



**Institutional Set-up and Conflict Resolution**  
**Implementation of the WWWWforEurope**  
**Transition Strategy**

**Working Paper no 99**

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## Contents

<b>Introduction</b>	<b>2</b>
<b>1. A Stylized Conflict-Resolution Model</b>	<b>4</b>
<b>2. The Basics of Transition Policy-Making</b>	<b>7</b>
2.1 Equal and Wide Participation as Basis of Successful Conflict Resolution	8
2.2 The Role of Experts in the Decision-Making Process	9
2.3 The Role of Subjective Behavior	11
<b>3. Implementation of the WWforEurope Transition Strategy</b>	<b>12</b>
3.1 A Global: Declaration	13
3.2 EU: Call for an Overarching Transition (Sustainability) Policy	14
3.2.1 Mainstreaming the Transition objective in all EU decisions	15
3.2.2 EU Comprehensive Sustainability Program as Basis for Member States Sustainability Programs	17
3.2.3 The EU budget	17
3.3 National-Macro: The Short and Medium Term National Transition Programs: Hard Policy Decisions	18
3.4 National-Micro: Programs and Projects Decide among Competing Objectives	19
<b>4. Literature</b>	<b>23</b>

# **Institutional Set-up and Conflict Resolution Implementation of the WWWforEurope Transition Strategy**

**Kurt Bayer (WIFO)\***

## **Abstract**

The WWWforEurope project proposes a new medium to long-term EU Strategy, aiming to transform the present socio-economic model which has resulted in economic stagnation, social fragmentation and irreversible depletion of environmental capital, towards a more sustainable model where social, economic and environmental sustainability are pursued jointly and successfully. When implementing such a strategy, invariably conflicts between competing goals (tradeoffs) will arise. The present essay outlines the procedural and institutional part of this Transition Strategy, where to start and which instruments to apply, but also more importantly which principles and method to apply in order to resolve remaining conflicts. An introductory section surveys the literature dealing with such conflict-resolution aspects. A second section deals with a specific participatory process, proposed here as the template for dealing with conflicts. This method starts with accepting that invariably different views of the world exist which have to be taken for granted, need to be given consideration, and that pragmatic, “clumsy”, compromises need to be found to move forward. The third section proposes a replacement of existing EU growth and sustainability procedures by the development of an overarching Sustainability Strategy, combining social, environmental and economic goals and outlining changes in the EU’s institutional Setup.

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## Introduction

The WWWforEurope project proposes a new medium to long-term EU Strategy, aiming to transform the present socio-economic model which has resulted in economic stagnation, social fragmentation and irreversible depletion of environmental capital, towards a more sustainable model where social, economic and environmental sustainability are pursued jointly and successfully (socio-ecological Transition<sup>1</sup> towards Comprehensive Sustainability). When implementing such a strategy, invariably conflicts between competing goals (tradeoffs) will arise<sup>2</sup>. While many strands of the strategy are compatible with each other, and in many a seeming tradeoff can be mitigated, when it comes down to defending contrasting world views, violating strong interests (e.g. in maintaining jobs, in securing profit and income), or disturbing vested power constellations, one must be prepared to deal with these conflicts explicitly. Present EU strategies, especially the Europe 2020 strategy, ignore such inherent conflicts. While Europe 2020 pursues 5 goals, subdivided into 8 sub-goals, and offers a (semi-) comprehensive future for EU society in terms of social, economic and environmental targets, these targets stand side by side, only loosely connected, without prioritization and without recognizing potential mutual incompatibilities, but ignore also positive inter-connections. The WWWforEurope Strategy aims to address some of these problems by analyzing some of these interconnections and exclusions.

While the economic growth agenda (the present dominant model) has specific identifiable interest groups who will defend their interests (mainly recipients of capital and labor income), the environment per se cannot speak for itself, but has to rely on “defenders” for its continued viability. Thus, it can be assumed that the major (not only) conflicts will arise between business and labor on the one hand, and the environment on the other (Labaeye et al., 2013), while among the former business (capital) interests dominate. Of course, tradeoffs also arise within each of the three strands (see below), e.g. small vs. large firms, financial sector firms vs. “real economy” firms; service workers vs. production workers, self-employed vs. dependent-employed; green-growth advocates vs. no-growth defenders, nuclear energy promoters vs. renewable promoters, natural habitat preservers vs. promoters of hydroelectricity, gender and generational conflicts, and many others. V.d. Daele et al. (1996) vividly describe the difficulties in dealing with such conflicts.

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<sup>1</sup> In this essay, Transition with a “T” is a short-hand expression of the WWWforEurope Project’s Objective, namely to devise a European Strategy towards a Socio-Ecological Transition with the aim to achieve sustainability in the economic, social and environmental spheres.

<sup>2</sup> Badinger and Thillaye (2015) in their proposals for improvements in EU governance have as their focus the effectuation of the EU 2020 Strategy. The present proposal builds on their analysis, but has a goal beyond the EU 2020 Strategy.

Table 1 **WWWforEurope Targets**

Environmental targets		Social & societal targets	Targets for economic dynamics
Compliance with planetary boundaries according to Rockström et al. (2009)		Full employment also considering non-market activities	High and rising per capita income
Greening consumption, transport and living		Hedging income risk & empowerment	Ecologically, economically & socially sustainable growth
Resilience of the ecological system		Social mobility	Competitiveness (high road)
		Equality and limits to income spreads	Institutional security and stability
		More workplace participation	
		Cultural diversity (integration & openness of society)	
Cross-cutting targets	Gender Equity		
	Regional cohesion		
	Well-Being		
	Generational equity		
	High healthy life expectancy		
	Capability to Choose		
	Education		
	Diversity of life course		
Heterogeneity across regions, government structures and welfare state systems			

Source: WWWforEurope project

The WWWforEurope Transition Strategy project has defined both individual objectives for the economic, social and environmental spheres, and a number of cross-cutting targets which stretch over all three areas (Table 1). These targets are already more than “corner solutions”, i.e. while the overriding economic target is “high and rising per capita income”, the second target is already “ecologically, economically and socially sustainable growth”. This list, however, does also not address where conflicting targets exist and how the conflicts should be solved. And it does not identify priorities, and does not identify synergies.

