

Shows promise. But must try harder

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Sustainable
Development Commission

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But must try harder**

an assessment by the sustainable
development commission of the
Government's reported progress on
sustainable development over the
past five years

**a report by
the sustainable development
commission**

April 2004

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Introduction

In 1999, the UK Government published a sustainable development strategy for the UK, *A Better Quality of Life*¹ (ABQL). The Government's recent annual report on sustainable development *Achieving a Better Quality of Life*² (ABQL 2003) presents a review of progress since 1999. Following this review, the Government is planning to launch a consultation in April 2004 on a revision of the UK Sustainable Development Strategy that will look forward over the next five years and beyond. Separate reviews are planned for Scotland, Wales and Northern Ireland, taking account of the UK review as appropriate.

The Sustainable Development Commission has therefore taken this opportunity to conduct its own review of the last five years, and now publishes this report as a commentary on the Government's own assessment, and as a contribution to defining priorities and objectives for the forthcoming review of the UK strategy and of the Scottish, Welsh and Northern Irish reviews.

To assist us in this task we commissioned Levett-Therivel to undertake an independent review of the Government's headline indicators of sustainable development and the lessons to be learned from them. Their report is being published simultaneously with this report as *Assessment of Progress Against the Headline Indicators*³. We commend their report to everyone concerned with the use of indicators in the sustainability field, and have found it extremely useful in forming our own assessment of progress.

In addition to analysing the lessons from the indicators, we invited views on progress over the last five years from a number of individuals who are active in the sustainability field, and have shared views with them at a workshop on March 3rd, 2004. We were very grateful for these comments and views, which have helped us in forming our own assessment and challenges for the next five-year period.

In the light of our assessment, we have formulated a number of challenges to the Government, for the new strategy and for the next 5-10 years.

1 Department of the Environment, Transport and the Regions (1999) *A better quality of life: a strategy for sustainable development for the UK*. London: The Stationery Office

2 Department for Environment, Food and Rural Affairs (2004) *Achieving a better quality of life: review of progress towards sustainable development – Government annual report 2003* London: Stationery Office

3 Sustainable Development Commission (2004) *Assessment of progress against the headline indicators*. London: SDC, a report by Levett-Therivel Sustainability Consultants for the SDC.

Challenge One - New Strategy

The Commission's first challenge to the Government is:

- to create a new Strategy that is unified and much more strongly driven by a fundamental overarching commitment to sustainability at all levels and in all parts of Government; it should be a core part of the programme of all Departments, led from the centre.

The new Strategy must:

- ensure that sustainable development principles and practices are mainstreamed into all Government programmes and policies and into the central determination of priorities and allocation of resources;
- galvanise all our institutions at national, devolved, regional and local level and inspire the whole of our society towards the changes that are needed;
- actively engage key stakeholders, including communities and the wider public, in the changes that are needed;
- be driven by a much more vigorous and well directed communications and engagement strategy built around key sustainability challenges; and
- be vigorously implemented and effectively monitored.

Challenge Two - Indicators

To ensure more rapid movement towards sustainability the Government needs to bring forward a new, better, set of headline indicators with:

- key priorities that better reflect sustainability principles and policy;
- a radically different approach to measuring economic progress;
- challenging targets for how they should move over time; and
- more effective machinery for acting on adverse identified trends.

Challenge Three - Objectives

The Government's fourth objective about the economy should be re-formulated in such a way:

- as to promote the kind of economic growth that supports social progress, high employment levels, protection of the environment and prudent use of natural resources, and to discourage the kind of economic growth that does not; and
- that links high employment with the goal of social progress and wellbeing, rather than with economic growth, since having satisfactory work is such a fundamental part of social and personal security and identity.

Challenge Four - Principles

The ten principles for sustainable development which the Government has adopted must be:

- strengthened, particularly with regard to equity;
- made more operational; and
- applied more consistently and rigorously.

These principles should be the subject of open reporting to show how and where they are being brought to bear, and what progress is being made in implementing them.

Challenge Five - Departmental Challenges

Each Department needs to:

- embed sustainable development more firmly at the heart of its goals, objectives and practices;
- modify any objectives that may conflict with sustainable development;
- establish or keep up to date its own sustainable development strategy with measurable and stretching objectives and targets; and ensure that progress on this is monitored regularly at the highest level and that it plays a central part in providing the political dynamic and direction in the department; and
- incorporate the goals of that strategy in its processes for establishing priorities and allocating resources, its procurement strategies, and in its Public Service Agreements.

Challenge Six - Cross-Departmental Challenges

Central Departments must:

- put the objectives and principles of sustainable development at the centre of their own objectives; and
- give a clear, strong and consistent lead towards sustainable development throughout Government and society.

Sustainable development should be incorporated in the key cross-departmental processes such as:

- the establishment of Public Service Agreements;
- common approaches to procurement;
- the Comprehensive Spending Review; and
- the Budget.

Consideration should be given to the possibility of locating lead responsibility for sustainable development in a central Department that would have the authority and powers to push it forward systematically and consistently with all other Departments. If the lead responsibility remains with Defra, we believe that Defra's links on this subject with the central Departments should be strengthened so that all the messages and direction from central Departments advance sustainability.

Challenge Seven - Taxation

For the next five years the Government should:

- make a much more determined effort to build public awareness of the scale and imminence of some of the major global environmental problems such as climate change, excessive consumption of resources and loss of biodiversity, and of the need for price signals brought about by appropriate taxes or levies to encourage more sustainable patterns of behaviour;
- develop effective means of ensuring that such taxes or levies do not bear unfairly hard on the poorest households; and
- develop effective means of ensuring that such taxes or levies do not simply become revenue raisers but that the proceeds are used in a fiscally neutral way (as with the Climate Change Levy) either to support further measures to reduce the environmental and social problems in question, or to reduce levels of taxation on a desired outcome such as employment.

Challenge Eight - DfES

The DfES should carry forward its action plan vigorously to ensure that:

- sustainable development is firmly embedded throughout the schools sector in the curriculum, in the examination system and in teacher training;
- sustainable development is equally embedded in higher and further education, and appropriate interdisciplinary studies and research are promoted;
- sustainable development is fully embedded in the way in which all educational estates are managed, procurement is handled, and buildings are constructed; and
- all educational facilities are focal points and emerging laboratories of exemplar experience for the wider dissemination of sustainable development understanding and good practice in the communities in which they operate.

Challenge Nine - Devolved Administrations

The Administrations in Scotland and Wales should:

- turn the initial strategies for sustainability that they have formulated into central and effective drivers for change over the next five years.

In Northern Ireland:

- a strategy should be formulated on similar lines to those in Scotland and Wales within the next year.

Challenge Ten - English Regions

For the English Regions, the Government needs to:

- rationalise the present confusing pattern of regional structures so there is coherence for the pursuit of sustainable development throughout the region;
- place sustainable development at the heart of the new arrangements, including the spatial planning frameworks; and
- review and amend the RDAs' Performance Management Framework to take full account of resource productivity and other sustainable development priorities.

It is essential that policy-makers, decision-takers and opinion-formers in the regions work towards sustainable solutions through long-term sustainability targets, and resist quick fix responses in addressing regional needs and opportunities.

Challenge Eleven - Local

Central and local government, acting together in partnership, should:

- launch a new drive for achieving sustainability at local level under the direction of a broad obligation, implemented through a single integrating and innovating community strategy in each area, embracing specific sustainable development goals and targets for the next 5-10 years and via effective local strategic partnerships and comprehensive sustainable procurement practices;
- work with the Audit Commission, the Local Government Association, the Improvement and Development Agency and the various Government departments covering central-local partnerships, to ensure that strategic regulation and corporate performance assessments meet the principles and practices of sustainable development.

Challenge Twelve— Management of the Economy

The Government must ensure that sustainability plays a central role in all aspects of the management of the economy including the compilation of data and regular monitoring of performance, successive Budgets, the Comprehensive Spending Review in 2004 and in future years, in all Public Service Agreements, in all public procurement, and in fiscal policy; and in particular that adequate attention is paid to such key sustainability issues as:

- maintaining public sector assets and infrastructure in good repair;
- achieving a step change in the quantity and quality of public and private investment to pursue the longer term goals of carbon reduction set out in the Energy White Paper;
- promoting sustainable procurement policies throughout the public sector;
- promoting sensible spend-to-save decisions, particularly where the savings are of energy or natural resources;
- adopting a more active approach to the labour market to encourage training, career development and redeployment;
- reducing the need to travel, rather than fund an ever-escalating 'arms race' between car travel and its alternatives;
- promoting public health and healthy living in preference to health care wherever possible; and
- promoting trade and aid policies and spending that encourages sustainability in other parts of the world.

Challenge Thirteen - Business

In relation to business, the Government must:

- explain more clearly the need for more sustainable methods of operation;
- set demanding medium and long-term targets for improved performance;
- plan for timely programmes of regulatory and fiscal action to support those targets;
- implement those plans steadily and consistently without wavering or delay; and
- require regular monitoring and reporting by business on their progress.

Challenge Fourteen - Sustainable Production and Consumption

The Government should:

- establish more demanding targets and timetables for the transition to more sustainable products and production processes;
- devote substantially greater resources to educating the public about the need for consumers to choose more sustainable products and services and provide them with the information to make such informed choices; and
- generate a public debate over the role of consumption patterns as a force for promoting healthier, happier, more prosperous and safer communities.

Challenge Fifteen - Waste

The Government should:

- accelerate its guidance to industry and local authorities about the way in which the timetables and targets for achieving higher levels of waste minimization, recycling and reuse must be achieved, and ensure that the necessary resources and incentives are put in place to achieve this major change.

Challenge Sixteen - Farming and Food

Working with industry, the Government must:

- Use the Food Industry Sustainability Strategy – and wider national and international policy and purchasing practices – to encourage sustainable consumption of food, and not just sustainable production, by ensuring that consumers have access to information (for example, about nutritional value and health impacts, the origins of all products and ingredients, and the production and transport methods) which will allow them to make far more sustainable choices.

Challenge Seventeen - Transport

The Government needs to open up a much more fundamental debate with society about what will be involved in moving to a more sustainable pattern of transport in the future. This debate must:

- tackle head-on the failure of many parts of the transport sector to bear their full environmental costs; and build long-term environmental costs into all forms of transport through appropriate tax and charging measures;
- include discussion of ways of achieving desired levels of access to facilities of all kinds without multiplying transport needs through such means as planning for higher densities of development and encouragement of mixed-use zoning and development.

Challenge Eighteen - Public Health

The Government must:

- establish closer links between the Sustainable Development Strategy and the public health agenda, so that each can reinforce the other.

The Department of Health should:

- set the NHS explicit targets for the contribution it should be making to sustainable development; and
- devise new health indicators which better reflect personal wellbeing.

All new standards set by the Commission for Healthcare Audit and Inspection should:

- be compatible with promoting sustainable development and good corporate citizenship.

Challenge Nineteen - Climate Change

The Government must:

- take further steps on the fiscal and regulatory front over the next five years to improve the UK's climate change policy and performance, in order to secure a path to 60% CO₂ reduction by 2050; and
- engage in a deeper dialogue with stakeholders and the public to spread understanding and support for the behavioural changes that will be needed.

Challenge Twenty - Official Development Assistance

The Government needs to:

- set out a firm path and timetable for achieving the long-standing goal of committing 0.7% of GDP to official development assistance;
- achieve a more effective integration of sustainable development into the national poverty reduction strategies that provide the main framework for managing development assistance;
- press on with their efforts to reduce the debt burden of the poorest countries;
- continue efforts to integrate sustainable development more effectively into international trading regimes;
- continue to promote all aspects of sustainable development in the conduct of foreign policy generally.

In our view, the time for more radical change is right now. We stand ready to elaborate and defend the challenges we have put forward in the great debate which is about to commence.

Chapter 1. The Commission's Overall Assessment

1. There are many definitions of sustainable development. The Brundtland Report's classic formulation speaks of meeting the needs of today while protecting the rights of future generations. The Government's 1999 Strategy similarly spoke of ensuring a better quality of life for everyone, now and for generations to come. Sustainable development involves advancing the well-being of society as a whole, remedying injustices or inequity, and protecting the planetary resources and environment that sustains us all. It presents a large and urgent challenge, which should unite everyone on earth and the interests of present and future generations.

2. The international community first made a substantial effort to engage with this challenge in a comprehensive way during the two years of preparation leading up to the Earth Summit in Rio de Janeiro in 1992. At that Summit meeting, Heads of Government from around the world adopted Agenda 21, which mapped out an ambitious and wide-ranging programme of action that would be needed to move towards sustainability. A key element in that programme was the need for individual countries to establish their own sustainable development strategies to guide and shape their own transition towards sustainability.

3. In the UK, the Conservative Government of that time was one of the first to take up this commitment and published the first UK Strategy for Sustainable Development in 1994. That document provided a framework for shaping some first moves towards sustainability up to 1997.

4. In 1997, the incoming Labour Government saw the need for a more wide-ranging strategy integrating the economic, social and environmental dimensions in a more fundamental way, and launched a wide-ranging consultation on this. The new strategy was launched under the title *A Better Quality of Life* in 1999. It was intended to provide a framework for guiding and monitoring progress over the following five years. It introduced numerous measures of progress and a set of headline indicators that together provide a summary of progress on key aspects.

