures and timetables must be developed within the sustainability strategy.

Irrespective of differences regarding support models, the Parliamentary Advisory Council wishes to make the point that a further substantial development of energy generation from renewable sources can best be achieved if parallel action is taken to ensure that priority is given to measures involving the introduction of energy-storage technology. Further research should also be conducted into more efficient ways of converting fossil fuels into energy.

***Dissenting opinion of the CDU/CSU and FDP members:***

***Besides these measures, research relating to the peaceful use of nuclear fission and fusion must also be continued.***

Besides the promotion of renewable energy, measures designed to save energy and to ensure that electricity is used more efficiently must also be vigorously pursued. In spite of some tangible progress, the Parliamentary Advisory Council believes that this is the most underdeveloped area of the sustainability strategy. The greatest potential of all for energy savings, amounting to between 40 and 55% of 1990 consumption levels, lies in the eco-refurbishment of older buildings. It has been demonstrated that older buildings now consume almost twice as much energy as new buildings for electricity, heating and air conditioning. Although discernible progress has been made in practice, for example through measures to protect houses and other buildings from adverse climatic effects, the contribution of energy-saving to the success of a climate-protection strategy is still being underestimated. The continuation and further development of measures to lower energy consumption in buildings as well as the introduction of new technology to increase energy-efficiency and reduce energy input are therefore urgent necessities. To this end, the following measures should be tested:

- loan subsidies, remission of loan debts or direct grants for demonstrable eco-refurbishment,
- support programmes for innovative energy-saving and energy-efficient technology (German zero-energy standard (*Passivstandard*) in old buildings, fuel cells, etc.), and

- improvements in the scope for the transport of energy supplies and contracting, for example.

## **7. New areas of activity**

In connection with the new areas of activity, the Parliamentary Advisory Council has identified five subjects that were given insufficient consideration, or none at all, in the progress report. The Parliamentary Advisory Council will continue to devote some of its work to these subjects and recommends that the Federal Government engage in a constructive dialogue in these areas.

### **7.1 Education for sustainability and more sustainability in education**

Education is the key to meeting the environmental, economic and social challenges of the 21<sup>st</sup> century. Investments in education and research are therefore investments in the future of generations to come.

The education and training of our citizens and the high standard of research and technology in Germany are the foundations of our economy as well as our response to the challenges of globalisation. This means that the efficiency of our education system must be enhanced and the leading position of our research consolidated. A modern school and vocational-training system and competitive universities are indispensable if we are to reap the full benefits of globalisation. For a country with relatively few natural resources like Germany, knowledge is the chief asset with which it can compete successfully in the global marketplace.

As a primary benchmark for quality and reforms in the German education system, sustainability turns people into stakeholders and enables them to play an active part in shaping change in the age of globalisation. The substance and methodology of education in sustainability hinge on the aims of imparting basic skills and factual knowledge on the relationships and interactions between mankind, nature and technology and of encouraging the development of the practical ability and creativity that are essential to the pursuit of sustainable development. This requires appropriate types of learning process.

Broad-based, high-quality education and training is the only way to bring the requisite young talent into research and business. This effort begins at school, since the main basis for the sustained provision of better training and study opportunities is a system that turns out school-leavers who are better equipped to engage in vocational training and university study. In Germany, this is primarily a responsibility of the *Länder*. Another indispensable requirement is a system of vocational training with modernised organisational structures and curricula which is able to respond to new economic developments. In general terms, we need a research-, technology- and innovation-friendly climate in Germany.

Taking account of the interdependence of education, sustainability and innovation, the sustainability strategy identifies education as a key area of activity which needs to be fleshed out with action plans as the strategy is further developed. The progress report, however, pays insufficient heed to this aspiration. While it is very gratifying in principle to note that, in connection with the economic and social potential of older people, the report focuses on further education, continuing training and lifelong learning for older people, lifelong learning is nevertheless a broad concept and must not be treated solely in the context of older people.