The present essay outlines the procedural and institutional part of this Transition Strategy, where to start and which instruments to apply, but also importantly which principles and method to apply in order to resolve remaining conflicts (tradeoffs). An introductory section surveys the

literature dealing with such conflict-resolution aspects. A second section deals with a specific participatory process, proposed here as the template for dealing with conflicts. This method starts with accepting that invariably different views of the world exist which have to be taken for granted, need to be given consideration, and that pragmatic, “clumsy”, compromises need to be found to move forward. The third section proposes a replacement of existing EU growth and sustainability procedures by the development of an overarching Sustainability Strategy, combining social, environmental and economic goals<sup>3</sup>. In this sense, this essay proposes a further-going institutional change than many of the papers produced for this project (see especially the summary in Badinger and Thillaye, 2015) which suggest improvements and further developments of the existing institutional set-up, with a view to enable implementation of the 2020 Strategy.

## 1. A Stylized Conflict-Resolution Model

In order to sharpen the discussion about decision-making processes with conflicting objectives, we assume that we have three contesting, but internally homogeneous, groups: “economists”, “social inclusionists”, and “environmentalists”<sup>4</sup>. Each group holds strong views about the pre-eminence of their respective area the economy (efficiency), society (inclusion) and environment for human well-being. As a simplification, we assume that economists strive to maximize economic growth and are primarily interested in efficiency-enhancing market solutions which are necessary to reach a Pareto superior solution. Social inclusionists value labor force participation, full employment, diversity, gender equality, social mobility, income fairness and welfare-state-enhancing policies, with a view to safeguard social inclusion, even at the expense of some economic efficiency. In other words, they are less outcome-oriented and more concerned about a socially inclusive process. Environmentalists are convinced that environmental degradation is the major impediment to safeguard present and future human well-being. They are morally committed to good stewardship of the planet. They are less likely to accept tradeoffs, so important to economists’ thinking, also because of irreversibilities of some aspects of environmental degradation (e.g. climate change).

For exposition’s sake we assume that each group would, if it had the power, promote its primary objective, if necessary also at the expense of the other groups. In reality, delineations between the groups may be less clear – which would make consensual or compromise solutions easier. In addition, in reality each group also contains persons and institutions that are not radically convinced of their group’s pre-eminence, but also value some of the other targets. Such persons will play an important role in finding compromises towards solutions, which combine economic, environmental and social objectives. Decision-makers will have to use such “cross-

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<sup>3</sup> The WWWforEurope project recognizes that the present crisis goes beyond the economic realm and is an expression of a much deeper systems failure (Kramer, 2015). Fischer-Kowalski et al. (2014) insist that significant societal change needs not only technical solutions, but also institutional change.

<sup>4</sup> Caveat: The proposals in this paper on conflict solutions rely heavily on democratic systems of decision-making. It may well be that no compromise solution, neither elegant nor „clumsy“, may be possible, because one or the other interest group will not budge from its position. Another caveat is that not all solutions may be economic solutions, in the sense of „compensating the losers“. Moral or ethical solutions must also enter the decision-making processes.

over sympathizers” as a strategic asset, because they can play an important role in mitigating tradeoffs and strengthen synergies.

In such a universe we could have three types of solutions-finding procedures: In cases where there are no conflicts between the individual groups’ targets, easy consensus could result. In cases where the terrain is not contested, but where initial differences exist between the groups of which way to go, but deliberation and conviction could turn viewpoints around, difficult consensus might be reached. But in (the most likely) cases where strong viewpoints persist and deliberative discourse does not change that, pragmatic or “clumsy” compromise solutions will need to be attempted, which find solutions acceptable to each group, if not preferred by either of them. Antal et al. (2012) emphasize that regard to diversity of behavioral features of individual stakeholders is necessary in order to facilitate transition.

In reality, more than three different views may exist. That would not be a conceptual problem, it would however impact the viability of finding pragmatic solutions, as the process described below (Box 1) makes clear. In order to initiate such a conflict-solving process towards difficult compromise or even consensus, as a pre-condition, each group needs to respect the convictions of the others as equally legitimate as its own. Thus, trust and respect are necessary (Pitlik and Kouba, 2013). Each group must be made clear (by the promoters of this process) that it will not be able to get 100% of what it wants.

Operationally, in order to promote Transition, while it might be impossible to arrive at a commonly defined goal that goes more into detail than achieving a “good life” (Skidelsky and Skidelsky, 2014), it will be of utmost importance to create a deliberation and decision procedure, which will be seen as transparent and fair by all participants. Thus, when consensus on the objective proves elusive, process fairness becomes the overriding goal. In a compromise process, each contestant must not only respect the view of the others, but must accept that all views will be given equal weight in the final solution.

Renn (2014, p. 492) proposes the following pre-agreements as pre-conditions for solving the contested Transition problem:

- a) Resilience of the system goes before efficiency
- b) Social equity goes before optimal resource allocation
- c) Quality of Life is more important than material standard of living

Consensus about these priorities would already go a long way towards a solution of the Transition problem. However, such agreements cannot be taken for granted before the process of deliberation starts. Rather, it could be an intermediate target. In this listing, environmental objectives would need to be included in the “resilience” concept, which describes the ability of a system to withstand shocks, both in the economic, social and environmental spheres. The systems are not only threatened by large shocks but also by the accumulation of smaller, persistent events (e.g. gradual increase in unemployment, increasing inequality in income and wealth, persistent current account deficits, accumulation of acids in lakes, etc.). Basically all three tenets require the “economic” efficiency objective to take second place to environmental, social and “beyond GDP” considerations. Thus, while attractive for Transition-minded groups, they violate the economists’ objectives. However, they already exhibit the seeds for

compromise, since they do not talk about “zero growth”, they do not absolutely deny the ability of the economic system to generate productivity and innovation, etc (see also Renn, 1998).