5. The creation of the strategy and the annual assessment of progress against it have undoubtedly been a valuable means of keeping sustainability firmly on the agenda, and showing where progress is being made and where it is lagging. The UK is one of very few governments anywhere in the world that have established a process of this kind. During the period of the strategy, there has been some significant progress on several aspects of sustainability in the UK, as *Achieving a Better Quality of Life* (ABQL 2003) demonstrates. Sustainable development is gradually becoming more widely recognised as a key policy goal. There are numerous aspects of government policy and action by other bodies that have been modified to some extent by the requirements of sustainability. A number of the key indicators of sustainability are moving in the right direction. There is a somewhat more widespread understanding of the need for a more sustainable society amongst the public and in schools and colleges.

6. At the political level, the Prime Minister has given a strong lead on the vital importance of sustainable development. In his introduction to the 1999 strategy he wrote:

"We now have a strategy for making sustainable development a reality. The whole of Government is committed to this, as are many businesses, groups and individuals up and down the country. Together, we can ensure that our economy, our society and our environment grow and develop in harmony".

He played a leading part at the United Nations Rio + 5 conference in 1997 and again at the World Summit on Sustainable Development in 2002. He has continued to give a strong lead on the crucial subject of climate change nationally and internationally and on several other aspects of sustainability. The Deputy Prime Minister, the Chancellor of the Exchequer, the Secretary of State for Environment, Food and Rural Affairs and several other leading Ministers have also given a strong lead on sustainability and in their key programmes and policies. The Government as a whole has made the joining up of different areas of policy in a coherent and consistent way one of the main thrusts of their Administration, and this too has assisted progress on sustainability.

7. Nevertheless, there is a significant gap between the Government's assessment of progress and our own. The Government presents a picture of widespread activity in many Government departments, and in society, designed to advance the objectives of sustainability. While recognizing that much remains to be done, it presents a picture of reasonable progress on most fronts.

8. Our own assessment is that neither the UK Government, nor the devolved administrations nor our society as a whole have as yet fully assimilated how far the goals of sustainable development represent a radical critique of present policies and achievements, how far adrift we are from meeting our global and national responsibilities and creating a fully sustainable society, and how very much more needs to be done in engaging society as a whole in facing up to the challenges of sustainability. The commitment given so far is too generalised and too patchy to deliver the changes needed. We all need to try a great deal harder.

9. The gulf between us starts at the level of objectives and the weight given to different ones amongst them. We see a society and a Government whose primary objective is still the achievement of economic growth as conventionally understood and measured, with as much social justice and environmental protection as can be reconciled with that central goal. We envisage a society whose primary goal should be the wellbeing of society itself and of the planetary resources and environment that sustains us all, with economic objectives shaped to support that central goal rather than the other way around. We have elaborated this perspective in our work on Redefining Prosperity⁴.

10. The Government sees a set of indicators most of which are showing reasonable progress towards sustainability. We see a set of indicators several of which are either inappropriate for measuring true sustainability, or for which the targets and timetables that have been established are insufficiently demanding to represent significant progress towards sustainability.

11. The Government sees a world in which reasonable progress is being made in the UK on most aspects of the protection of the environment and natural resources. We see a world in which many natural resources are being dangerously depleted, in which biodiversity is being lost at an alarming rate, in which many forms of pollution are spreading, which is gravely threatened by long-term climate change, and in which the total impact of the UK's activity (including its interactions with the rest of the world through trade and travel) is adding to the world's problems.

12. Internationally, the Government rightly takes credit for being at the forefront of many of the debates to establish new international or European goals and machinery on some of the key issues such as climate change and biodiversity. We recognise and support the constructive role that the UK is playing in these key debates, particularly on climate change. But we are also aware of other areas, such as waste management, where the UK is years behind in its thinking and action, and needs dramatically to improve its European and international performance.

13. The Government also rightly takes credit for having taken sustainability into account in some of the key policy developments of the past five years, including the new agriculture and food policies and energy policy, and some aspects of economic and fiscal policy. The Government has, however, faltered in its commitment to sustainability in some of the most crucial policy areas such as road transport and aviation, and in the use of economic instruments to affect the price of energy and fuel.

14. The Government sees a world in which social problems are being steadily tackled and dealt with. They rightly take credit for the measures that have been taken within the UK to tackle deprivation and poverty and to regenerate the most deprived communities. They have also made major efforts internationally to increase levels of aid and to reduce the burden of debt on the poorest countries. In spite of these efforts, we see a world in which gaps between rich and poor, advantaged and disadvantaged, are getting progressively wider both within and between countries, and whose peace and security both internally and externally is gravely threatened by these divisive trends.

15. The Government takes pride in a number of institutional arrangements and policy tools that have been developed to advance sustainability. We support most of these in principle, but we see several of them as lacking the teeth or political drive that would be needed to give them a real cutting edge and to make major differences in the key policy areas.

16. Above all, we differ from the Government in our sense of the urgency of tackling the unsustainability of many of the trends in the world and the UK, and the need to engage the whole of our society more vigorously in facing up to this challenge and making significant changes in our way of life. Public awareness of the nature and scale of the challenge of sustainability is still very patchy, and the Government has not made a sufficient effort to convey a compelling vision of the challenge and opportunities of sustainable development, and to build awareness through educational and other channels.

17. We have the impression that the Government seeks to promote sustainability mainly through numerous small initiatives and shifts of policy, none of which is too demanding by itself, but which may cumulatively lead us to a more sustainable society in the long run. We recognize the political expediency of this model of social engineering. But we think that the situation of the world is too grave for modest incrementalism to be sufficient.

18. The Government's Sustainable Development Strategy ought to be a powerful means of establishing goals and priorities and co-ordinating vigorous action for change. As it has turned out, however, the strategy in *A Better Quality of Life* was not sufficiently tightly defined, or sufficiently vigorously implemented, to make as much difference as it should have done. It did not transform the Government's approach, nor did it provide the basis for a thorough-going effort to communicate the challenge of sustainability to the public.

⁴ Sustainable Development Commission (2003) *Redefining prosperity: resource productivity, economic growth and sustainable development*. London: SDC – also available at <http://www.sd-commission.gov.uk/pubs/rp/pdf/rp.pdf>

19. The progress over the last five years has had a similar character. There have been a number of programmes and policies driven by sustainability concerns, but many other policies have only incidentally served to advance sustainable development, and some have sent it in the opposite direction. The Government and society as a whole have not been unified and driven by a single central concern to achieve a more sustainable society for the future, and the strategy has not been widely enough owned and supported to enable it to drive positive change or to resist those changes in society that are going in an unsustainable direction.

20. We report throughout the text on the performance of different UK Government departments on sustainability. Some are clearly making better progress than others. But none could in our view yet claim to have completely embedded and mainstreamed sustainability in all their processes and actions.

21. Departmental leadership on sustainable development first lay with the Deputy Prime Minister in the Department for the Environment, Transport and the Regions, and was subsequently moved in 2001 to the new Department for Environment, Food and Rural Affairs. Both Departments put the promotion of sustainable development at the heart of their own overarching goals and objectives, and have sought to promote sustainability throughout Government. Nevertheless, the transfer of responsibility between departments during the period appears to have caused some disruption and loss of momentum; and this has been compounded because the centre of Government and central Departments have not given a steady or consistent political or institutional drive for sustainability in their relations with other Departments. (We comment separately in Chapter 4 on the more unified leadership and drive for sustainability that the devolved administrations have been able to create in Scotland and Wales, and the welcome first steps in Northern Ireland.)

22. In the report that follows we first present our own assessment of the present state and trends over the last five years, drawing on the analysis of the headline indicators and other sources. We then offer some views as to what needs to be done to sharpen up the goals, objectives and targets so as to make better progress towards sustainable development, and as to how the various policy measures and institutional arrangements might be used more vigorously to this end.

23. Within each chapter we have not offered comments on every topic covered in the Government's report. We have instead picked out a few key issues on which the need for more sustainable development presents the biggest challenge to present patterns of behaviour and where therefore Government most needs to act decisively. At the end of each section we have formulated a challenge to the Government and society on these key issues. We urge that particular attention should be paid to these during the consultation on the review of the UK Strategy for Sustainable Development. The creation of the new Strategy provides an excellent opportunity to tighten up on the weaknesses of the first Strategy, and to create the machinery that will ensure that it is vigorously implemented in all areas.

Challenge One - New Strategy

The Commission's first challenge to the Government is:

- **to create a new Strategy that is unified and much more strongly driven by a fundamental over-arching commitment to sustainability at all levels and in all parts of Government; it should be a core part of the programme of all Departments, led from the centre.**

The new Strategy must:

- ensure that sustainable development principles and practices are mainstreamed into all Government programmes and policies and into the central determination of priorities and allocation of resources;
- galvanise all our institutions at national, devolved, regional and local level and inspire the whole of our society towards the changes that are needed;
- actively engage key stakeholders, including communities and the wider public, in the changes that are needed;
- be driven by a much more vigorous and well directed communications and engagement strategy built around key sustainability challenges; and
- be vigorously implemented and effectively monitored.




Chapter 2. Progress Against Headline Indicators

24. The Government attaches great importance to quantifying and measuring progress wherever possible. There are many different indicators that are regularly used internationally, nationally and locally to monitor progress on different aspects of sustainability, but for some years the Government has proposed that particular attention should be focused on the set of 15 Headline Indicators to give































an overview of progress in the UK. They have relied on these extensively in making their own assessment of progress in ABQL 2003.

25. In the Commission, we recognise the importance of monitoring progress in a quantitative way where possible. We do not think it is possible to capture the whole concept of sustainable development in a single set of indicators, but nevertheless think they can provide useful pointers to help identify areas of concern or of comparative success. In using indicators, we think it is important always to relate them to a wider context, and wherever possible to have a clear goal or target against which the indicator should be measuring progress both in the short and longer term. In the area of climate change, for example, the Government's medium and longer-term targets for reducing emissions of CO₂ and other greenhouse gases are playing a crucial part in focusing and driving a wide range of policy goals and aspirations for behavioural change. In some of the other areas, however, the indicators and associated targets and policies are less well shaped to drive policy towards long-term sustainability goals.

26. Taken narrowly at face value, there appears to have been reasonable progress on many of the Headline Indicators, as ABQL 2003 reports. But looked at in a broader context, the picture is much more mixed. Our own assessment of the picture revealed by the indicators is set out in the following summary, which we have adapted from the analysis by Levett-Therivel.

27. In the table below, Levitt-Thierivel have adapted and extended the Government's 'traffic lights' presentation to give the following overview of progress on each Headline Indicator from a sustainable development point of view. The 'score' column gives an overall assessment (or, in many cases, a range of assessments reflecting different aspects of the headline indicator and relevant contextual indicators). Green faces  indicate progress in a sustainable direction; red faces  an unsustainable trend; and amber faces  a more neutral or ambiguous assessment.

28. The 'comments' column summarises the good and bad news about each indicator from a sustainability viewpoint, using the SDC's sustainable development principles as a yardstick. Our principles are attached as an Annex. The green, amber and red are used to give an at-a-glance picture of good and bad points; however symbols in the 'comments' do not necessarily 'add up' to those in the overview.

Indicator	Score	Comments
1 Economic growth	   	The UK is succeeding in the Government's aim of 'high and stable growth', outperforming comparators on growth and above European average for GDP.  But some of the growth is in unsustainable directions, and overall it does not seem to be making us happier; and  inequalities between rich and poor people, and between regions, are increasing.
2 Investment		 UK investment is lower than that in the US, Italy, Germany or France, and the indicator shows no significant change up to 2000  There is evidence (outside the indicators) of crumbling infrastructure. Some investment is well directed towards sustainable objectives; but too much is still going towards unsustainable growth objectives.
3 Employment		 Overall employment is about the same as in 1970, though  spread much more evenly between men and women.  Disabled and ethnic minority people get a slightly fairer share of jobs.  We work longer hours and with bigger income inequalities and gender-wage gaps, than any comparator countries.  The indicator provides no indication of how content / fulfilled people are with their jobs.
4 Poverty	 	 Government policies have significantly reduced some kinds of poverty and exclusion,  but the UK remains among the worst of developed countries on several measures. Continuing extreme income inequality (see H3) is a barrier to progress.
5 Education	 	 Government is making progress towards its target of better qualifications at age 19, and more employed people participate in training than in comparator countries.  The indicator says nothing about the quality of post-19 education, or education in any broader sense than preparation for employment. Both education about sustainability issues and embodying sustainability principles in the construction and operation of educational buildings and facilities are still rudimentary.
6 Health	 	 Life expectancy continues to rise slowly, and healthy life expectancy more slowly. Regional differences are narrowing, but  poorer people still die younger.  Obesity is increasing alarmingly, and, along with bad diet, lack of exercise is probably a major contributor.  Increasing numbers of people find access difficult to a doctor or hospital, even with a car; it is much worse without.  The indicator focuses on sickness and sickness treatment services: it says nothing about positive health.