Imparting the ability to engage in lifelong learning, improving the interfaces between the various levels of the education system and between training and employment, creating greater accessibility and promoting 'second-chance' courses are aspects of lifelong learning that are equally, or indeed more, relevant to younger people, and these aspects should also be dealt with in the context of the sustainability strategy.

The progress report largely omits the subject of education for sustainable development. A timely opportunity to include this topic as a future priority in updates of the sustainability strategy is presented by the resolution adopted by the UN General Assembly in December 2002 to make the years 2005 to 2014 the World Decade for Sustainable Development. This can be linked with a cross-party resolution adopted by the Bundestag in July 2004, which contains a number of requests to the Federal Government regarding the integration of sustainable development into formal and informal education processes, and with the priority aim set out in the sustainability strategy under the heading 'Changing old structures, developing new ideas: education offensive and higher-education reform'; the latter text, indeed, goes so far as to outline a possible approach.

Examples from this wish list, to name but a few, are the widespread implementation of the results of the model programme *BLK 21*, piloted jointly by the federal and *Länder* governments, the development and testing of strategies for the integration of sustainability into vocational training, the promotion of sustainability in higher and further education and the transfer of research findings in the field of sustainability into the various sectors of the education system.

The idea is that these and other initiatives should be incorporated into a national action programme, which would be drawn up by the Federal Government with the aim of establishing the principle of sustainable development at every level of education.

## **7.2 Research and innovation**

Outstanding education and efficient research are inseparably linked and interdependent. Today's research can be tomorrow's innovation, creating employment for the next generation. Work relating to innovative products and processes is less liable to be outsourced to countries with lower wage levels. Moreover, it has great wealth-creation potential and therefore plays a major part in guaranteeing future economic prosperity and social security. Research findings also give us the prospect of overcoming environmental problems and securing the supply of food, water and energy to the global population.

Regrettably, the Federal Government's progress report only mentions the subject of research very briefly in passing. It neither highlights potential growth areas nor identifies specific fields of research that can benefit the next generation. The Parliamentary Advisory Council recommends that technological performance and scientific excellence in basic research – including interdisciplinary projects – be included as indicators in the sustainability strategy.

In Germany we need a generally research- and technology-friendly climate. Since the early 19<sup>th</sup> century, Germany has been involved in the main technological developments in the world, not least because new technology and scientific advance were regarded as a key to prosperity and justice. Distrust and fear of new technology and its potential applications clouded the debate to a lesser extent than it does today. In the interests of sustainable development, we must see new technology and scientific advances as opportunities for prosperity and security and promote them for the benefit of the next generation. This does not mean that we should ignore the risks.

For the future prospects of the next generation it is imperative that the objectives of the Lisbon strategy are achieved and that expenditure on research and development is increased to 3% of GDP. To this end, the federal and state governments and the private sector must substantially increase the resources allocated to research, and the competitiveness of our universities in research and teaching must be improved. Above all, however, the private sector's share of research and development expenditure must increase. Factors that impede investment in R&D must be avoided and new incentive systems created.

Special attention must be focused on efforts to identify key technological breakthroughs at an early stage and support the development of such technology without delay in the framework of a strategic research-promotion mechanism. In the context of sustainability, the strategic development of resource-efficiency is now recognised throughout Europe and in the growth regions of Asia as a high-priority field of innovation.

Political commitment to sustainability means being innovative and facing the future with optimism. We must learn again to do things that others cannot do.

*Dissenting opinion of the CDU/CSU and FDP members:*

*For this reason, Germany must not distance itself any further from important fields of research such as the use of genetically engineered products in agriculture and the food industry, the European space programme or nuclear fusion research, otherwise it will be left stranded in the wake of its international competitors. Other examples include stem-cell research, chemical and pharmaceutical research and, last but not least, research in the field of mobile telephony.*

### **7.3 Prevention**

It is clear, in the light of demographic change, that our social-security systems need to be further developed. Ever fewer people will have to provide for ever more benefit recipients. There can be no all-embracing solutions or easy answers. Politicians must, however, make people aware that changes are necessary and that these changes cannot be made without cuts, particularly if the prospects of future generations are to be safeguarded. These changes must, of course, be effected in a socially tolerable manner.