**Box 1**

A good empirical example of how such a process might evolve is a case study of devising a landslide management system in Southern Italy, described in Thompson et al. (2014). The specific region is subject to earthquake, volcano and landslide risks and experienced a heavy landslide in 2005, which caused several deaths and extensive property damage. Three years later, a 25 million € management project proposed by the regional authority was soundly rejected by the population.

In 2011, the problem still unsolved, outside experts were invited to devise a more inclusive, participatory solution process. Local and regional authorities allocated a fixed sum of seven million € to solve the problem (as a hard budget constraint). An interview and questionnaire process, which resulted in 337 responses, asked citizens about their view of the problem and possible solutions. Responses were clustered into 3 “quasi-homogeneous” response groups: “Safety first” proponents preferred precautionary measures; “Careful stewardship of the mountain” people put emphasis on a more environmental paradigm, with respect to forest management and compensation of affected citizens; “Rational choice” persons required cost-benefit analysis as a way to choose between competing objectives of tight public budgets.

In a public meeting where active participation was requested, 16 persons were involved, a mix of gender, professions, education, risk exposure guaranteed. Experts from a local university designed three packages of solutions, each corresponding to one of the three groups. After further discussions of these packages, which all respected the budget constraint, nearly all participants agreed that active measures should come before passive ones, that an integral monitoring system was needed, as well as an improved warning system. Still, differences remained on where to build the passive structures, which homes to relocate (and to where), and whether the (ugly) retention structures could be hidden from sight.

In consequence, the technical experts drafted a compromise package, built on the areas of agreement, but leaving out the contested instruments. Thus, in order to bring the process to a close, the “clumsy” solution provided by the experts was agreed as acceptable by all. When compared to the failure of the much more expensive top-down solution in 2008, which had been resoundingly rejected a few years previously.

For the implementation of the WWWforEurope Strategy we propose not to take these pre-conditions as givens. This corresponds to a reality check. Rather we start from scratch and accept that very fundamental differences exist between the groups. These differences are “legitimate” in a democratic world, because they are all held by sizeable numbers of the population (Gazheli et al., 2013, Thillaye and Sachs, 2014).

## 2. The Basics of Transition Policy-Making

With respect to the discussion process of the Development Post-2015 Agenda, Inge Kaul writes: “Setting goals is a relatively easy undertaking...especially so, if one does what is currently being done..., viz: 1) selecting a large number of goals so as to accommodate the particular concerns of a wide range of stakeholder groups; 2) avoiding systematic priority setting *and not specifying synergies and tradeoffs between goals and ways to address them* (expression in italics added by K.B.); and 3) not specifying who is to contribute what by when and which overall distribution of costs and benefits to aim at.” (Kaul, 2014, p. 27). The present part of the WWWforEurope Strategy attempts to avoid this “what not to do list” and concerns itself specifically with item 2, namely how to deal with conflicting goals or tradeoffs.

When developing operational ways to promote socio-ecological Transition of our societies we need to distinguish several layers of governance: global, regional (EU), state, and the individual projects level.

It is well known that within societies, among countries, and between interest groups there are wide differences about which combination of economic, social and environmental objectives is needed in order to achieve a good life for all. The frequently vehement and often violent clashes between adherents to one or the other groups representing these positions have been discussed in the literature and in many parts of this project. These differences make it likely that “consensus” solutions towards achieving Transition towards sustainability in all areas may frequently not be possible, since different “Weltanschauungen”, views of the world, as well as different interests are strongly entrenched.

With a number of authors (see e.g. Ney and Verweij, 2014) we agree that in order to create stable, sustainable paths towards such a Transition, “corner solutions”, giving exclusive priority to one or two strands of the three hypothesized world views (economy, social inclusion, environment), while neglecting or overriding others, will not do. The reason is that the non-prioritized (“losing”) sections of society will sabotage these “solutions”, will try to subvert them, will attempt to get around them. This would be anathema to stability and sustainability (Thompson, 2008, Verweij, 2011).

Habermas (1983; 1996) contends that by means of “deliberative discourse” consensus can be established on conflicting issues. Others, e.g. Thompson and Ellis (1997), limit the possibility of achieving consensus to what they call “uncontested terrains”. For these other types of solutions must be found. By contested terrains they mean that contending and mutually irreconcilable definitions exist, of both what the problem and the solution are. Furthermore, these divergent views may not converge as the policy process proceeds (Thompson and Gyawali, 2007). In uncontested terrains, there is a single, agreed definition of the problem and of its solution (e.g. the hole in the ozone layer), and even if there is some initial difference of opinion, it may converge to a joint view once the policy process gets under way (Thompson et al., 2014). The proponents of compromise solutions argue that consensus in “contested terrain” cases is only possible if imposed from above, by some hegemonic institution; but this is not consensus (Thompson et al., 2014, p. 6), rather a dictatorial command. Furthermore, as pointed out above, such a procedure would be inherently unstable and threatened by sabotage. Both content and

the perception of procedural fairness, as well as trust are necessary for stable solutions (Heinemann and Grigoriadis, 2013).

Many of the objectives of the socio-ecological Transition are “contested terrain”. Thus, if we follow the above argumentation, they require “compromise” rather than “consensus” solutions. (This does not preclude that, wherever possible, consensus solutions should be sought.) While the latter normally achieve “elegant” solutions, or singular corner solutions, the former may require the eventual acceptance of what its proponents have called “clumsy” or “pragmatic” solutions (Thompson, 2008). These are characterized by including into the eventual solution elements of all/most of the contradictory views held by the various groups and countries, rather than aiming for a corner solution, which excludes viewpoints of the other groups.

The problem at hand is to design participatory decision-preparing and -making processes, which can result in such “unorthodox”, or “clumsy” solutions. They need to be **acceptable** to all contesting groups, while they are not preferred by either of them. Such solutions will not conform to tradeoffs along a utility curve, where one party can only gain at the expense of others. They will never be first-best solutions for either party, but should result in a higher total level of well-being for all persons concerned compared to a situation in which a corner solution had been chosen which gives preference to one group’s desires over that of others. In this way of thinking, neither hegemonic imposition, nor majority rule are conducive to such well-being enhancing compromise solutions (Heinemann et al., 2013).