Indicator	Score	Comments
7 Housing		Policy is succeeding in reducing the number of people having to live in non-decent housing. But in all but the most economically depressed regions, housing is getting much more expensive compared to incomes for the poorest quarter of the population. Progress towards improving the energy efficiency of housing is very slow and compares very poorly with achievements in other European countries.
8 Crime		Recorded vehicle crime and burglary have reduced sharply since the early 1990s, though levels are still much higher than before 1980. Robbery and violent crime are still increasing. More affluent regions and those experiencing highest levels of inequality generally have more crime, though there are exceptions.
9 Green-house gas emissions		The Government appears to be on course to achieve its Kyoto target reductions. However, the reductions already achieved are largely byproducts of the 'dash for gas' and the decline of manufacturing in the UK, and the Government's assumptions about the impact of policy are debatable. Road transport emissions are increasing (unlike other sectors), but government has retreated from earlier commitments to manage demand. Air travel growth threatens to negate any gains made on the ground, but aircraft emissions are excluded from the indicators and targets, and Government policy appears to be to accommodate most of the currently predicted growth in demand. There is no clear pathway to the much larger 60% reduction which the Government accepts is needed by 2050 to avert catastrophic climate change.
10 Air quality		Ambient air quality is improving in most areas in terms of many of the traditional pollutants of the atmosphere. But concern is mounting about the growth of respiratory diseases and possible linkages with possible allergens and pollutants found in homes and in ambient air.
11 Road traffic		Traffic continues to grow inexorably. Britain has the most congested roads in Europe; we spend more time commuting than any other European nation; people without access to a car have more difficulty accessing amenities, but are also more exposed to danger and pollution from traffic. Rail services continue to worsen, and rail investment, despite increases, is mostly taken up putting previous problems right, to the exclusion of new schemes, while road investment is exceeding the highest levels under the previous government's 'Roads to Prosperity' policies. In spite of the commitments made in <i>Quality of Life Counts</i> , the Government's response appears to be to seek to alter the targets rather than to change the policies to meet the previous targets.
12 River water quality		River water quality has generally been improving but diffuse pollution from agricultural sources remains a very serious problem. Water resources are already under pressure in the south and east of England, and proposed massive housing development in the most stressed regions will worsen this. Planning for winter floods and summer droughts that may become more frequent with the advent of climate change does not appear to be very far advanced.
13 Wildlife		Decline of woodland and farmland birds appears to have more or less levelled off, though evidence of its reversal is not yet apparent and populations are substantially lower than in 1970. However populations of all birds appear stable at higher than 1970 levels. Rapid climate change is likely to cause major losses of biodiversity, including extinctions, as species cannot move or adapt fast enough.
14 Land Use		Policy has increased the proportion of new homes built on previously developed land to above the Government's 60% target, though there are big regional variations. However this means that large amounts of greenfield land are still being developed.
15 Waste		Municipal waste is rising faster than GDP and faster than in most other European countries. Recycling rates are increasing, but not as fast as waste, and are among the lowest in Europe.

Overview

29. The headline indicators are a collection of 'spotlights' on particular discrete variables that stand as proxies or markers for broad sustainability topics. They cannot by themselves encapsulate the whole of sustainable development. Nevertheless, they provide a useful overview of change, which can be summarized as follows, grouped broadly according to the Government's four objectives of economic growth, social progress, environmental protection and resource use:

- GDP is high and over the past five years has been growing faster in the UK than in any other European country, but this is accompanied by much greater inequality in income, and a long hours, high pressure employment culture, more characteristic of American society. We have lower unemployment at present than in many other European countries and this needs to be preserved. But there is no evidence that the

UK pattern of economic development is making people happier or giving them a better quality of life; indeed some studies suggest the opposite.

- The UK's high income inequality is reflected in high health inequalities, several measures of poverty, and perhaps in high crime rates. Government programmes have tackled these vigorously, and turned round several trends, though others are still worsening, and the UK is at or near the bottom of the comparator countries on many important measures. Growing levels of health expenditure have focused almost exclusively on health care, while public health programmes to promote healthier housing and environments and healthier living patterns have received much less attention.

- Some 'traditional' environmental issues generally show modest improvements (e.g. air and water quality), or at least stabilisation of decline (farm and woodland birds). But concentrations of social and environmental disadvantage continue to blight some areas and point up the need for continuing efforts on neighbourhood renewal, regeneration, environmental justice and community development.
- The UK has failed to get a grip on consumption of environmental resources. There is insufficient grasp of the severity of the threat from climate change and the urgency of the need to reduce greenhouse gas emissions. Air and road transport are growing out of control, effectively undoing the modest progress on reducing greenhouse gas emissions elsewhere. Waste generation is growing faster than recycling, in which the UK is near the bottom of the European league table. Looking at the UK's global impact, we draw in large quantities of natural resources and manufactured goods and services from other parts of the world, and our total footprint thereby adds to the pressures on other countries' resources and their environment.

Based on this analysis, the SDC proposes the following key priorities for sustainability for the next few years and for the new strategy:

- redefining economic progress in ways that obviate the very obvious social and environmental penalties of the current economic growth model;
- an accelerated and much more determined programme to reduce greenhouse gas emissions, and tackle the threat of climate change at home and abroad;
- promoting innovation and market transformation to support more sustainable production, and encouraging much more sustainable consumption patterns;
- a vigorous effort to promote healthier environments and lifestyles at both national and local level;
- a stronger focus on area renewal and regeneration, sustainable communities and sustainable housing;
- a much stronger focus on more sustainable management of natural resources, including more sustainable transport policies, and more sustainable policies for waste minimisation and waste management; and
- a greater effort to manage our overseas policies on trade, aid and investment in a way that will encourage sustainable development in developing countries, and reduce the adverse impact of our activities on the prospects for sustainability elsewhere.

30. The Commission believes that indicators should continue to play an important part in assessing the progress of sustainability, establishing targets and monitoring progress towards them. The present set of headline indicators is, however, flawed as a characterization of sustainability, particularly in relation to the economic indicators. The strategy review should provide an opportunity to review the indicator sets and the targets that have been established, and to modify them so as to provide a better representation of true sustainability and a more demanding set of targets.

31. One of the most striking and encouraging commitments made by the Government in *A Better Quality of Life* was that where a trend in any of the headline indicators was unacceptable, the Government would adjust policies accordingly. In some cases, this appears to have happened. But the Government has so far failed to do this in relation to the two trends most conspicuously moving in the wrong direction – levels of traffic and levels of waste are rising. And there are several others where the Commission believes that more vigorous action is needed to ensure that indicators do not move in the wrong direction in the future or that they move towards more demanding targets.

Challenge Two - Indicators

To ensure more rapid movement towards sustainability the Government needs to bring forward a new, better, set of headline indicators with:

- key priorities that better reflect sustainability principles and policy;
- a radically different approach to measuring economic progress;
- challenging targets for how they should move over time; and
- more effective machinery for acting on adverse identified trends.

Chapter 3. UK Government Action

32. ABQL 2003 reports a wide range of government action for sustainability over the past five years, ranging across all departments and many other agencies and levels of government.

33. The SDC supports the general structure of the Government's approach as set out in Chapter 2 of ABQL 2003, starting from general objectives and principles, and then trying to apply them both within individual Departments and on a government-wide basis. We welcome the attempt to build sustainable development into the major cross-departmental review processes such as the Comprehensive Spending Review, the Public Service Agreements, the Budget and structure of taxation. We agree with the purpose of the instruments and institutions that have been established to assist in the promotion of sustainability.

Objectives

34. The Government characterises sustainable development as being directed to the achievement of four main objectives:

- Social progress which recognises the needs of everyone
- Effective protection of the environment
- Prudent use of natural resources
- Maintenance of high and stable levels of economic growth and employment.

35. The Commission agrees that the first three of these objectives are crucial to the achievement of sustainability. But on the fourth, while we support the objective of high and stable levels of employment, we believe that economic growth as currently defined and measured should not be regarded as an end in itself. It may often assist in the achievement of the other three goals, but often it may not. We need to be far more rigorous in distinguishing between the kind of economic growth that is compatible with the transition to a genuinely sustainable society, and that which is not; and where it is not, we should seek to avoid that kind of unsustainable economic growth.

36. This point would be widely accepted in relation to examples in the social field, such as criminal or near-criminal activity. Nobody would wish to argue for economic growth fuelled mainly by growth in drug trafficking or sexual exploitation. But it is a much less mainstream view in relation to damage to the environment, particularly where the damage is long-term and not immediately perceived as related to short-term decisions.

37. Climate change provides the most pointed example. The rapid growth of greenhouse gas (GHG) emissions around the world is probably the single most serious threat facing the whole of humankind in the next century. Building economic growth on policies or projects that involve substantial increases in GHGs should be regarded as being as undesirable as building them on crime or pornography. Excess levels of GHGs are as dangerous to the future of the environment on which we all depend as crime and sexual exploitation are to the well-being of human society.

38. Continuous and indefinite economic growth may have seemed a feasible and desirable goal in the early nineteenth century at the beginning of the industrial revolution. But at the start of the twenty-first century, it is becoming ever clearer to all that there are limits to the natural resources of our planet and to its ability to absorb pollution and environmental damage, and that economic growth must be constrained so as to protect and preserve resources and environment if we are not soon to frustrate our own true goals and cause irretrievable damage to the prospects of future generations.

39. We also regard it as fundamentally mistaken to link high levels of economic growth with high levels of employment in the fourth objective, as though there were a necessary and unalterable connection between them. By all means let the maintenance of high levels of employment be a basic objective for sustainable development – it is linked strongly to the first goal of social progress that we fully support. Indeed, the maintenance of high levels of employment, especially interesting jobs with fair conditions and a satisfactory work / life balance, is a key component of well-being and tackling poverty. But that need not necessarily imply a commitment to conventional economic growth. Nobody should be seeking to encourage the creation of jobs that damage the environment. But there are plenty of new jobs to be created (for example in environmental technology, in renewable energy and energy efficiency, in more sustainable transport and tourism, and many other activities) that will enhance the environment and promote sustainable development at the same time as promoting employment.

40. These problems with the characterisation of the fourth objective have been exacerbated because in practice the Government and society have not managed to give equal or balanced weight to the four objectives. They have given overwhelmingly greater importance to the economic growth objective, and to some extent to elements of social progress; and they have effectively subordinated protection of the environment and prudent use of resources to these other objectives. Mrs Beckett conveys this primacy of the economic growth objective in her Foreword to ABQL 2003: "Sustainable development ... is about achieving a successful stable economy, while creating a strong and inclusive society and protecting the environment."

41. This imbalance not only brings about unbalanced development, but is also unsustainable in that the damage to the environment and loss of natural resources is already imposing significant economic costs on society, which will increasingly undermine the very economic growth they have been sacrificed to.

42. This imbalance is apparent both in the priorities of successive spending reviews and in successive Budgets. At the level of individual programmes and policies, investments that might reduce energy consumption and greenhouse gases are rarely given the priority and scale of resources they deserve, often because they are evaluated solely in terms of short-term economic payback instead of long-term impact on sustainability. Similarly, the impacts of depletion of natural resources, build-up of long-term pollution and growing burdens of waste, are still not adequately reflected in prices or in the spending and policy decisions that are made.

43. On the fiscal side, while we have welcomed the introduction of the Climate Change Levy and the extension of the Landfill Tax, we deplore the fact that further progress on introducing more green or environmental taxation measures is regularly held back by fears about the potential impact on short-term economic growth or the UK's short-term competitive position.

44. In the light of the above analysis, the Commission proposes that the forthcoming review of the Sustainable Development Strategy for the next five years should start with a fundamental review of the Government's four principal objectives for SD and its ten principles (see below).

Challenge Three - Objectives

The Government's fourth objective about the economy should be re-formulated in such a way:

- as to promote the kind of economic growth that supports social progress, high employment levels, protection of the environment and prudent use of natural resources, and to discourage the kind of economic growth that does not; and
- that links high employment with the goal of social progress and wellbeing, rather than with economic growth, since having satisfactory work is such a fundamental part of social and personal security and identity.

45. New methods of measuring this kind of virtuous economic growth will need to be established, so that management of the economy can be properly targeted and monitored. We are of course well aware that there is at present no generally agreed single alternative measure of societal wellbeing that would command general support. Nevertheless, there are several formulations or sets of indicators that could be tracked together that would give a better representation of progress towards sustainability than simple measurement of GDP, and economic policy-makers should increasingly be focusing attention on these alternative measures. In this context, we note with great interest that the Chinese Government has recently committed itself to creating a new measure of societal wellbeing, or green GDP, that can be used to give a more satisfactory growth target for their economy than growth in conventionally measured GDP.

46. One implication of this discussion is that we cannot rely solely on the unfettered operation of a free market to produce the kind of future that we want. Free markets are an admirable means for producing conventional economic growth. But to achieve the social and environmental goals we seek, we need vigorous public policy to set standards and establish the appropriate framework of regulation, fiscal incentives and fostering of public awareness that will constrain the market to deliver the desired goals.

47. Sustainable development need not imply a nanny state or burdensome detail in regulation or fiscal policy. But it does require that that the Government should not hang back from its duty to inform the public about future problems and challenges facing the world; that fiscal and spending policy should be directed to capturing all the main environmental externalities, incentivising good environmental performance and promoting understanding and awareness of the changes that will be needed; and that regulation policy should be directed towards challenging goals for future environmental and social policy.