For this reason, the social dimension of sustainable development must be given a higher profile in the sustainability strategy.

Demographic change poses formidable challenges for the system of health care but also offers a great opportunity to boost growth and employment. Doctors and nursing staff face new challenges, which relate both to research (development of new treatments) and to patient care. The statutory health-insurance scheme can only be funded in a way that is fair to all generations if a system is found which reconciles economic opportunities with social and demographic challenges.

Prevention is a national responsibility and an investment in the future of our health system. It must be rooted in people's immediate environment and strengthened by local initiatives. The promotion of health and prevention must be a fact of everyday life in nurseries and schools, in workplaces and in the public domain, and it must be based on the pursuit of common objectives. The aim is to reach the entire population, if possible, with preventive services which have a sustained effect. The principle that 'prevention is better than cure' has not yet been reflected in the financial commitment of those who are responsible for the health system. A sharp change of course is required here, not only for financial reasons but also to avoid illness, infirmity and dependence. Although the enticement of children to adopt unhealthy consumption habits (junk food, alcohol and tobacco products) has now been restricted, far more money is still being spent on tobacco advertising than on health education. The principles of solidarity and subsidiarity apply to the prevention of diseases too, over and above health education and measures to avoid the spread of infectious diseases. All individuals are responsible for looking after their own health as best they can and for avoiding dangerous and harmful lifestyles.

The possibility of concerted preventive campaigns, involving the development and implementation of prevention strategies tailored to the actual needs of individual areas within a federal state, presupposes closer cooperation between the responsible parties in health-insurance schemes, local and regional government and the private sector.

In the domain of nursing care too, insufficient use is still being made of the scope for prevention and health promotion. If support were given to the creation of appropriate social structures and infrastructure in residential areas, long-term in-patient care and expensive accommodation in nursing homes would be largely unnecessary. Furthermore, additional efforts are needed to enhance the regard in which society holds the caring professions and the value it attaches to care services.

With Agenda 2010, the Federal Government began to reform the systems of social security, and the Opposition helped to secure the passage of major reforms through its majority in the Bundesrat. In the case of some indicators, such as employment, government debt and education, the progress report links the essential reforms with the sustainability debate. There is not yet, however, a systematic focus on the aim of sustainability.

The new Acts Providing Modern Services in the Labour Market (Hartz Acts I-IV) are intended to enable more people who want to work to find employment. This form of involvement in the life of society is indispensable. No society can afford to accept mass unemployment in the long run.

The reforms of health and pensions insurance are based on the basic principles of community and justice. Supplemented by other elements, chiefly personal responsibility and personal input, the reforms have not only served to reduce welfare contributions and make labour less expensive to employ; more significantly, they have made people more keenly aware of the way in which social-security systems work and in particular of the fact that their own conduct helps to preserve these systems for future generations.

More reforms are needed to safeguard or establish generational justice, particularly in the realms of health and pensions insurance. They must be based on the fundamental principles of self-reliance and personal input. The aim of these reforms must be to reduce labour costs, which is an urgent necessity. Moreover, in future all types of income must contribute to the funding of the social-security systems if the burden on earned income is to be eased.