This approach to decision-making deviates from purely “rational” decision-making, prevalent in economic models (utility theory) where “first-best” solutions are achieved under optimization criteria<sup>5</sup>. This implies that the conflicts/tradeoffs at hand cannot be solved via increasing the knowledge of all groups. Rather, this approach uses “behavioral” thinking, which accepts that individuals, groups, or even countries have legitimate different views of the world and thus see problems at hand in a different way, which cannot be harmonized and brought into consensus by argument, increased knowledge and deliberation. **Thus, in order to arrive at mutually acceptable solutions, these different viewpoints need to be taken seriously by the various groups and accepted as the basis for a joint solution.**

## **2.1 Equal and Wide Participation as Basis of Successful Conflict Resolution**

Today it is widely understood (if not universally practiced) that public participation both enhances the quality of solutions and the legitimacy and thus acceptability of processes, which concern the wellbeing of citizens. If consensus on the overall goal is not possible, process fairness, including public participation, is one way to arrive at a compromise. Habermas describes the “deliberative” enrichment of parliamentary democracy through participation. The U.S. Academy of Sciences (Stern and Fineberg, 1996) promoted and requested “analytical-deliberative” discourses for solving societal and environmental problems (see also Dryzek and Niemayer, 2006). The European Union in many instances recommends participatory processes,

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<sup>5</sup> Economic theory also knows „second best“ solutions, see Lipsey and Lancaster (1956).

the “Washington Consensus”-driven World Bank requires country strategies (“Poverty Reduction Strategy Papers”) to be informed by discussions with civil society groups.

While widespread consensus among (enlightened) decision-makers exists about the desirability and the importance of public participation in the run-up to decisions, there is no consensus on where participation should end. Habermas strongly argues in favor of leaving (within the national context) decision-making to the parliaments, while others suggest that there is also a role for civil society participation in decision-making itself.

When implementing the WWWforEurope Transition Strategy, it is important to include stakeholders representing as far as possible the most relevant groups in society into the deliberation and decision-making processes: in particular civil society organizations, business groups, consumer groups, labor representatives, social and environmental activists. This participation will differ as to the various regional/political levels. It is important to include into these processes not only organized groups (labor unions, business organizations, organized environmental groups), but also a small number of non-organized persons, whose experience and viewpoints may add significant input and also provide a certain amount of legitimacy (see Oehlinger and Poier, 2015).

There is a wide literature on questions of legitimacy of civil society participation (see e.g. Kaldor, 2003, p.45f., various OECD publications). While in theory it is desirable to include as many viewpoints as possible into the deliberations, there are also limits to the time, organizational and resource constraints of such processes. They will always be “incomplete” and give rise to challenges. It may be advisable to include some kind of recourse mechanism into these processes. For the WWWforEurope project, we follow Habermas by leaving the binding decisions to parliaments, but include civil society into the deliberations. This separation limits the above discussion.

Strong emphasis must be put on the selection of civil society participants, in order to enable wide-spread participation from all strands of society. The danger here is that a middle-class bias exists and organized interests swamp the process, while affected persons, less well educated and articulate, will not be heard.

While business interests in favor of the economic strand are very well organized and exert strong lobbying influence at the level of EU and national decision-making, labor interests are also relatively well represented by the EU Trade Union Confederation. Both organizations are already included into EU economic policy making via the Macroeconomic Dialogue. Consumer and other social interests, but especially environmental advocacy are much less well organized. In deliberation and policy making towards the WWWforEurope Transition Strategy, this imbalance must be leveled out if successful commitments are to be reached by all groups.

## **2.2 The Role of Experts in the Decision-Making Process**

Experts play an important role in deliberations and decisions. The roles ascribed to them run from the “philosopher-king” approach, where experts have superior knowledge and should not only advise, but decide, “because they know best”, to the realization that objective knowledge does not exist. Experts have their own coordinate system which makes them tick, and should be restricted to giving advice on facts (Linnerooth-Bayer et al., 2014). Renn (2014) describes four

“systems” which need to act together, in order to make important systems decisions: market, state, civil society, experts. He sees each of these systems as mainly responsible for one of four areas essential to arrive at decisions: efficiency, fairness and social responsibility, insights, resilience. The market, the “economic system” whose task is to negotiate different interests, is responsible for efficiency; the state, the “political system”, through legitimation, norms, laws and programs, is responsible for the resilience of the total system; experts, the “knowledge system” have the task and the ability to establish scientific certainties, based on evidence, and thus would be responsible for insights; and civil society need to establish mutual understanding, values and social preferences, and would be responsible for the “social” system (Renn, 2014, p. 533, Figure 27).

This schematic attribution of roles seems highly questionable, especially the role of experts, to whom Renn ascribes the ability to jointly establish “truths” about societal, economic and environmental problems. He seems to ignore the fact that experts are not value-free themselves, thus the establishment of “final truths” by them will not be possible. The recent debates among scientists about the economy since the start of the present crisis, about anthropogenic climate change, about e.g. the effects of wage policy or migration on the wage level, all should suffice to put a very big question mark to this assessment of the role and ability of experts<sup>6</sup>.

Further doubts on the exaggerated role of experts are sown by a recent paper (Fourcade et al., 2014) which empirically “proves” the “superiority of economists” over other social scientists, mainly, but not only, in their self-assessment. This claim is mainly based on their self-proclaimed “superior scientific content and methodology” (p. 4). In this understanding, it is perfectly legitimate for economists to branch out into all fields of human behavior (“economic imperialism”), as exemplified by the seminal studies by neo-classical 1992 Nobel Laureate Gary Becker. He wrote on marital relations, race discrimination, allocation of time, crime and punishment decisions, economics of family and many other topics. Another example is Yale economist William Nordhaus (1969) on environmental issues, who, like Becker (and many others) nonchalantly subjects such societal topics to strict neo-classical efficiency considerations. Recently, this narrow, mathematical-model-based “superiority” has been called into question by both students and some professors of economics, when they requested more reality-based, inter-disciplinary, context- and history-based qualitative content of economics teaching.