48. Better regulation is always a desirable goal in the sense of establishing clearer and simpler ways of guiding behaviour towards achieving the goals and standards we need; but we should beware of siren voices calling for outright deregulation or for abandonment of fiscal measures in regard to the fundamental issues discussed in this report. From our perspective, we see the need for the Government to be more resolute in using these instruments to guide us towards the more sustainable society that is imperative for our common future.

PRINCIPLES

49. Following its four objectives, the Government claims to base its strategy on the application of ten principles. The Commission broadly supports most of these, but considers that several are not vigorously enough applied. In detail, we make the following comments.

Putting people at the centre

50. Efforts in this direction need to be constantly renewed lest new institutions and arrangements breed their own bureaucracies and resistance to change. All the survey evidence indicates that there is still widespread lack of public awareness about sustainable

development and its implications for our future. A much greater effort to put sustainability at the centre of government policy, education and communications is needed. As one small contribution to this, the Commission proposes the creation of a Citizens' Panel through which sustainability issues and attitudes can be regularly tested and debated.

Taking a long-term perspective

51. We applaud the effort to establish long-term societal goals in key areas of sustainability such as climate change and poverty reduction. In this commentary, we urge the establishment or strengthening of similar longer-term goals in several other areas, including water pollution, water resources and flood protection; chemicals, air pollution and public health; waste minimisation and recycling; a sustainable transport infrastructure; overseas development assistance and several other areas.

Taking account of costs and benefits

52. Where costs and benefits of measures can be measured, it is clearly right to do so. Where there are potential costs and benefits that cannot easily be measured in a generally accepted way, it is right that they should at least be identified and considered carefully in the assessment of proposals. We consider that the Integrated Policy Appraisal tool that the Government has developed is potentially a useful instrument for this purpose. But so far, it appears to have been used more in Defra than elsewhere in Government. We consider that it should now be mandated for more general use in Government, and that the results should normally be made publicly available so that others can contribute their views on the issues in question.

Creating an open and supportive economic system

53. We have noted above the need to redefine the economic objectives of government. In support of this redefinition, we need a much more vigorous commitment to a campaign for eco-efficiency and to enhance producer and consumer responsibility. In moving to a sustainable economy, there must be a 'just transition' which takes account of the likely social and economic impacts for various occupational, industrial and regional sectors, and prepares appropriate strategies.

Combating poverty and social exclusion

54. While there has been welcome improvement in some areas, such as levels of child poverty and fuel poverty, there has been less improvement in other areas, such as geographical concentrations of poverty and health inequalities. Policy needs to focus on addressing environmental inequalities alongside social and economic problems.

Respecting environmental limits

55. This is a fundamental principle that lies at the heart of sustainable development. We are glad that the Government supports it as a key principle. But it needs to be applied much more vigorously. The Government has, for example, adopted an admirable long-term target of achieving a 60% reduction in CO₂ emissions by about 2050. But there is little evidence that this goal has been taken into account in any significant way in such programmes as the Department for Transport's recent plans to expand airport capacity and the roads programme.

56. Similarly, the Sustainable Communities Plan proposes the investment of enormous resources in the Thames Gateway and South East England although water shortages are already acute there and wildlife and habitats are under strain. We need a much more sustainable "sustainable communities plan" that truly respects environmental limits.

Precautionary principle

57. The principle of guarding against serious and unavoidable risks is obviously right. But it has proved harder to make it operational. It needs a more precise definition and determination of appropriate risk thresholds.

Using scientific knowledge

58. Effective democratic decision-making, in an increasingly complex modern global society, requires an open and accessible approach to communicating scientific evidence on the part of governments, business, pressure groups and scientists themselves. Capacity building through the education system and various methods of in-depth citizen participation (e.g. consensus conferences) are also crucial in enabling citizens to take a full part in such dialogues.

Transparency, information, participation and access to justice

59. This principle is absolutely crucial to good governance and needs to apply to every level and area of government, public, private and voluntary sectors.

60. The Freedom of Information Act 2000, although not perfect, is a step in the right direction. However, it will require serious political will within the civil service, backed up by political leaders and more resources than are currently available, to ensure that it is enthusiastically implemented and that a culture of openness replaces the culture of secrecy. The remaining time before the 2005 implementation date should be used to ensure that the relevant machinery and culture are in place. Overhaul of information systems

to make sure that information can be made fully available and accessible will also contribute to more efficient and effective internal government processes.

Making the polluter pay

61. This principle is widely accepted and ought by now to be fully integrated into all fiscal and other policies. But the evidence suggests that there has actually been some falling back in general levels of green taxation in the UK and some other OECD countries in the last three years. The fuel duty escalator has been abandoned. A pesticides tax was postponed. Energy or carbon taxation is still confined to sectors of industry. And on the other side of the equation, there are still many perverse subsidies or public expenditure programmes supporting unsustainable activities or developments, notably in the agriculture and transport sectors.

A missing principle: equity

62. One concept that is not included within the Government's set of principles for sustainable development is that of equity, both within and between countries and within and between generations. The Commission considers this to be a significant and serious omission. In our own set of principles for sustainability we have characterised this as the need to pursue fair shares for all:

“Sustainable economic development means ‘fair shares for all’, ensuring that people’s basic needs are properly met across the world, while securing constant improvements in the quality of peoples’ lives through efficient, inclusive economies. ‘Efficient’ simply means generating as much economic value as possible from the lowest possible throughput of raw materials and energy. ‘Inclusive’ means securing high levels of paid, high quality employment, with internationally recognised labour rights and fair trade principles vigorously defended, whilst properly acknowledging the value to our well-being of unpaid family work, caring, parenting, volunteering and other informal livelihoods. Once basic needs are met, the goal is to achieve the highest quality of life for individuals and communities, within the Earth’s carrying capacity, through transparent, properly-regulated markets which promote both social equity and personal prosperity.”

63. Within the UK, the imbalance of resources and prospects between different parts of the country is one of the most potent causes of instability in our society, leading to overheating and pressures for unsustainable development in the South East and decline in parts of the North. Internationally, the failure to focus on the stark disparity between the prosperity and over-consumption of developed countries such as the UK, and the poverty and need for economic growth in the developing countries of the South, blinds us to the adjustments that will be needed in the developed world if we are ever to get to a more equitable and sustainable pattern of development in the future. The lack of focus on future generations blinds us to the extent to which we are prejudicing our children's future by our reckless over-consumption in this generation.

Challenge Four - Principles

The ten principles for sustainable development which the Government has adopted must be:

- strengthened, particularly with regard to equity;
- made more operational; and
- applied more consistently and rigorously.

These principles should be the subject of open reporting to show how and where they are being brought to bear, and what progress is being made in implementing them.

Action by Government Departments

64. ABQL 2003 moves on from discussion of the general principles to a description of the ways in which they are being applied to embed a sustainable development approach across government. It rightly takes credit for the machinery that has been put in place within Whitehall to advance sustainable development, including the oversight of the Cabinet Committee on the Environment, the Sub-Committee of Green Ministers, and the development of integrated policy appraisal. The Government has published reports on the application of sustainable development, as a concept across Whitehall departments: first as annual reports from the Green Ministers Committee (1999, 2000, 2001), and more recently Sustainable Development in Government (2002, 2003). The 2002 report included a section on integrating SD into decision making, as well as improving the Government estate, both of which we regard as very important. The 2003 report was structured on the Framework of Sustainable Development on the Government Estate, with only a small section on overarching commitments.

65. We warmly welcome this commitment to open, regular reporting. It appears to the Commission, however, that this machinery and these instruments, although desirable in themselves, have not yet been used consistently across Whitehall and not vigorously enough to deliver rapid enough change. On this we concur with the analysis of the House of Commons' Environmental Audit Committee, which carried out an inquiry into the 2002 report, resulting in the report *Greening Government 2003*⁵. Like us, the

⁵ House of Commons Environmental Audit Committee (2003) *Greening Government 2003: thirteenth report of session 2002-03*. 3 November (HC 961), London: The Stationery Office

Committee welcomed the provision of information, but made a number of critical observations and recommendations. They said, for instance, that:

“The level of staff resources which most departments specifically devote to the sustainable development agenda is very small, and the grade of staff relatively low, reflecting the low priority accorded to it. Our analysis of staff resources does not inspire confidence that senior management is committed to implementing sustainable development.”

“Environmental sustainability should constitute an over-arching framework within which policy making is carried out. But departments have made little attempt to incorporate environmental objectives within their high level priorities, and this is reflected in the dearth of environmental targets in the more recent Public Service Agreements. This betrays a lack of commitment to this agenda which complements the lack of resources devoted to it.”

66. We share these concerns. Our overall impression is that departments have made reasonable progress in ‘green housekeeping’, albeit unevenly - and this is very important as the Government’s ‘house’ is very large and getting it ‘in order’ has a huge impact both in itself and as a signal to others. But there has been much less progress in putting sustainable development at the heart of decision making within departments.

67. Different departments of the UK Government have made progress to different degrees, and the pace of advance (or in some cases retreat) has varied over the past five years. Several departments have established their own sustainable development strategies and although the quality of these varies the trend is encouraging and should become the norm for all. The strategies need to place sustainable development at the heart of the policies and priorities of each department. Beyond this, it is not sufficient simply to create departmental strategies – they must be implemented and regularly monitored. It is clear that much more needs to be done in some departments to follow through the strategies they originally created and to ensure that they do not gather dust on shelves.

Challenge Five - Departmental Challenges

Each Department needs to:

- embed sustainable development more firmly at the heart of its goals, objectives and practices;
- modify any objectives that may conflict with sustainable development;
- establish or keep up to date its own sustainable development strategy with measurable and stretching objectives and targets; and ensure that progress on this is monitored regularly at the highest level and that it plays a central part in providing the political dynamic and direction in the department; and
- incorporate the goals of that strategy in its processes for establishing priorities and allocating resources, its procurement strategies, and in its Public Service Agreements.

68. The role of the central Departments (No 10, ODPM and the Treasury) is particularly crucial since their powers and influence affect the performance of the whole of Government so critically; they have it in their power to cause sustainable development to advance significantly throughout Government or to stultify progress. These three Departments have had some significant sustainability achievements to their credit in the past five years, but have not steered consistently in that direction.

69. Joining responsibility for the environment and sustainable development with responsibility for agriculture and food in Defra has been an interesting experiment, not previously attempted anywhere else in the world. It has clearly helped to bring about a significant input of sustainability thinking into agriculture and food policy. But it has had serious downsides in the resulting separation of lead responsibility for sustainable development from the crucial responsibilities for planning and for regional and local government in ODPM, and from transport policy in DfT. Although efforts have been made to maintain policy linkages with Defra, the evidence suggests that there has been a decline of understanding and support for sustainable development in those other departments. A new effort to implant understanding and commitment to sustainable development in all parts of Government must be a crucial objective for the Strategy review.

Challenge Six - Cross-Departmental Challenges

Central Departments must:

- put the objectives and principles of sustainable development at the centre of their own objectives; and
- give a clear, strong and consistent lead towards sustainable development throughout Government and society.

Sustainable development should be incorporated in the key cross-departmental processes such as:

- the establishment of Public Service Agreements;
- common approaches to procurement;
- the Comprehensive Spending Review; and
- the Budget.

Consideration should be given to the possibility of locating lead responsibility for sustainable development in a central Department that would have the authority and powers to push it forward systematically and consistently with all other departments. If the lead responsibility remains with Defra, we believe that Defra's links on this subject with the central Departments should be strengthened so that all the messages and direction from central Departments advance sustainability.

Economic instruments

70. Economic instruments provide a crucial means to encourage individuals and organisations to move in a more sustainable direction. Polluting activities can be discouraged by imposing charges on the sources of pollution. Depletion of finite natural or non-renewable resources can be discouraged by appropriate levies. The Commission strongly supports the efforts the Government has made over the past seven years to move in this direction, and welcomes the innovative way in which the Treasury has opened the subject up for debate in successive Green Papers and Pre-Budget reports. It has also produced two very interesting reports on eco-taxation: *Statement of Intent on Environmental Taxation* (1997) and *Tax and the Environment: Using Economic instruments* (2002).

71. At the same time, the Commission is disappointed at the failure to go further, particularly in relation to some of the crucial areas for sustainability in which the indicators show that not enough is yet being achieved. In spite of the efforts of the past five years, the proportion of total tax revenues taken by environmental taxation in the UK has not increased significantly over the period, and is lower than amongst several other European countries. This is an example where the Government has clearly failed "to put the environment at the heart of government."

72. The Climate Change Levy has been an innovative means of encouraging greater energy efficiency in some parts of industry. But its complexity and uneven incidence highlights the failure to introduce a broader based carbon tax that would encourage energy efficiency amongst all users in both the business and domestic sectors.

73. The Commission fully recognises the social reasons for not imposing energy taxation that would bear particularly hard on the poorest households in a regressive way. But in our view, this should not become a reason for holding back from any taxation of domestic energy consumption, but rather for ensuring that the poorest households are adequately protected from the impact of such taxation, through the benefit system, tariff structures, or through much expanded programmes of support for the installation of energy saving measures in the poorest households.

74. The rapid growth of the transport sector, both road transport and aviation, is one of the most unsustainable trends in our society today. Taxation of fuel ought to be one means of exercising some restraint on these trends and encouraging the necessary search for less transport-intensive forms of production, consumption and recreation. But the Government has abandoned the fuel duty escalator, and there would appear to be little prospect of any effective taxation of aviation fuel.