***Dissenting opinion of the CDU/CSU members:***

***The inclusion of all types of income in the funding of the social-security systems entails an enormous administrative and verification effort, which runs counter to the aims of deregulation and reducing bureaucracy for the benefit of the next generation. The aim of a sustainable policy must be to sever the link between non-wage labour costs and non-wage-related benefit systems, thereby creating the conditions for more work and employment once again, in particular in growth markets such as the market in health services. The decisive factors are responses to demographic trends and measures to prevent rising expenditure on public health in the future.***

***Dissenting opinion of the FDP members:***

*The health and pension reforms that have been implemented so far are based on excessively narrow interpretations of the principles of community and justice. They disregard the principle of subsidiarity and do not create justice in the sense of equal treatment. Moreover, in spite of these reforms, future generations will still have to bear unduly heavy burdens. Only an obligation to obtain individually customisable insurance cover and a rapid and systematic switch to funded health, pension and long-term care schemes will guarantee subsidiarity and generational justice at a time of demographic change.*

*In order to prevent spiralling health-insurance contributions and further rationing of benefits and services in future, a system of ageing reserves must be put in place today. A changeover to a private-sector system is the best means to this end and will also be socially acceptable if accompanied by social compensation funded from tax revenue, and all insurers would have to offer a basic rate with compulsory contracting and a ban on discrimination.*

The family in its various facets remains the main foundation of our society. The Federal Republic can look back on a long and distinguished history of support for families: child benefit, the child allowance for taxpayers, the inclusion of child-rearing periods in the calculation of pension entitlements, child-rearing benefit, parental leave and the statutory right to a place in nursery school are but a few examples.

A package of measures bringing sustainable improvements in conditions for families would be desirable. Three areas are in particular need of reform: reconciliation of family responsibilities with paid employment, greater parental powers over children's education and a more preventive alignment of family policy.

The social situation and status of lone parents must not be forgotten either. It is essential to continue making every effort to improve conditions for lone parents and promote their acceptance within society.

#### **7.4 Demographic change and infrastructure**

The effects of demographic changes have hitherto been discussed primarily in the context of the welfare systems. Demographic change, however, will also have an impact on the future infrastructure. New issues will alter the qualitative and quantitative demands on a sustainable infrastructure. Our infrastructure must be reviewed and realigned in the light of demographic trends. We need an analysis to determine the number and nature of the additional roads, railways, transport corridors, building developments and industrial estates, the public establishments such as hospitals, nurseries, schools, sports facilities, care homes for young people and nursing homes for the elderly that will be needed in the future. In particular, the social and medical infrastructure and the housing stock must be adapted to the changing structure of the population.

Such a quantitative and qualitative analysis is essential if the right decisions are to be taken today for the people of tomorrow. Our society must anticipate the needs of future generations in good time and must not leave them to meet the cost of our failure to invest wisely. For this reason, we need a sustainability check with time frames of 20, 40 and 50 years. The cost of unadapted or unnecessary infrastructure must be quantified. It will be

necessary to examine, when planning new or refurbished facilities, how they can be designed for the most flexible use. Age-friendly housing and building as rebuilding are two important catchwords in this context. A sustainable strategy also requires a comprehensive interdisciplinary approach to demography and infrastructure which ties into the various strands of the strategy. Demographic change will affect mobility. The suitability of transport strategies and systems must be reassessed. More public amenities should be brought back into the vicinity of residential areas.

The Parliamentary Advisory Council, the German Council for Sustainable Development and the Federal Government must focus more sharply than hitherto on these issues.

## **7.5 Finance**

Given the development of the public budgets in the Federal Republic and its constituent states, strenuous efforts are required to consolidate public finances. Among other things, our public budgets are currently weighed down by burdens from the past, particularly interest payments, pension commitments, the cost of reunification and chronically anaemic economic growth.

There is less and less scope, on the other hand, for investments in the future. Fiscal measures require the consent of the Bundesrat; the fact that different parties hold a majority in the Bundestag and Bundesrat has also been an obstacle to any tangible consolidation of the federal budget. The current measures whereby the Federal Government, the *Länder* and the local authorities are reducing their deficits in the short term at the cost of additional burdens in the future are no solution.

In the field of fiscal policy, the aim of the present efforts to modernise the federal system of government must be to make responsibility for political decisions unambiguous and transparent again. Financial relations within the federal state must be shaped in such a way that sanctions affect the tier of government at which the budget has not yet been adequately consolidated.