This digression is not meant to diminish the role of experts, who are necessary to help design informed decisions – but they cannot be the only arbiters of what is right and wrong. Ideally, they would be included into certain stages of the deliberation process as providers of information and analysis of effects, but always with the proviso that they reveal whether other approaches exist and why they adhere to theirs. Their role is to advise, but not to decide.

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<sup>6</sup> This can also be observed within the WWWforEurope project, both in studies which describe such conflicts see e.g. Pitlik and Kouba (2013), Heinemann and Grigoriadis (2013), but also between individual projects, see e.g. Gazheli et al. (2013), Licht and Peters (2014), Dohse and Gold (2014).

A large body of recent research has shown that the role of civil society in decision-making is not only that of (passive) recipients of expert wisdom. Their participation in the deliberation and decision-making processes can increase public awareness, take account of local, regional or personal concerns, bring new options to light, add lay knowledge and thus enhance not only the legitimacy and acceptability of the process, but also the quality of the eventual solution. In addition to these arguments, directives of the European Union and similar measures in other countries, especially in the U.S. (Stern and Fineberg, 1996) have called for public participation in order to increase transparency and fairness of institutions and procedures. This does not imply that public participation as such is a panacea for solving conflicting problems. Such processes need to be carefully designed; they need to be able to combine technical expertise with deliberations of holders of disparate values and preferences, in order to enable effective and efficient problem solutions.

### **2.3 The Role of Subjective Behavior**

A successful socio-ecological Transition strategy cannot rely exclusively on top-down approaches, instigated and executed by enlightened politicians. It also needs to take attitudes and “values” of individuals into account. To some extent, this is being taken care of in the present proposal by including in the deliberation and decision-making processes a variety of groups with different, sometimes diverging attitudes. In order to identify binding constraints to “easy” solutions, it is necessary to know about peoples’ attitudes and values.

Tichy (2013) extensively reports on theoretical and empirical research on subjective well-being, where populations are asked about their preferences, their worries, their life circumstances. As an example, the regular Eurobarometer surveys canvass material and emotional well-being aspects and assessments by the EU population. In the most recent surveys, economic (unemployment, inflation) indicators comprise the main priorities of Europeans, followed with some distance by health and welfare provisions. Environmental concerns come last (on average, only 4% of EU citizens mention environmental concerns as their first worry, while 51% worry most about unemployment, and 20% about inflation). It is interesting to note that while the disregard for environmental problems is spread quite evenly across the EU, the strength of the economic indicators differs quite substantially. It is also an interesting result of this research that when asked about the same array of problems for the addressee herself, her country and the EU, assessments differ: on balance, more problems are seen for the country than for oneself. This has been interpreted as a type of fatalism (“there is nothing I can do about that, but the country or the EU shall solve the problem”). This research also shows that most EU citizens underestimate their own willingness to change, and seem themselves as rather flexible, while in reality, resistance to change which affects oneself, is rather strong.

For the WWWforEurope project, several lessons need to be learned from this research. One, when we talk about effective Transition, technical solutions alone will not suffice, but behavioral change will be required. Policymakers must be prepared for encountering strong resistance. Second, Transition towards ecologically sustainable solutions will need strong interlocutors, because the environment has no, or only relatively weak lobbyists, while the defenders of the economic and also of social status (labor unions, workers, consumers, businesses) are

identifiable and politically strong. Third, at the various “regional” levels (next section), policy solutions might need to differ. And fourth, while attitudes towards solving specific problems may be conducive to solutions in the short run, they might run into (foreseeable and non-foreseeable) controversies in the long run, in the way of time-inconsistency patterns. All in all, it is our conviction that in addition to top-down approaches, bottom-up approaches will be needed; in addition to technology breakthroughs, significant changes in individual and business behavior will be necessary in order to bring Transition forward.

### **3. Implementation of the WWwforEurope Transition Strategy**

#### **Regional and Institutional Dimensions: The European Union**

Our proposed Strategy is intended to be an EU Strategy. Thus, the European Union in all its formations and states and citizens is its main addressee. Since the EU is not alone in this world, but part of global society and economy, the Strategy must also consider both the global as well as the national levels. The following embeds the Strategy (regional macro) into a global-macro, national-macro and national-micro regional levels. The further down the regional scale the strategy is implemented, the more acute will be the necessity for solving tradeoffs between competing goals.

In mid-2015 the European Union has not yet overcome the financial crisis which started in 2008. Economic performance is still below its pre-crisis level, unemployment excessively high and still rising, with youth unemployment threatening political and social cohesion, deflation is looming, inequality and risk of poverty are increasing, and the environmental situation has become better in some fields only as a result of the recession. Therefore, a Transition Strategy must at this point prioritize economic recovery, but such a short-term anti-crisis economic strategy must be chosen in a way that socio-ecological goals are set on the correct path for future developments. The WWwforEurope project analyzes and evaluates the crisis measures and the “New Economic Governance”, the EU has undertaken since 2010, including some of the other recent proposals made towards overcoming the crisis (see Badinger and Thillaye, 2015).

### 3.1 A Global: Declaration

Even though the WWWforEurope project is mainly concerned with a strategy for the European Union, this might be enhanced if it were part of a global strategy. While at the global level an international agreement towards Transition at UN level<sup>7</sup>, comprising all states, would be desirable as a general policy guidepost, it seems unlikely that this could be more than a very general declaration, e.g. to strive towards sustainable humane and dignified conditions of life. It could be based on elements of the Universal Declaration of Human Rights, (Article 28: “Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized”), the ILO Mission (“Today, the ILO helps advance the creation of decent work and the economic and working conditions that give working people and business people a stake in lasting peace, prosperity and progress”), and UNEP (e.g. Policy Statement at the Opening of the 2013 Nairobi Conference: “The Future We Want: places the environmental dimension on par with the economic and social, and recognizes their inherent integrated nature; calls for the formulation of sustainable development goals for focused and coherent action, integrated into the United Nations”), or Principle 1 of the Rio Declaration on Environment and Development (“Human beings are at the center of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature”). The impending global 2015 meetings on Financing for Development, on the Sustainable Development Goals and on Climate Change all could be integral parts of such a declaration.