75. Similarly, in the waste sector, UK performance in waste minimisation and recycling lags far behind agreed targets and the example of many of our European partners. We see strong reasons for raising levels of Landfill Tax much more quickly than the Government currently envisages so as to encourage the necessary changes in the waste sector.

76. Again, in relation to biodiversity, there is growing concern about the decline in numbers of wildlife species of all kinds, partly through the loss of natural habitats and partly through excessive use of pesticides. We see a strong case for early introduction of a pesticides tax to help encourage better practice. But the Government has drawn back because of the economic difficulties of the farming sector.

77. The Commission well understands the political pressures that make it difficult for the Government to make progress in these areas. But it appears to us that the Government has not done enough to raise public awareness of the urgent and severe environmental problems which this kind of fiscal measure would help to address. It has allowed it to appear that such taxes are to be

considered primarily as revenue raising measures, and to be argued about simply in terms of the supposed fairness or unfairness of their distributional effects and whom they impact most severely. It has not made a consistent enough effort to explain why it is desirable to make a substantial shift of the burden of taxation away from the taxation of desirable goods such as employment and onto things that do environmental harm such as pollution or excessive use of energy and other natural resources. It has not lived up to the bold statements in *Statement of Intent on Environmental Taxation* back in 1997.

Challenge Seven - Taxation

For the next five years the Government should:

- make a much more determined effort to build public awareness of the scale and imminence of some of the major global environmental problems such as climate change, excessive consumption of resources and loss of biodiversity, and of the need for price signals brought about by appropriate taxes or levies to encourage more sustainable patterns of behaviour;
- develop effective means of ensuring that such taxes or levies do not bear unfairly hard on the poorest households; and
- develop effective means of ensuring that such taxes or levies do not simply become revenue raisers but that the proceeds are used in a fiscally neutral way (as with the Climate Change Levy), either to support further measures to reduce the environmental and social problems in question or to reduce levels of taxation on a desired outcome such as employment.

Public awareness and education

78. Education is an essential part of preparing the ground for the fundamental changes required. We need people in every walk of life to be aware of the issues raised by sustainable development and equipped to address them in their own way. This requires that sustainable development should feature not only in formal education at every level, but also in work-based training, professional development and informal learning. The Sustainable Development Education Panel addressed these issues in a systematic manner and achieved some success in pushing them up the policy agenda.

79. In the last year, the Department for Education & Skills (DfES) has moved rapidly to draw up an Action Plan⁶ drawing on the draft strategy bequeathed by the Panel. We have been pleased to play a part in helping to put together the Action Plan, and we look forward to working with DfES in helping to implement it. As ABQL 2003 recognises, there is much still to be done to integrate the concept of sustainable development firmly in the education system, and to ensure that schools and colleges themselves act as exemplars of a sustainable approach and as beacons in their local communities.

Challenge Eight - DfES

The DfES should carry forward its Action Plan vigorously to ensure that:

- sustainable development is firmly embedded throughout the schools sector in the curriculum, in the examination system and in teacher training;
- sustainable development is equally embedded in higher and further education, and appropriate interdisciplinary studies and research are promoted;
- sustainable development is fully embedded in the way in which all educational estates are managed, procurement is handled, and buildings are constructed; and
- all educational facilities are focal points and emerging laboratories of exemplar experience for the wider dissemination of sustainable development understanding and good practice in the communities in which they operate.

80. Outside the world of formal education, there is a need for a much more determined effort to communicate the challenge of sustainability to the general public and to business and other organisations of all kinds. The public needs to understand the scale and severity of such problems as climate change and the loss of biodiversity more thoroughly, and the kind of changes to the economy and to lifestyles that will be necessary if we are to avoid the most severe outcomes. This cannot be achieved by occasional programmes of paid publicity such as the 'Are You Doing Your Bit?' campaign, but will need a more sustained effort by Ministers and Departments to highlight the problems and the policy responses in their core communication programmes.

⁶ Department for Education and Skills (2003) *Sustainable development action plan for Education and Skills*. London: The Stationery Office

Chapter 4. The Devolved Administrations and English Regional and Local Government

81. The SDC has been in a position to keep track of the progress of sustainable development in the Devolved Administrations and in England. It has remained a UK body with a UK-wide remit for keeping sustainable development under review. Its members are drawn from all four countries of the UK; it has met regularly in Edinburgh, Cardiff and Belfast as well as London, and has had opportunities to meet there with many of the key players in the sustainability debates. We have recently appointed Commissioners specifically to act as Vice-Chairmen in both Scotland and Wales.

Devolved Administrations

82. In general, the Commission is convinced that devolution and the establishment of Parliaments or Assemblies has been beneficial for the advancement of sustainable development in Scotland, Wales and Northern Ireland. In varying ways, sustainable development has become one of the key over-arching objectives of the new governments, embraced by all the main political parties.

Wales

83. In Wales, considerable clarity is provided by the fact that the National Assembly has a legal duty, under Section 121 of the Government of Wales Act 1998, to promote sustainable development in the exercise of its functions, which it interprets as 'everything that it does'. Further, the Act requires the Assembly Government to make a Scheme (which includes an Action Plan) setting out how they propose to: implement the duty; consult before making it; keep it under review; publish an annual report on progress; and evaluate its effectiveness every four years. The preparation of the first Scheme was one of the central tasks of the first years of the Assembly and the First Minister has given strong leadership to encourage the transition to a more sustainable economy. A revised Scheme was adopted by the Assembly in March 2004.

84. The Commission applauds the purposeful and inclusive way in which the Assembly has followed and interpreted the legal duty. We recognise the size and complexity of the task of embedding sustainable development throughout government and into Welsh society. Whilst we support them in now moving strongly into implementation mode in the second governmental term, we will include the review of progress in implementation of sustainable development through our programme of work, acting as a critical friend. In this respect we have been pleased to see the establishment of Cynnal Cymru, the Sustainable Development Forum for Wales, under the chairmanship of our own Vice-Chairman for Wales. Through the appointment of a new full time SDC Secretariat staff member in Wales, we intend to work collaboratively with Cynnal Cymru and the Welsh government and we intend to greatly enhance our capacity to play the 'critical friend' role and to assist in the integration process which is essential to the delivery of sustainable development.

85. We are encouraged by the publication of the draft Action Plan for 2004-2007 with its focus on four areas: 'Living Differently'; 'Leadership and Delivery'; 'Making our Money Talk'; and 'Measuring our Progress'. The document is clear and forms a good basis for the consultation process, to which we will want to respond.

86. Finally, we consider that the continuing development of the Network of Regional Governments for Sustainable Development (NRG4SD) is a powerful and important way that Wales can play a leadership role and make a significant contribution to global sustainability.

Scotland

87. In Scotland, despite the fact that the Parliament does not have the same duty to promote sustainable development built into its founding Act as in Wales, there have been serious attempts by the young Parliament and Executive to put it more at the centre of policy making. The First Minister has made a strong commitment to sustainable development and environmental justice. The Executive has set up a Cabinet Sub-Committee on SD, chaired by the First Minister and including external representatives; sustainable development has been made a key cross-cutting theme in the Programme for Government. The Parliament has debated sustainable development several times, and a Forum involving a number of key stakeholders has been established, again with a leading role for our own Vice-Chairman in Scotland. Under the Local Government in Scotland Act (2003), Scottish local authorities have the duty to deliver Best Value in a way that contributes to sustainable development and they have been given a power to do anything contributing to the well-being of their communities similar to that which operates in England and Wales.

88. These new institutions are, however, taking some time to become fully effective. We are anxious to see faster change. In particular, we would like to see a stronger and more comprehensive sustainable development strategy for Scotland with a better set of indicators and more challenging targets. We also see the need for a more determined effort to achieve more joined up action and better integration of environmental, social and economic policies.

Northern Ireland

89. In Northern Ireland, the Programme for Government of the Northern Ireland Executive contained many sustainable development themes, and some good progress was made in applying these, for example in the public health field. Much good work has also been evident on the ground due to the efforts of some district councils and a number of NGOs and also the business community (particularly through the efforts of the ARENA network, the environmental arm of Business in the Community).

90. More recently the unstable political situation has resulted in a lack of political direction from locally elected devolved Ministers. The Department of the Environment has therefore yet to deliver a regional sustainable development strategy on the back of the 2002 consultation process ('Promoting Sustainable Living'). We hope that our own visit to Northern Ireland in February 2004 has helped to give some fresh impetus to this. We see no need for Ministers in Westminster to defer building on these preparations, pending the restoration of devolved government.

Overall

91. In all three countries there remains a substantial challenge to translate the objectives of their overall strategies into effective implementation, and to engage other institutions and the public more fully in the sustainability debate and the changes that need to be made. One important issue for the Devolved Administrations is to work out how to relate their work to global issues and priorities as well as more local concerns, and how therefore to play a full and active part in the creation and implementation of the UK Strategy so that that Strategy does not become too England-focused. The Commission looks forward to continuing to work with the Devolved Administrations as they consult on the formation or updating of their own strategies.

92. We would urge all the Administrations to find indicators that will allow cross-UK comparisons to be made, whilst reflecting their own needs and priorities.

Challenge Nine - Devolved Administrations

The Administrations in Scotland and Wales should:

- turn the initial strategies for sustainability that they have formulated into central and effective drivers for change over the next five years.

In Northern Ireland:

- a strategy should be formulated on similar lines to those in Scotland and Wales within the next year.

English regions

93. In the English regions, the position is much more mixed and clouded by the complexities of the regional machinery (including Government Offices, Regional Development Agencies, assemblies or chambers, and quangos, all with overlapping responsibilities). Each of these types of regional structure ought to have sustainable development as an overarching remit (as is currently the case with Regional Development Agencies), and embody it in their core strategies, programmes and actions.

94. Regional strategies of the different bodies do now invariably recognise sustainable development as a cross-cutting theme. The strategies themselves however – typically, Regional Planning Guidance, Regional Economic Strategies and Regional Sustainable Development Frameworks – tend not to adequately interlock. There is little evidence that the Frameworks have significantly shaped actual outcomes, although the processes of developing these may have contributed to awareness-raising.

95. Government Offices in the Regions have pursued many different objectives, and have not given sustainable development the over-arching significance and priority which it needs. Indeed, some have given it as little attention as they could get away with.

96. Similarly, the contribution of the Regional Development Agencies towards the goal of sustainable regional development has been mixed. Inevitably, their prime focus has been on economic development and the creation of employment; and, although some of them have made significant efforts to take a broader sustainable development focus, including protection and enhancement of the environment, their range of powers and their *raison d'être* restrict what they can do in this direction. Far too much public investment continues to be made in traditional and unsustainable forms of economic development. On the other hand, the increased resources and flexibility the Government has allowed the Agencies are to be welcomed. This has enabled the encouragement of and investment in innovative sectors, clusters and projects in areas such as environmental technologies and renewable energy.

97. The Regional Assemblies have a stronger core commitment to sustainable development, and through their membership are more directly in touch with the needs and wishes of the local communities in their areas. But they currently lack the powers to promote sustainability very strongly, although they have done good work in promoting some of the necessary alliances and partnerships, and in raising awareness.

98. This confused and unsatisfactory picture in relation to policy development and powers might be improved in the three northern regions if the forthcoming referenda result in the decision to establish elected Regional Assemblies with some powers. It is vital that the elected assemblies have unambiguous sustainable development duties, and that the experience of the Devolved Administrations in Scotland and Wales is built on.

Challenge Ten - English Regions

For the English Regions, the Government needs to:

- rationalise the present confusing pattern of regional structures so there is coherence for the pursuit of sustainable development throughout the region;
- place sustainable development at the heart of the new arrangements, including the spatial planning frameworks; and
- review and amend the RDAs' Performance Management Framework to take full account of resource productivity and other sustainable development priorities.

It is essential that policy-makers, decision-takers and opinion-formers in the regions work towards sustainable solutions through long-term sustainability targets, and resist quick fix responses in addressing regional needs and opportunities.

Local Government

99. At local government level in England, there is again a mixed picture. Some authorities have been at the forefront of developing a strong commitment to sustainable development and integrating it into all their services and activities. Others have made less progress, or have even fallen back from the extra efforts that were originally committed to the LA21 initiative launched at the time of the Earth Summit in Rio de Janeiro twelve years ago.

100. The Commission believes that the time is ripe for a new nation-wide campaign to promote sustainability at the local level, through local government and other organisations operating at local level. Such an initiative should embrace and integrate other cross-cutting local initiatives including area renewal, healthy cities, and sustainable communities. In order to enable wide-ranging strategies and plans to be developed at local level, local authorities will need less intrusive and restrictive guidance and fewer controls on the details of individual services, and to be able to make more use of generic powers such as the power to do anything for the wellbeing of their local communities conferred by the Local Government Act 2000.

Challenge Eleven - Local

Central and local government, acting together in partnership, should:

- launch a new drive for achieving sustainability at local level under the direction of a broad obligation, implemented through a single integrating and innovating community strategy in each area, embracing specific sustainable development goals and targets for the next 5-10 years and via effective local strategic partnerships and comprehensive sustainable procurement practices;
- work with the Audit Commission, the Local Government Association, the Improvement and Development Agency and the various Government departments covering central-local partnerships, to ensure that strategic regulation and corporate performance assessments meet the principles and practices of sustainable development.