As a cross-cutting issue, sustainable fiscal policy must be made a priority of the updated National Sustainability Strategy in 2006, although we are well aware that there are no easy answers and that successes can only be achieved if politicians at every level and the political parties shoulder their responsibility.

Today's debts are tomorrow's taxes. The increasing volume of government debt is an observable phenomenon in almost every Western democracy. In Germany too, there have been frequent departures from the principle of sustainable fiscal policy in recent decades. Today the debt trap is looming. As debt interest grows, so does the pressure on governments, whose fiscal sovereignty is gradually eroded.

The time scale for a sustainable fiscal policy goes far beyond that of medium-term fiscal planning. It is governed by the long-term aims of a balanced budget and fairness between

generations. Indebtedness at all tiers of government imposes the need to devise disencumberment strategies. Fiscal instruments are a means of internalising the social cost of environmental consumption and to support sustainable and efficient management of exhaustible and renewable resources.

Environmentally harmful subsidies must be eliminated as quickly as possible. In addition, a sustainable fiscal policy must also respond to the dampening effect that the falling birth rate and ageing population will have on future economic growth and tax revenue.

Public acceptance of taxes and levies will depend on the simplicity and transparency of the taxation system. This system must stimulate sustainable development.

***Dissenting opinion of the CDU/CSU members:***

***Yet again the so-called ‘Five Wise Men’ of the German Council of Economic Experts have called for radical tax reform. The progress report makes no reference to this. A modern, simple and growth-inducing code of fiscal law must be put in place as a matter of urgency, not least in order to establish generational justice. Taxes designed to stimulate sustainable development cannot be made to bite – like the ecotax, for example – in areas where there is scarcely any scope for them to change people’s habits, otherwise they are perceived as nothing more than an increase in the tax burden.***

***Dissenting opinion of the FDP members:***

***Given the need for simplification of the tax system, further tax cuts remain on the political agenda as a means of stimulating growth, encouraging investment and giving future generations greater financial autonomy.***

There must be a balance between government revenue and government expenditure. The national accounts must be structured in such a way that essential funds can be raised without unwarranted borrowing at the expense of future generations.

***Dissenting opinion of the FDP members:***

***To this end, changes are needed in the political framework prescribed by constitutional law, since it is not enough to appeal to the common sense of national, regional and local politicians. The main points that require consideration are the enshrinement of the Maastricht criteria in the Basic Law and a tightening of the provisions of Article 115 of the Basic Law on borrowing limits or a rule that any disturbance of the macroeconomic balance must be examined by an institution independent of the incumbent government and of Parliament. The fiscal responsibilities laid down in Article 104a(2) of the Basic Law should be made more stringent through the consolidation of legislative powers and an obligation to meet costs. The Budgetary Principles Act should stipulate that all subsidies must be degressive and subject to a time limit.***

There is more to sustainable fiscal policies, however, than the mere reduction of debt. In order to strike the right balance between savings and investment, expenditure on education, research and precautionary environmental protection must be regarded in the context of the political debate as investments in the future. Income and expenditure must be structured in such a way that environmental, social and physical capital are at least

preserved and that the full potential of society for knowledge acquisition, creativity and innovation is realised through adequate investment in education. The future burdens arising from intergenerational contracts in the form of pension, health and long-term care insurance and from the rising cost of superannuation benefits in the public sector are liabilities and implicit debts which have never been included in the short-term indicators used in conventional budgeting, with its narrow focus on the past and present.

The Parliamentary Advisory Council proposes that a framework be developed for the production of regular official generational accounts. This could create greater awareness of the legitimate interests of rising generations and provide politicians with a yardstick to measure the effect of political action.