As UNEP’s Deputy Secretary General declared in the above statement, such a declaration would need to integrate economic, social and environmental goals and put these three strands on an equal footing. At this global level, such a declaration would not have to deal with potential conflicts among the sub-goals of Transition, but it would be important to put the three strands on an equal footing. The negative experience of past global/multilateral initiatives in this field, however, requires the EU (maybe together with a “coalition of the willing”) to move forward with socio-ecological transition.

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<sup>7</sup> This process could be modeled along the Rio+20 Declaration which decided to establish an “*inclusive and transparent intergovernmental process open to all stakeholders, with a view to developing global sustainable development goals to be agreed by the General Assembly*”. In the Rio+20 outcome document, member States agreed that sustainable development goals (SDGs) must:

1. Be based on Agenda 21 and the Johannesburg Plan of Implementation.
2. Fully respect all the Rio Principles.
3. Be consistent with international law.
4. Build upon commitments already made.
5. Contribute to the full implementation of the outcomes of all major summits in the economic, social and environmental fields.
6. Focus on priority areas for the achievement of sustainable development, being guided by the outcome document.
7. **Address and incorporate in a balanced way all three dimensions of sustainable development and their interlinkages.** (emphasis Kurt Bayer)
8. Be coherent with and integrated into the United Nations development agenda beyond 2015.
9. Not divert focus or effort from the achievement of the Millennium Development Goals.
10. Include active involvement of all relevant stakeholders, as appropriate, in the process.

### 3.2 EU: Call for an Overarching Transition (Sustainability) Policy

At the macro-regional level (e.g. the European Union) both the objective and the relevant strands towards fulfilling the objective require concrete decisions<sup>8</sup>. A very general objective, namely long-lasting humane and dignified circumstances of life for all people, in short a “good life”<sup>9</sup>, should become an agreed policy goal. Art. 3.1 of the Treaty of the European Union proclaims this goal<sup>10</sup>: „The Union’s aim is to promote peace, its values and *the well-being of its peoples*“ (emphasis added K.B.). Taking the founding parents of this treaty at their word, one can legitimately ask which operational consequences this objective involves. The WWWforEurope project aims to operationalize just that.

Renn (2014, p. 498ff.) defines such a decision as requiring 3 sub-goals: continuous provision with the economic and social and environmental (added by me, K.B.) resources necessary to lead a dignified life; equitable distribution of access to these resources, both horizontally and vertically (over time, i.e. generations); safeguarding individual self-fulfillment on the basis of adequate resources.

This definition concerns the three dimensions economic growth – social cohesion – environment jointly in order to fulfill this “beyond GDP” goal (see also Aiginger et al., 2013). This should become the overarching goal of the EU policy making, as laid down in Art. 3 TEU (with the addition of environmental targets). Following this TEU objective, a joint declaration of this holistic goal by the European Parliament, the European Council and the European Commission, making this the basis for an overarching direction of EU economic, social and environmental policy-making would be necessary.

When we look at EU reality, we see that both in EU policy-making, but even more so in “reality”, at present the economic objective takes precedence. In the EU Commission context, this can be seen in the predominance of the Economic and Financial Affairs, Taxation and Customs Union Commissioner relative to other economic, social and environmental portfolios. Another example would be the reluctance of the EU Commission to engage in questions of the member states’ policy mix, i.e. allowing nuclear energy as “renewable”<sup>11</sup>. In reality, and this goes far beyond the

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<sup>8</sup> It is necessary to point out that the EU has a wide variety of relevant Strategies and Actions Plans already in place. The 2020 Strategy for Smart, Sustainable and Inclusive Growth contains many relevant elements, the Sustainability Strategy with the 7<sup>th</sup> Action Plan contains valuable building blocks for maintaining the environment, the European Employment Policy, taking its inspiration from the 2020 Strategy locks employment targets into the mechanisms of the Annual Growth Survey, part of the „European Semester“, which promotes closer coordination of national economic and fiscal policies (see Badinger and Thillaye, 2015).

While all these are important building blocks towards a new Comprehensive Sustainability Strategy proposed here, they lack coherence, wider acceptance mechanisms, mechanisms to deal with conflicts, as well as binding and enforceable commitments.

<sup>9</sup> The concept of a “good life” goes back to the Nikomachean Ethics of Aristotle and has been the subject of philosophical and religious thinking through the ages. More recently, John Maynard Keynes, in his 1930 essay „Economic Possibilities for our Grandchildren“ applied this concept in a „beyond GDP“ sense.

<sup>10</sup> [http://europa.eu/eu-law/decision-making/treaties/pdf/consolidated\\_versions\\_of\\_the\\_treaty\\_on\\_european\\_union\\_2012/consolidated\\_versions\\_of\\_the\\_treaty\\_on\\_european\\_union\\_2012\\_en.pdf](http://europa.eu/eu-law/decision-making/treaties/pdf/consolidated_versions_of_the_treaty_on_european_union_2012/consolidated_versions_of_the_treaty_on_european_union_2012_en.pdf)

<sup>11</sup> See especially the 2015 EC decision to allow subsidization of the UK Hinkley Point nuclear reactors.

EU, it has been economics and growth, and business and financial markets interests, which have driven EU development, even at the expense of social and environmental goals.

If the EU takes Transition seriously, the potential conflicts between growth (business) interests and social and environmental concerns must be taken out into the open and clearly addressed and discussed, with the participation of organized and non-organized stakeholders (civil society). It must be made clear that Transition requires hard decisions, and will encounter very strong political and lobbying opposition. The irreversibilities of many environmental and climate developments, as well as the increasing social and political fragmentation as a result of wealth and income concentration and long-term unemployment, together with the significantly falling wage share require that also some decisions must be made against growth and economic interests, in order to enable Transition. Even at the declamatory level, understanding for the existence of these conflicts and the pertaining tradeoffs must be generated. Kratena and Sommer (2014) in their WWWforEurope Policy Brief No. 6 deal with the importance of a clear communication strategy of reform goals, credible political commitment, the fairness of procedures and norms, trust formation and social learning as important preconditions for the acceptability of reforms. To ignore these tradeoffs at this regional/political level will render trade-off decisions at the lower regional levels ineffective.