Chapter 5. A Sustainable Economy

101. Chapter 5 of ABQL 2003 reveals some of the contradictions at the heart of the Government's approach to sustainability. It starts promisingly by explaining that the Strategy aims to put frameworks and systems in place that will support the economy and promote growth of a different, more sustainable nature, and to influence behaviour and investment patterns and shape policy initiatives accordingly. But in subsequent sections it continues to celebrate the achievement of high levels of stable economic growth as conventionally measured, and the rapid growth of some of the most unsustainable sectors of the economy such as transport and tourism. It is as though the Government, or some Departments within it, are only partially committed to the new demands of sustainability, and believe that a more sustainable approach can be smuggled in under the banner of continued adherence to an old-

fashioned growth imperative. The Commission believes that sustainability requires a much more radical reorientation of traditional goals for the economy, both as a whole and for particular sectors within it.

Economic stability and competitiveness

102. ABQL 2003 takes credit for the successful management of the economy and the economic cycle over the past five years. But this success is defined in terms of giving the UK higher levels of GDP growth than most other countries in Europe and the OECD over that period. The Government and society as a whole are still far from agreeing on a new set of measures of economic performance that would be a true measure of progress on sustainability and quality of life. All that can be said about the experience of the past five years, from the sustainability point of view, is that while some of the growth has been benign, there are significant parts of the economic growth achieved during that period that have been in unsustainable directions, and that the overall performance of the economy from a sustainability point of view is therefore very mixed.

103. From a sustainability point of view, successful management of the economy should include such elements as the following:

- steady growth in an appropriate measure of overall well-being of society such as the Index of Sustainable Economic Wellbeing;
- maintenance or enhancement of key capital assets such as infrastructure with a steady upgrading of reduced energy and resource consumption built into the maintenance programmes;
- encouragement of the kind of investment in the public and private sectors which produces assets that consume fewer resources or cause less pollution in use;
- protection or enhancement of the natural environment and natural resources;
- high levels of expenditure on R&D, particularly to support the transition to a low-carbon economy and other more sustainable patterns of investment, production and consumption; and
- management of the UK's interaction with the rest of the world so as to advance sustainability in other countries as well as domestically.

104. Some good progress has clearly been made in recent years in reshaping some of the instruments and policies of economic management in this more sustainable direction. The new forms of public accounting and presentation of the national accounts help to highlight some of the issues involved in ensuring proper stewardship of natural and man made capital assets. The Chancellor's "golden rule" for borrowing and for sustainable investment go some way in the direction of delivering the second, third and fourth of the objectives above, and is a great improvement on earlier Treasury policy guidelines. Some of the major priorities established in recent Budgets and spending rounds for focusing public investment on education, health and maintenance of essential infrastructure could greatly assist the transition to sustainability if properly directed.

105. But none of this yet goes far enough to ensure fully sustainable management of the economy and the public finances. The single most important change that could now be made would be to refocus the central goal of economic management away from the conventional goal of growth of GDP, and towards achieving growth in an appropriate measure or set of measures of sustainability. All the other elements of economic policy could then fall into place in support of this central goal.

Challenge Twelve— Management of the Economy

The Government must ensure that sustainability plays a central role in all aspects of the management of the economy including the compilation of data and regular monitoring of performance, successive Budgets, the Comprehensive Spending Review in 2004 and in future years, in all Public Service Agreements, in all public procurement, and in fiscal policy; and in particular that adequate attention is paid to such key sustainability issues as:

- maintaining public sector assets and infrastructure in good repair;
- achieving a step change in the quantity and quality of public and private investment to pursue the longer term goals of carbon reduction set out in the Energy White Paper;
- promoting sustainable procurement policies throughout the public sector;
- promoting sensible spend-to-save decisions, particularly where the savings are of energy or natural resources;
- adopting a more active approach to the labour market to encourage training, career development and redeployment;
- reducing the need to travel, rather than fund an ever-escalating 'arms race' between car travel and its alternatives;
- promoting public health and healthy living in preference to health care wherever possible; and
- promoting trade and aid policies and spending that encourages sustainability in other parts of the world.

Corporate responsibility

106. Sustainable development is critically dependent on the activities of business throughout the world. On the one hand, businesses are the dynamos of society, providing most of the goods and services we need, innovating to create new opportunities and possibilities, and providing most of the jobs and employment in the world. On the other hand, they have been responsible for much of the pollution and depletion of natural resources in the world, and have sometimes been bad employers and bad neighbours in the communities in which they operate. The challenge for businesses in the twenty-first century is therefore to find ways of operating as good employers and good neighbours and in ways that minimise pollution and depletion of resources.

107. Government needs to establish the ground rules for the responsibilities of businesses in these areas. Regulations and fiscal incentives are needed to require businesses to clean up their processes and avoid future pollution. Minimum energy efficiency standards need to be established and steadily tightened. Minimum standards for the employment of labour and for their health and safety at work need to be set and enforced. Fiscal measures are needed to capture the full externalities of the use of energy and other natural resources as well as the costs of pollution, and to incentivise the shift towards more sustainable production methods.

108. Enlightened businesses will often see the need for progressively tighter standards in order to achieve the more sustainable society which they must want as much as the rest of society. Sometimes such businesses foresee the need for higher standards and are able to position themselves for competitive advantage by moving in a more sustainable direction ahead of the field. This kind of corporate transformation will need to become more frequent in the future as the challenge of sustainability becomes more acute.

109. Voluntary action by businesses to move further in the direction of sustainability is of course to be welcomed. And there is much for them to do in terms of building their own understanding and awareness of the issues, building their capacity to respond, helping to implement the necessary changes as effectively and efficiently as possible, driving them down their own supply chains, and reporting openly and consistently on their handling of these issues to their stakeholders. But in a competitive world, businesses cannot be expected to get far in front of their competitors on these issues where they do not give short-term commercial advantage. So the possibility of voluntary action by businesses should never be taken as a reason or excuse for slowing down the pace of Government pressure towards sustainability.

110. In order to encourage progressive businesses to move in this direction, it is essential that the Government sets clear long-term goals and timetables for change, and then moves steadily to implement them. When Government appears to set long-term goals, and then wavers in their implementation and timetables, a great deal of damage is done to the commitment of companies to make the necessary changes.

111. The promotion and development of workplace partnerships is essential in order to maintain the goodwill and support of employees for sustainable development initiatives at work. It is inevitable that there will be concerns about the impact on jobs, so it is vital that employees and their trade unions have the opportunity to be involved in policy development and implementation locally,

nationally and internationally. It would also help to enable employees to participate in the process if they were provided with statutory rights to representation and training on sustainable development issues in the workplace.

112. Regular reporting on progress is an excellent means for companies to maintain their own focus on improvements and to enable their stakeholders to hold them to account. At present, however, voluntary reporting by companies on environmental and social issues is producing patchy results that are difficult to interpret and compare. The Commission supports the moves to achieve some core standards in this area, through the new Operating and Financial Review, but regrets that the Government was not a great deal bolder in its handling of the Company Law Review.

Challenge Thirteen - Business

In relation to business, the Government must:

- explain more clearly the need for more sustainable methods of operation;
- set demanding medium and long-term targets for improved performance;
- plan for timely programmes of regulatory and fiscal action to support those targets;
- implement those plans steadily and consistently without wavering or delay; and
- require regular monitoring and reporting by business on their progress.

Sustainable consumption and production (SCP)

113. Looking ahead over the next fifty years, it is clear that a sustainable world will require radical changes in present patterns of production and consumption. The need to reduce greenhouse gas emissions to a fraction of their present levels in order to avoid catastrophic climate change is the most striking example of this. Other examples are the need to minimise waste production and promote much higher levels of recycling.

114. If these changes are to be achieved successfully, we need to accelerate the pace at which we move towards a more sustainable society and more sustainable patterns of production and consumption. On the production side, we need to move much more rapidly to achieve radical improvements in the energy consumption of buildings, vehicles and appliances, towards the use of more sustainable materials, towards longer- life products, and towards effective recycling or reuse of waste products. On the consumption side, we need to shift expectations away from more and more material consumption of goods and high energy-consuming services.

115. Sustainable production and consumption ought to be a central element of the new Sustainable Development Strategy. The supportive infrastructure for sustainable consumption and production (SCP) should be more accessible and better resourced. Current funding regimes for SCP projects and for research are too fragmented and short term. They should focus more on consolidation and dissemination of successful projects and ideas, as well as piloting new innovations.

116. The Government's Framework for Sustainable Production and Consumption makes a beginning in the right direction, but is much stronger on the production side than on the consumption side. Even on the production side, the Framework is too cautious in the pace of change it envisages. Alongside the Framework, a draft set of indicators was published to measure how effectively economic success is being decoupled from impacts on the environment. But *A Better Choice of Choice*⁷ (commissioned by the SDC) shows that resource productivity improvements on, for example, energy, transport and material throughput since 1970 have so far been totally neutralised by increases in consumption due to economic growth and rebound effects, and there is no reason to believe this will change in the future on the basis of present policy.

117. If our society is to make the transition to sustainability successfully it will be necessary to achieve a much more rapid change towards resource efficient modes of production. Buildings and products need to be created with less consumption of energy and other resources, to be much more efficient in energy use, to last longer, and to be more easily reusable or recyclable. Innovators have demonstrated the feasibility of achieving fourfold or even tenfold improvement on these aspects of performance in many sectors and types of product. But average performance lags far behind, and the Government has not yet established a demanding enough agenda for change, or used its instruments of regulation and taxation to incentivise a rapid enough transition. The review of the Sustainable Development Strategy should provide the opportunity to establish new targets and tighter timetables for achieving the transition to more sustainable products and more sustainable production methods for many leading products and processes.

118. On the consumption side, the Framework makes no effort to explore an equally important decoupling issue: how to decouple unsustainable levels of consumption from real improvements in people's quality of life. Recent research clearly demonstrates that increased personal consumption does not necessarily improve people's sense of well-being. Equally, there is a widespread desire to

⁷ Levett, R., Christie, I., Jacobs, M. and Therivel, R. (2003) *A better choice of choice: quality of life, consumption and economic growth*. Norwich: Crowe, a report by the Fabian Society and Levett-Therivel for the SDC.

use consumption choices to support more sustainable production where it is clear how this can be done effectively and price differentials do not work against such choices. There needs to be a much more determined effort by Government, retailers and producers working together to establish a better framework for informing the public about such choices, enabling consumers to play their part in the transition to more sustainability. Energy labelling for houses, for cars, for lighting and for other energy consuming products (as recommended by the Advisory Committee on Consumer Products and the Environment) is one example that needs to be much more vigorously pursued.

119. To bring together all these strands together, the SDC, jointly with the National Consumer Council, is currently finalising arrangements with the Government for establishing a Sustainable Consumption Round Table, to drive the debate forward and inform and guide policy making. This has taken a very long time to get sorted, revealing a worrying lack of urgency in this critically important area.

Challenge Fourteen - Sustainable Production and Consumption

The Government should:

- establish more demanding targets and timetables for the transition to more sustainable products and production processes;
- devote substantially greater resources to educating the public about the need for consumers to choose more sustainable products and services and provide them with the information to make such informed choices; and
- generate a public debate over the role of consumption patterns as a force for promoting healthier, happier, more prosperous and safer communities.

Tackling waste

120. Step changes are also needed to reduce substantially the generation of waste and to improve its management. To help facilitate such changes, we perceive great value in further 'greening' the procurement process, in both public and private sectors. Based on the principle of whole-life costing, this approach should help embed the waste hierarchy (reduce, re-use, recycle) within organisations' procurement processes.

121. The Government's waste management strategy sets out the right kind of goals for waste minimisation and reuse or recycling of waste and diversion of waste away from landfill. But implementation is still hanging fire, and progress is lagging far behind other parts of Europe and the agreed international targets. Much clearer guidance is needed on the solutions to be adopted to achieve these objectives, and arrangements established to secure the necessary public and private investment in new methods. We see this as one of the weakest areas in current Government policy-making, leaving a massive hole in its overall efforts to steer both individual and businesses forward, a more sustainable economy.

122. Placing the responsibility on producers to take back their used products and ensure their safe reuse or disposal is an excellent application of the polluter pays principle. But intensive producer lobbying has delayed implementation of some of the key Directives in this area. An important challenge for Government is to cut through this resistance and establish clear and firm targets for producer responsibility to apply.

123. Local authorities are frequently frustrated by lack of clear guidance and lack of resources from playing their part in transforming waste management. They must be enabled to obtain the necessary resources to fulfill their responsibilities for improving the management of household waste. But many local authorities are using an apparent lack of resources as an excuse for not adopting other authorities' best practice in waste management.

Challenge Fifteen - Waste

The Government should:

- accelerate its guidance to industry and local authorities about the way in which the timetables and targets for achieving higher levels of waste minimization, recycling and reuse must be achieved, and ensure that the necessary resources and incentives are put in place to achieve this major change.

Safer and more sustainable food and drink production and consumption

124. The report of the Curry Commission – *Farming and Food: a sustainable future* in January 2002 was a major step in moving towards sustainable agriculture and a sustainable food industry. The Government adopted many of the report's recommendations in its subsequent farming and food strategy, *Facing the Future*, and set out the key principles for a sustainable food chain.