In generational accounts, which are broken down into cohorts by year of birth, the credit side shows payments made for future generations, such as expenditure on education, infrastructure, precautionary environmental protection, welfare payments in respect of children and young adults and social security, while the debit side shows burdens such as government debt, pension liabilities, liabilities arising from intergenerational contracts and the cost of damage to the environment.

In future, every law that leads to expenditure by government or disbursements from social-insurance funds should be subjected to a generational impact assessment. This assessment should be as consistent as possible with the criteria and structures of the generational accounts. Practicable procedures for this purpose should be developed within the German Bundestag.

## **7.6 Biodiversity**

The Parliamentary Advisory Council believes that the authors of the progress report have sent out the wrong signal by deleting from the draft report any reference to the announced inclusion of biodiversity as a priority theme of the 2006 progress report. The Council assumes that the Federal Government will nevertheless focus on biodiversity in its work over the coming years.

Biodiversity is continuing to decline as a result of human activity. For this reason, efforts are needed to reduce considerably the rate of disappearance of species from Germany by 2010. To this end we need a biodiversity strategy, to which Germany has committed itself, most notably in the Cartagena Protocol on Biosafety in the framework of the Convention on Biological Diversity (CBD). A biodiversity strategy that deals with the environmental, economic and social aspects of the protection of biodiversity and the use of its components must be part of the further development of the sustainability strategy. This could serve to integrate economic, commercial and development goals into the strategy.

The biodiversity indicators must be further developed with a view to ensuring that human influence on biodiversity can be measured and that the indicators do not merely record

developments in animal and plant populations without relating these trends to anthropogenic changes in the ecosystem.

The conservation of nature and biodiversity concerns everyone. It must be pursued as a cross-cutting task of all government departments. Its aim is to preserve natural diversity and the carrying and regenerative capacity of the environment. This is a prerequisite of sustainable economic activity.

An important mission in the domain of nature conservation is the protection of species and habitats, which is carried out in nature reserves and areas designated as habitats of particular flora and fauna as well as through the establishment of the national system of wildlife corridors, biotope mapping and the compiling of red data lists of vulnerable and endangered species. An increasing amount of attention is also being devoted to human interests in the use of the environment. The cooperative approach to nature conservation should be further reinforced.

Examples of the cooperative approach to nature conservation are contractual conservation and the work of the landscape-conservation associations.

In the case of contractual conservation, people who work in the countryside and with nature are entrusted with the care of nature-conservation areas and receive a payment for the performance of environmental tasks. The contractual conservation programmes of the *Länder* are eligible for part-funding from EU resources.

Landscape-conservation associations are non-profit bodies whose executive committees comprise volunteers drawn from various sections of society (local politicians, farmers and conservationists) on a basis of parity. They implement environmental measures in agriculture and engage in contractual conservation and the protection of hydrological systems on behalf of local authorities; in so doing they reconcile conflicts of interest between the groups they represent and nurture mutual trust.

The sustainable use of nature brings benefits in terms of the protection of the areas in question as well as benefiting the users. A prime example is the use of large-scale nature reserves for farming, tourism and outdoor leisure activities, which also has a spin-off in terms of employment (cf. *Tourismus in Großschutzgebieten – Impulse für eine nachhaltige Regionalentwicklung*, Berlin 2003, a study on the benefits of tourism in large nature reserves compiled by the Office for Technology Assessment of the German Bundestag). Proximity to unspoilt countryside has also become an important location factor.

The distribution of powers between the federation and the *Länder* in the realm of nature conservation complicates the implementation of European rules. This is an area where the debate on the federal system should identify appropriate ways of strengthening the central authority.

### **III. Concluding remarks**

This opinion is the first joint public statement made by the Parliamentary Advisory Council on Sustainable Development. In it we seek not only to move the debate forward but also to foster progress towards the realisation of a strategy for sustainable development. This cross-party communication should also make it clear that we do not regard the sustainability strategy of the Federal Government as a task to be completed within a limited time. It is and will remain, irrespective of election results, the long-term perennial task of everyone to equip our country for the future.