There are several dimensions where this new direction should enter EU decisions in the future, each of them requiring different consultation and developing binding mechanisms. These should follow the above laid out decision-preparing principles.

### **3.2.1 Mainstreaming the Transition objective in all EU decisions**

EU economic, social and environmental policies (including energy policy) need to be put into a coherent overall framework, instead of the present fragmented policy-making by each relevant Commissioner and her staff. The following proposals will need to be checked against the (problematic) decision rules and majority requirements enshrined in the EU Treaties and practice. The Lisbon Treaty strengthens democracy elements and contains seeds of “deliberative democracy” (Habermas) elements, with fledgling institutional provisions, like the Social Dialogue or the Committee of Regions as examples for functional and territorial participatory processes, as well as the European Citizens Initiative (see e.g. Best et al., 2011). This objective would very likely come in conflict with the dominant role of budget consolidation as EU economic policy, which has led to stagnation in the EU and Eurozone, to excessive unemployment and impoverization of large segments of the populations in the “program countries” and beyond.

#### **3.2.1.1 Starting Point: A European Public Awareness Campaign**

In order to garner general support in the EU population, the EU authorities, i.e. the Parliament, the Commission and the Council should jointly organize and engage in an information campaign, which lays out the major issues of Sustainability Transition as a new direction for EU social and economic policy. In order to be successful, all parts of the European Union and the member states need to play their parts. While this should be a general campaign to promote socio-ecological Transition, potential conflicts and synergies should be mentioned, as well as

procedural ways in which implementation of such a Transition Strategy would be pursued (see below). The purpose of this campaign is to inform the public about the importance of environmental, social and economic goals, about the need to change course because of irreversibilities especially in the environmental and political (social cohesion) spheres. The campaign must also address the need for each EU citizen to play her part in Transition, stress individual commitment and institutional responsibilities. As research on Subjective Well-Being and Eurobarometer show (see Tichy, 2014), concern in the European population about environmental problems ranks far below other worries people have. This implies that both the synergies with social and economic strands need to be stressed, when the public is informed about the binding environmental developments which put a brake on unfettered economic growth.

While guidelines for this campaign need to be developed at the EU level along the lines of the WWWforEurope Strategy, each member state should be engaged in this campaign, as well as civil society, business, consumer and labor organizations. This campaign could be pursued simultaneously with the steps outlined below. All the institutes participating in the WWWforEurope project should be enlisted as expert witnesses in this campaign.

#### **3.2.1.2 An EU Parliamentary Enquiry**

The operational starting point should be an EU Parliamentary Enquiry in which parliamentarians, the EU Commission, organized and non-organized members of civil society, national representatives discuss with the help of experts how the EU should implement the WWWforEurope Comprehensive Strategy towards Transition. In this endeavor, the EU Parliament would have to involve and closely coordinate with member states' parliaments. This is already provided for in Art. 12 EUV, which ascribes a contributory role to national parliaments in EU decision making<sup>12</sup>. This would not be a decision-making setting, but rather an advisory and discussion platform in which the major strands of a Transition Strategy would be explicated, various interest groups be able to voice their ideas and concerns, and the major conflicting lines or tradeoffs be laid bare, as well as synergies be defined. This new instrument of deliberation could become a role model for other future Enquiries. At the beginning of this Enquiry the objective of this process, the principle that all interests voiced (bona fide) are to be taken seriously by the participants, that the objective of the whole process would be to ensure the medium-term achievement of sustainable development of the economy, the social sector and the environment and thus of EU (and global) society. The relevant parliamentary committee would be tasked with guiding this discussion (with the help of experts) and be responsible for inviting the relevant civil society groups and experts. The ensuing report would be published, the meetings be open to the European public.

#### **3.2.1.3 Institutional Setup of the Commission: A Sustainability Vice-Presidency**

The present Commission has already made some institutional progress in this direction by subjugating a number of individual Commissioners under the competency of vice presidents.

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<sup>12</sup> "National Parliaments contribute actively to the good functioning of the Union", eur-lex.europa.eu.

Concretely, a Vice Presidency for Comprehensive Sustainability should be created and assure that all decisions at the Commission level actively pursue Transition objectives, and discourage programs, projects and behavior (by both the Commission and member states, where appropriate) which might violate Transition objectives. This would also promote trust by citizens in the direction towards transition (Pitlik and Kouba, 2013).

### **3.2.2 EU Comprehensive Sustainability Program as Basis for Member States Sustainability Programs**

This Sustainability Vice Presidency would then design a very broad EU Comprehensive Sustainability Program (together with the Council and the European Parliament) based on the results of the Parliamentary Enquiry. This then would become the “blueprint” for Member States’ Annual Sustainability or Transition Strategy, jointly developed by the relevant Commissioners and approved by the Council, with wide inputs from civil society, business organizations, social and environmental groups, both organized and non-organized. This Strategy would replace the existing 2020 Strategy, which already contains a number of indicators relevant for all three sustainability areas. In contrast to this 2020 Strategy, however, it would extend social inclusion and environmental indicators and would stress that these are joint objectives with – conceptually – equal weights. This program (strategy) would also incorporate the main lines of Member States’ own submitted Sustainability Programs. The disbursement of Regional and Cohesion Funds would be based on Transition objectives (Thillaye, 2013) rightly is sceptical about the efficacy of such EU budget conditionality, especially if it leads to reductions in allocations because of non-performance, but the above proposal is not an ex-post sanctioning mechanism, but rather would form the new basis for allocations. In this way it resembles the “Juncker Plan” for investment.

At this level it would not be necessary to solve potential conflicts between the three strands of Transition, since targets should be set and project directives be developed which move in the general direction of Transition. However, it would be essential to declare the “parity” of economic, social and environmental goals in making relevant decisions.

While it would be desirable to base the decision-making and implementation procedures on the Community Method (because of its wider applicability and enforceability), it might be necessary to base it on the Open Method of Coordination if it contains elements beyond the Community Method. It might be desirable to develop a new methodological coordination and implementation mechanism, combining both methods strengths and avoiding their weaknesses. Thillaye’s proposals (2013; Thillaye et al., 2014) to transform the European Semester into a high-level political debate, with increased interaction between national parliaments, social partners, and EU institutions when drawing up and discussion national reform programs, and applying the existing Macroeconomic Dialogue towards this end, is one possible, if not far-enough-going possibility to move the EU towards Transition.