125. Since that strategy was published much has been done across Government to help place the food and farming industry on a more sustainable path. The agreement on the reform of the Common Agricultural Policy last year was an important breakthrough. Breaking the link between subsidies and production will help reduce the negative environmental impacts, such as over-use of fertilizers and pesticides, associated with intensive farming.

126. But there is still a long way to go, and the approach so far has essentially been production based – concentrating on the food that is grown in the UK and following it through. What is needed is to look at food in terms of what we actually consume in the UK.

127. The food industry – retailers, manufacturers and caterers – is a significant consumer. How can it buy more wisely and responsibly? Defra will shortly be consulting on a Food Industry Sustainability Strategy, which will set priorities for sustainable development in the food industry. Government and industry must use this strategy as an opportunity to take forward the concept of a sustainable food chain in relation to all food consumed in this country – whether it is produced and processed here or overseas. Current World Trade Organisation rules do not allow discrimination between imported goods on the basis of production and processing methods – these rules need challenging. If sustainable food chain principles are not applied to imported food, as well as food produced here, tighter controls and higher standards in this country may simply result in the export of pollution and lower standards, and producers here will face unfair competition from cheaper imports.

128. The public sector itself consumes around £18 billion worth of food each year, and significant progress has been made on the issue of sustainable procurement. The Government's Sustainable Procurement Group, which looked at all types of public sector purchasing, highlighted the scope for including environmental and social considerations in the procurement process, and helped develop a wider understanding of what constitutes 'best value'. The Government's ongoing Public Sector Sustainable Food Procurement Initiative is seeking to ensure that all public sector catering – for example, in schools, hospitals and prisons – supports the Government's goals for a sustainable food chain, and for healthier eating. Departments are taking this initiative forward in different ways. Its implications for wider policy must not be ignored. In the Department of Health, for example, the initiative can usefully impact on the consultation on public health (which will result in a White Paper in the summer); the current work on a Food and Health Action Plan to address diet and nutrition; and the Fruit in Schools Scheme. Linking sustainable procurement to current policy development and initiatives, and to concern around obesity, will result in more sustainable outcomes.

129. The Government must now ensure that momentum for sustainable food procurement is kept up, and must look at what more needs to be done if goals for sustainable procurement are to be translated into concrete actions. As a priority, the Government must focus on food assurance schemes. Under the EU public procurement directives, assurance scheme accreditation can be used by suppliers tendering for contracts as proof of compliance with requirements on issues such as animal welfare, production methods and environmental standards. Through the Public Sector Sustainable Food Procurement Initiative the Government therefore encourages the public sector to buy food that meets the standards set out in food assurance schemes, such as the Red Tractor scheme. But this goal can only be effective if assurance schemes themselves support sustainable food and farming. So the Government needs to work with industry and Assured Food Standards to ensure that standards under the Red Tractor scheme are centred on sustainable development.

130. The Government and the food industry must work together in developing the Food and Health Action Plan, to look at what food retailers, producers, manufacturers and food service providers can do to promote healthier food, and to explore the wider impacts of the food industry on people's health. For example, what impacts do food production methods have on health? How is food transported, and what impact does that have on communities and health?

131. Ultimately, sustainable development will only be achieved if people start to decide to do things in a more responsible way. So, for the £130 billion or more worth of food purchases each year, how can Government and business encourage people to change their decisions for the better? This is why the substance of the Food Industry Sustainability Strategy is so critical.

Challenge Sixteen - Farming and Food

Working with industry, the Government must:

- Use the Food Industry Sustainability Strategy – and wider national and international policy and purchasing practices – to encourage sustainable consumption of food, and not just sustainable production, by ensuring that consumers have access to information (for example, about nutritional value and health impacts, the origins of all products and ingredients, and the production and transport methods) which will allow them to make far more sustainable choices.

Cleaner, more efficient transport

132. As noted above, the rapid growth of transport of all forms that has continued over many years and shows no signs of abating. This is one of the most disturbing and unsustainable trends of our society. These trends are responsible for an increasing share of the total burden of greenhouse gas emissions in the world and in the UK, and they are the cause of much other pollution, noise and congestion.

133. Cleaner and more efficient transport is clearly desirable as one response to this problem, and much is technically achievable here. Accelerated action is needed, for example, to improve the fuel efficiency of vehicles of all kinds – a doubling of the minimum efficiency standards within 5-10 years is the kind of challenging target that is needed.

134. But the more fundamental need is for more sustainable transport and planning policies that reduce the need for travel where possible; this should be the cardinal point. DfT has recently published a Sustainable Development Policy Statement which begins to move the debate in the right direction, and its forthcoming review of the Ten-Year Plan provides an excellent opportunity to place transport policies within a sustainable development framework, and in particular to match those policies to the target to cut UK carbon dioxide emissions by 60% by about 2050.

135. The situation in relation to aviation is even more acute. Levels of traffic are growing even more rapidly, and are doing more damage at high levels of the atmosphere. But the Government's recent White Paper on aviation falls far short of the measures that will be needed to move this sector onto more sustainable paths. The SDC's detailed critique of the White Paper will soon be available on its website.

136. The Commission fully recognises that a move to more sustainable transport policies will not be easy to achieve. There is an enormous pressure of demand from the public and from business to continue to expand the capacity of roads and air routes so as to enable the frequency and length of journeys to continue to expand. We believe that this pressure needs to be tackled head-on, and that all parties must combine forces to create a new climate of opinion in which increased wellbeing is not associated with ever more frequent and lengthy travel.

Challenge Seventeen - Transport

The Government needs to open up a much more fundamental debate with society about what will be involved in moving to a more sustainable pattern of transport in the future. This debate must:

- tackle head-on the failure of many parts of the transport sector to bear their full environmental costs; and build long-term environmental costs into all forms of transport through appropriate tax and charging measures;
- include discussion of ways of achieving desired levels of access to facilities of all kinds without multiplying transport needs through such means as planning for higher densities of development and encouragement of mixed-use zoning and development.

Employment

137. The low levels of unemployment in the UK represent a major positive achievement in the management of the economy, especially when compared with many other European economies. However, there are some questions about the quality of that employment, and about the wide range of income inequalities in the UK which are among the highest in Europe. The indicator gives no information on job satisfaction, security, pay and conditions, nor on the diversity of the workforce; and broader social research suggests that work-related stress, frustration and unhappiness are on the increase.

138. A much higher proportion of women are economically active than in 1970, but a lower proportion of men. While some of this may be due to greater equal opportunities for women - and women in the UK have one of the highest participation rates in Europe - it is also due to the decline of traditional male jobs, particularly in mining and manufacturing. Also the gap between female and male

earnings remains wide, partly reflecting continuing occupational and industrial job segregation whereby women still tend to be concentrated in jobs that carry lower status and/or pay. Men in Britain work some of the longest hours in Europe, while women often juggle part time jobs with childcare responsibilities. Despite improvements since 1997, Britain still has one of the least comprehensive and most expensive (for parents) set of arrangements for childcare provision. More effective work/life balance arrangements for both men and women would contribute to a better quality of life.

139. The transition to a more sustainable economy will inevitably involve significant changes in the labour market and the range of jobs available. In relation to the promotion of sustainable development and the low carbon economy, Agenda 21 recognises that “workers will be among those most affected by the changes needed to achieve Sustainable Development”. In order to address this vital concern, there needs to be a much more active labour market approach to ensure that the skills required in the future are developed and that those whose skills and sectors are in decline are effectively redeployed. There must be effective training and career development opportunities to deliver the necessary skills and to support workers in making the transition.

Chapter 6. Sustainable Communities

Regeneration and sustainable development

140. Many of the most pressing challenges of sustainable development are experienced most vividly at the level of local communities and individual households. AQBL 2003 rightly identifies this as a crucial arena for action on sustainability.

141. The SDC has been at the heart of the debate about how to manage the development of new communities and the regeneration of existing ones in the most sustainable way⁸. The essence of our approach is to ensure that all new development and all regeneration projects are fully informed by the principles of sustainability.

142. The planning system is crucial in this respect. The Commission fully supports the proposals in the current Planning and Compulsory Purchase Bill in respect of development plans and sustainable development, though we regret that they are not stronger. One key objective should be to achieve a gradual transition to higher densities for development and more mixed patterns of development so as to improve access and to reduce rather than increase journey times and transport needs.

143. The Commission also believes that there is enormous potential to increase the sustainability standards of the building industry and the sustainability performance of houses and other buildings. All new construction of houses and other buildings needs to meet much higher standards of energy efficiency than in the past, and buildings should use more sustainable materials. We plan to undertake new work in this area to help identify opportunities for lifting performance.

Sustainable development and public health

144. There are strong conceptual linkages between sustainable development and public health. Sustainable development seeks to enhance the quality of life now and for future generations through environmental and social improvement, and should among other things lead to better health. The public health agenda conversely seeks to promote healthy living and reduced morbidity through the improvement of lifestyles and behaviour patterns and the creation of healthier living environments.

145. This close linkage is demonstrated in the Headline Indicators. Improved housing (H7), employment (H3) and education (H5) should all be conducive to better health, as should a more responsible attitude towards consumption, better air and water quality (H10 and H12) and less social exclusion and poverty (H4).

146. We believe that this convergence of the objectives should be used to forge stronger links between those engaged in promoting public health and those promoting environmental and social improvements. Together they should seek higher priority to be placed on programmes and policies that lie in this area of common concern. Such measures would achieve benefits for both sustainable development and for public health, and have the potential to reduce the need for expensive health care by keeping people well.

147. Particular areas which the Commission considers require further attention include:

- Strengthening the health dimension in the setting of relevant environmental standards and objectives. For example, there needs to be a much more determined programme of research and action on the effects of fine particulates in the atmosphere, and a variety of chemicals and trace elements in peoples' homes, and the disturbing increases in respiratory illness. Similarly, the health need to promote more exercise and physical activity is frustrated in many areas by the inadequacy of public open space and access to recreation.

⁸ See for example: Sustainable Development Commission (2003) *Mainstreaming sustainable regeneration: a call to action*. London: SDC, and Power, A. (2004) *Sustainable communities and sustainable development: a review of the sustainable communities plan*. London: SDC

- Strengthening the linkages between healthy living, healthy food and sustainable consumption. There is much current concern about the growth of obesity and the eating and behavioural patterns that lead to it. From a sustainable development perspective, this is just one example of unsustainable consumption patterns. Just as more and more individuals are becoming unhealthily fat, so society as a whole is consuming too many resources and producing too much waste. There should be a strong synergy between promoting sustainable consumption generally, and promoting healthier eating and living habits.
- The Health Service itself should be an exemplar of good sustainable development practice. As the largest employer in the country, a powerful purchaser and the owner of many buildings and assets, it should be at the forefront in promoting sustainable procurement in all its activities, using energy efficiently and promoting sustainable and healthy food production and healthy eating.

148. It could be argued that an increase in healthy years lived (Headline Indicator 6), and improvements to public health more widely (although at present there is no indicator to measure this) would demonstrate the success of the SD Strategy as a whole. This would be even clearer if the new Strategy's health indicators were to be broadened to include indicators of personal well-being, perhaps based on self-reported mental and physical health.

149. The Department of Health and the NHS have a major role in contributing towards all of the SD indicators, along with promoting health. The health sector has had some considerable successes in doing so. These contributions, however, are not necessarily made in the name of sustainable development. They need to be developed and more effectively joined up in order to have real and lasting impact.

150. The Public Health White Paper and consultation process offer the Department of Health an opportunity to engage in a meaningful way with issues that impact on both population health and sustainable development, and to build on the synergies between policies geared towards improving population health and those geared toward promoting sustainable development.

151. The Tackling Health Inequalities Programme for Action feeds directly into the sustainable development agenda. The document sets out the interplay between people's health and the environment they live in, the economic prosperity they enjoy and the community engagement available to them. Projects that help tackle health inequalities take into account the impacts of policy on the local economy and community, in order to improve health and well-being. The environmental aspect is not explicit in the Programme for Action, but given the links between environmental justice and health, it does play a part.

152. The Department of Health is funding the SDC to help promote sustainable development in the NHS. Part of this work is promoting good corporate citizenship in NHS Trusts. The NHS, like other public sector organisations, has a considerable impact on the environment, the local economy and the local community - for example through its purchasing decisions (the NHS spends £1000 every second); how it manages its estate (the NHS produces 600,000 tonnes of waste every year); the design of new NHS facilities; and employment practices. There are examples of good practice to this end, but they are not yet mainstreamed. The NHS could increase its impact if the concept of good corporate citizenship was taken up as a central guiding principle within NHS Trusts – allowing the environmental, social and economic impacts to be considered at the same time.

153. It is unfortunate that there is no central message about sustainable development to the NHS from the Department of Health. There is no central sustainable development strategy for the NHS and, although both NHS Estates and NHS PASA have Sustainable Development Strategies, there is a risk that sustainable development could be marginalized within estate and procurement management, rather than being at the core of NHS Trust operations and embedded in the Department's policy and initiatives. There is now recognition of the need actively to promote public health. By doing this within a framework of sustainable development, the Department of Health could help achieve lasting benefits for communities, the environment and the economy.

Challenge Eighteen - Public Health

The Government must:

- establish closer links between the Sustainable Development Strategy and the public health agenda, so that each can reinforce the other.

The Department of Health should:

- set the NHS explicit targets for the contribution it should be making to sustainable development; and
- devise new health indicators which better reflect personal wellbeing.

All new standards set by the Commission for Healthcare Audit and Inspection should:

- be compatible with promoting sustainable development and good corporate citizenship.

Chapter 7. Managing the environment and resources

154. In the world as a whole many natural resources are being dangerously depleted, biodiversity is being lost at an alarming rate, many forms of pollution are spreading, and we are all gravely threatened by long-term climate change. Within the UK, we are to some extent insulated from the full impact of some of these changes since good progress has been made in recent years in dealing with some of the traditional causes of environmental concern, such as the quality of water and of the air, as the indicators show. But other topics are of growing concern. The growth of greenhouse gas emissions and the climate change they cause is the single largest environmental challenge for this generation; and the continuing loss of wildlife and biodiversity is disturbing. In addition, the total impact of the UK's activity, including its interactions with the rest of the world through trade and travel, is adding to the world's problems. Our demands, for example, place a disproportionate additional pressure on the world's hard-pressed stocks of fish and other marine resources, and on the shrinking tropical forests. There is much therefore for the UK still to do to reduce the impact of its footprint on the world.

Climate change and energy

155. The impact of climate change is the single largest environmental challenge facing the world in the 21st century. The UK Government was one of the earliest to recognise this challenge, and has been active domestically and internationally in seeking to control the greenhouse gases which are fuelling it. ABQL 2003 reports progress that has been made over the past five years, and rightly takes credit for what has been achieved so far. Nevertheless, as ABQL 2003 acknowledges, much more remains to be done both domestically and internationally to achieve the long-term reductions of GHGs that must be achieved in order to contain climate change within tolerable levels.

156. In March 2004, the Government published its estimates for the UK's emissions of the 'basket' of six greenhouse gases, including CO₂, for 2002 and 2003. These indicate that emissions in 2003 are estimated to have been about 14 per cent below the 1990 baseline (our Kyoto target is 12.5% over the period 2008-2012). CO₂ emissions alone increased by 1½ per cent during 2003 on 2002, but overall were about seven per cent lower than in 1990. The Government has set a goal of reducing CO₂ emissions 20% by 2010, and to get the UK on a path to a 60% reduction by about 2050.

157. In view of the severity of the problems ahead, the Commission believes that the Government needs to consider more accelerated activity to bring about the transition to a low-carbon economy. Action is needed on many fronts:

- *Fiscal.* The Climate Change Levy has been a bold and partially successful step. But its impact is confined to a limited range of industrial energy consumers. During the next five years, it would be timely to return to the case for more general taxation of carbon. Hitherto, the Government has been reluctant to take action on any front that would affect domestic energy consumers because of the burden this would place on poorer households and particularly on inefficiently insulated homes. Taking a longer-term perspective, we suggest that the Government should set itself a goal of achieving adequate insulation and energy efficiency levels for all poorer households by a specific date, with a view to establishing a broad-based carbon tax at that stage. Given political will, it would be perfectly straightforward to protect lower income and other vulnerable households by progressive tariffs, ensuring that everyone can afford to meet basic health and comfortable needs at an affordable price while charging higher rates for luxury levels of consumption. Advance warning of this medium-term strategy would provide a focus for much energy efficiency action in the meantime.
- *Local taxation.* At present, local taxation relies primarily on the Council Tax, which is related to bands of property value. As pressures for reform of this system mount, it would be worth considering whether a reformed valuation could give significant discounts for properties achieving high levels of insulation and energy efficiency in use.

- *Regulatory.* Regulations already prescribe minimum energy efficiency standards for new house-building and for some types of product. But progress is constantly held back by political timidity about the impacts of short-term cost adjustments on consumers and on the competitive position of producers. Again the Commission sees great potential for establishing a much more vigorous medium-term programme for steadily increasing the levels required for buildings, for vehicles, for lighting and heating and for all significant energy using products.
- *Public education and engagement.* The Government has made some limited effort to build public understanding about climate change, but has stopped short of giving a lead on the kind of serious changes to consumption patterns and behaviours which will almost certainly be needed in order to move to a low- carbon economy. It is not sufficient merely to encourage people to switch lights off when they leave rooms. Much more is needed in terms of encouraging consumers to recognise and favour energy-efficient products and to be less profligate in energy use generally, particularly in the transport sector.
- *Living and working conditions.* Over the next decade there is a need to establish in public buildings such as schools, universities and community centres, living and working conditions that lead to a 60% reduction in CO₂ emissions.

Challenge Nineteen - Climate Change

The Government must:

- take further steps on the fiscal and regulatory front over the next five years to improve the UK's climate change policy and performance, in order to secure a path to 60% CO₂ reduction by 2050; and
- engage in a deeper dialogue with stakeholders and the public to spread understanding and support for the behavioural changes that will be needed.

Water and air quality

158. On many of the traditional environmental causes of concern about the quality of our water and of the atmosphere, we continue to make reasonable progress.

159. The quality of our rivers and water has improved steadily over the last fifteen years, following successive rounds of capital investment mandated by the regulators of the water industry. More still needs to be done to meet the requirements of the Water Framework Directive, and in particular to deal with the serious problems of diffuse pollution caused by run-off from farms and other land, principally by promoting better farming practice and land management. During the period, it will also be necessary to plan ahead for the potential impacts of climate change in terms of the increased risks of winter floods and summer shortages that climate change is expected to cause.

Air quality

160. Air quality is much improved over the past fifty years, but there is still concern about levels of NO₂ and about the effects of fine particulate emissions from road vehicles and other sources. There is also great concern about the steeply rising incidence of respiratory and allergenic ill health, and the possible effect of indoor and outdoor air pollutants in exacerbating this trend.

Biodiversity and wildlife

161. Although the bird population indicator gives some welcome signs that bird-life populations are beginning to stabilise, it is clear from numerous other studies that many populations of birds and other wildlife remain very fragile in the UK. Ever more intensive modes of farming production, the use of chemicals, and other incursions into the countryside are continuing to prejudice populations and diversity. As indicated above, we look to Defra to continue to promote the transition to more sustainable methods of farming and land management.

Chapter 8. Progress on International Co-operation and Development

162. From a global perspective, the world faces major challenges in achieving sustainable development. Poverty and disparities of income are increasing both within and between many countries of the world. Environments are deteriorating and resources are being depleted. The impacts of the developed world on the poorer countries of the developing world are very mixed. While trade and investment bring some benefits to the developing countries, the terms of trade and of investment are frequently unfavourable or one-sided, and do not give as much help to sustainable development as they should do.

163. Structural Adjustment Programmes have exacerbated the situation of some of the poorest countries, and efforts to reduce their debt burden have been only marginally successful so far. Trade policies have been shaped by the developed world and have largely favoured their interests over those of the developing countries.

164. The Government reports major efforts on promoting sustainable development internationally and through increasing its development assistance programmes over the past five years. We wholeheartedly support what has been achieved over the past five years and applaud the further efforts which the Government is making both through the UK's own programmes and in seeking to stimulate more effective international action with its developed country partners. At the same time the global problems remain pressing, and we have to urge an even more committed effort in the years ahead.

165. The European Union (EU) has been a major driving force for protection of the environment and for promotion of sustainable development over the past two decades. It has the potential to maintain this role and to be an engine for promoting sustainability both in Europe and in the wider world in the next five-year period and beyond. The EU is about to launch a process to revise its own Sustainable Development Strategy. We look to the UK Government to play an active part in making this a creative process, and to engage UK stakeholders as widely as possible in this European process.

Challenge Twenty - Official Development Assistance

The Government needs to:

- set out a firm path and timetable for achieving the long-standing goal of committing 0.7% of GDP to official development assistance;
- achieve a more effective integration of sustainable development into the national poverty reduction strategies that provide the main framework for managing development assistance;
- press on with their efforts to reduce the debt burden of the poorest countries;
- continue efforts to integrate sustainable development more effectively into international trading regimes;
- continue to promote all aspects of sustainable development in the conduct of foreign policy generally.

Chapter 9. Conclusion.

166. The issue of sustainability is one of the central challenges of our time.

167. Some people think that the concept of sustainable development is a platitude, no more demanding and no more exciting than apple pie. We think on the contrary that it is one of the most demanding challenges facing humanity today, and also one of the most exciting.

168. Some of the major changes and trends that are emerging in society today are fundamentally unsustainable. Some of the changes that will need to be made to get onto a more sustainable path run quite contrary to received opinion and may initially be quite unpopular.

169. The Government, to its great credit, has provided the means for a responsible public dialogue on what sustainability requires to be carried forward through the creation of its initial Sustainable Development Strategy, and its regular progress reports on this Strategy with measures of progress identified and tracked wherever possible. It is now about to launch a major public consultation on a new Strategy for the next five years.

170. The critique which the Commission has presented in this report is in no way dismissive of what has been achieved so far. Many of the changes and initiatives undertaken over the past five years have been in the right direction, and the sum total of activity reported in ABQL 2003 is impressive.

171. But we are acutely conscious of the magnitude of the challenges ahead and of the dangers for the world and for the UK if we do not move more swiftly and firmly towards a radically more sustainable society. The challenges we have made in this report are intended to help shape the debate which is about to be launched, and to give it as much urgency and incisiveness as possible.

172. In our view, the time for more radical change is right now. We stand ready to elaborate and defend the challenges we have put forward in the great debate which is about to commence.

Annex: The Sustainable Development Commission's Principles for Sustainable Development

DEFINING SUSTAINABLE DEVELOPMENT

Sustainable development provides a framework for redefining progress and redirecting our economies to enable all people to meet their basic needs and improve their quality of life, while ensuring that the natural systems, resources and diversity upon which they depend are maintained and enhanced both for their benefit and for that of future generations.

Sustainable development is inevitably a contested idea, dependent on finding the right balance between different and often conflicting objectives through much more integrated policy-making and planning processes. Putting its principles into practice demands debate, experimentation and continuous learning, and therefore requires a thriving democracy to allow it to evolve and flourish.

PRINCIPLES FOR SUSTAINABLE DEVELOPMENT

Putting Sustainable Development at the Centre

Sustainable development must be the organising principle of all democratic societies, underpinning all other goals, policies and processes. It provides a framework for integrating economic, social and environmental concerns over time, not through crude trade-offs, but through the pursuit of mutually reinforcing benefits. It promotes good governance, healthy living, innovation, life-long learning and all forms of economic growth which secure the natural capital upon which we depend. It reinforces social harmony and seeks to secure each individual's prospects of leading a fulfilling life.

Valuing Nature

We are and always will be part of Nature, embedded in the natural world, and totally dependent for our own economic and social well-being on the resources and systems that sustain life on Earth. These systems have limits, which we breach at our peril. All economic activity must be constrained within those limits. We have an inescapable moral responsibility to pass on to future generations a healthy and diverse environment, and critical natural capital unimpaired by economic development. Even as we learn to manage our use of the natural world more efficiently, so we must affirm those individual beliefs and belief systems which revere Nature for its intrinsic value, regardless of its economic and aesthetic value to humankind.

Fair Shares

Sustainable economic development means "fair shares for all", ensuring that people's basic needs are properly met across the world, whilst securing constant improvements in the quality of peoples' lives through efficient, inclusive economies. "Efficient" simply means generating as much economic value as possible from the lowest possible throughput of raw materials and energy. "Inclusive" means securing high levels of paid, high quality employment, with internationally recognised labour rights and fair trade principles vigorously defended, whilst properly acknowledging the value to our wellbeing of unpaid family work, caring, parenting, volunteering and other informal livelihoods. Once basic needs are met, the goal is to achieve the highest quality of life for individuals and communities, within the Earth's carrying capacity, through transparent, properly-regulated markets which promote both social equity and personal prosperity.

Polluter Pays

Sustainable development requires that we make explicit the costs of pollution and inefficient resource use, and reflect those in the prices we pay for all products and services, recycling the revenues from higher prices to drive the sustainability revolution that is now so urgently needed, and compensating those whose environments have been damaged. In pursuit of environmental justice, no part of society should be disproportionately impacted by environmental pollution or blight, and all people should have the same right to pure water, clean air, nutritious food and other key attributes of a healthy, life-sustaining environment.

Good Governance

There is no one blue-print for delivering sustainable development. It requires different strategies in different societies. But all strategies will depend on effective, participative systems of governance and institutions, engaging the interest, creativity and energy of all citizens. We must therefore celebrate diversity, practice tolerance and respect. However, good governance is a two-way process. We should all take responsibility for promoting sustainability in our own lives and for engaging with others to secure more sustainable outcomes in society.

Adopting a Precautionary Approach

Scientists, innovators and wealth creators have a crucial part to play in creating genuinely sustainable economic progress. But human ingenuity and technological power is now so great that we are capable of causing serious damage to the environment or to peoples' health through unsustainable development that pays insufficient regard to wider impacts. Society needs to ensure that there is full evaluation of potentially damaging activities so as to avoid or minimise risks. Where there are threats of serious or irreversible damage to the environment or human health, the lack of full scientific certainty should not be used as a reason to delay taking cost-effective action to prevent or minimise such damage.