### **3.2.3 The EU budget**

In the next “Multi-Annual Financial Framework” (2021-2027) the EU budget must focus on the new strategy towards socio-ecological Transition. In the upcoming mid-term review of the present budget framework (2016) this objective should gain prominence and induce the EU

parliament, the Council and the Commission to endorse this. This requires hard decisions, since the present sectoral (and by this token) member-state distribution of financial flows will require very significant change from that of the present framework. Additionally, in order to gain traction towards our goal, the EU budget would need to be significantly increased (at least doubled). While it would be politically difficult (based on previous experience) to increase member states' contributions, new EU-wide taxes, e.g. the long-discussed Financial Transactions Tax or a Carbon Tax, could be used to enhance direct EU resources.

When the Transition objective is mainstreamed, all EU financial flows (under whichever title and from whichever fund) must be directed towards fulfilling this objective. On the one hand, such a re-direction of the relatively small EU budget (at present around 1% of GDP, later maybe up to 2-3% of EU GDP) would have great signalling value, showing member states (and the rest of the world) that the EU is serious about transition. On the other hand, changing the guidelines of the structural and cohesion funds, of development aid and other budget items to support this objective will have significant "real-life" effects, as it will direct EU-supported projects towards transition. The 2016 mid-term review should set out to develop both indicators and mechanisms to effectuate these budgetary decisions. As a rough guide, the predominant share of agricultural expenditures would need to be significantly reduced in favor of social inclusion and environmental objectives, with a special view towards significantly strengthening R&D expenditures for socio-ecological objectives.

### **3.3 National-Macro: The Short and Medium Term National Transition Programs: Hard Policy Decisions**

At the National Level, corresponding Sustainable Development or Transition Programs would need to be developed, which would be based on bottom-up and top-down deliberative participatory processes, involving the relevant ministries, local authorities, experts and civil society organizations. Within the budget and regulatory constraints of each country, tradeoffs would need to be defined, decisions about an optimal, country-specific combination of market incentive mechanisms and command-and-control type instruments would have to be made, with the inclusion of expert advice and inputs from civil society in participatory processes. Especially the role of prohibitions, of banned behavior and developments would have to be decided.

While the major decision point would be national programs, they would also consist of bottom-up sub-regional components. The WWWforEurope project has developed a number of very important ideas at the level of cities, of regional labor markets and specific rural area problems, each of which can contribute significantly to the achievement of comprehensive sustainability. The important point here is that each of these regional dimensions has potential in very specific and unique contexts, which concern economic, social and environmental aspects (see Sauer et al., 2015). This implies that while overall targets can be set at the EU level, the diversity of contexts, both geographical, historical, economically, socially and environmentally need to be respected, in order to make implementation and acceptability possible.

It would be mainly at the program level, when national budgets are drawn up that the above discussion and decision-making mechanisms would apply.

### **3.4 National-Micro: Programs and Projects Decide among Competing Objectives**

This is even truer at the individual project level where competing interests and world views come most strongly into focus. There, guided participatory processes as the one described above, could help move projects forward. They would have to be guided by process experts, and include authorities, technical experts, businesses and civil society, the latter both in the form of organized groups and concerned and affected individuals. The big “culture change” would be not to necessarily attempt to find consensus solutions, but rather strive for “clumsy” solutions, built on mutual acceptance and respect.

## Summary of Policy Points

### 1. Joint Achievement of Social, Economic and Environmental Targets (= Comprehensive Sustainability) Requires Identification and Recognition of Synergies and Tradeoffs.

The innovative point of the WWWforEurope project, setting it apart from other strategy efforts, especially from the European Union, is to recognize the interactions and tradeoffs between the individual strands in the social, environmental and economic fields when one strives towards sustainability in all three fields. This means to recognize that processes to implement this strategy must deal explicitly with potential and real conflicts (tradeoffs), where synergies do not exist or cannot be generated. Thus, priorities and tradeoffs must be encountered head-on. Among the three main policy actors towards Transition, the environment's interests have by their nature the weakest "representation", thus require substantial institutional support from business and also (less so) social inclusion interests.

A Transition Strategy towards Comprehensive Sustainability for the EU would benefit from global transformation towards more environmental protection, social cohesion and economic dynamics. But the EU cannot wait for the world to go there, because its own "comparative advantage" on the global stage is this unique combination of social, environmental and economic targets which must be strengthened.

Such a Transition Strategy towards a "sustainable world" would, however, come into conflict with the prevalent economic strategy of budget consolidation, which has led to stagnation, deflation and excessive unemployment in many countries. Thus, an active growth policy needs to take precedence before austerity, in order to pave the ground for widespread positive support of a sustainability strategy.

### 2. Institutional Actors and Instruments

The strategy formulation will require as its bedrock an EU-wide information and advocacy campaign to familiarize populations and stakeholders with the advantages of the European model, which takes irreversibilities in the environmental field seriously, protects societies against disintegration through further inequalities and aims to maintain and strengthen economic dynamics in the face of population ageing, globalization and environmental bottlenecks.

Institutionally, the EU Parliament should initiate (together with national parliaments) and organize a thorough Parliamentary Enquiry into the desirability and problems of a Transition Strategy, whereby civil society organizations, non-organized civil society, business, consumer and labor interests are included at eye-level with each other and expert witnesses are heard.

The EU Commission should rearrange its portfolios to create a Comprehensive Sustainability Vice Presidency, with oversight over the economic, social and environmental portfolios. On the basis of the results of the Parliamentary Enquiry, the Commission (with the possible help of non-EU personnel) should draft Guidelines for a Comprehensive EU Sustainability Strategy, to be discussed and approved by the EU Parliament and the Council, after consultation with civil society.

These Guidelines should form the basis for National Sustainability Programs as successors to the Reform Programs foreseen in the 2020 Strategy (which would be replaced by the Comprehensive Sustainability Strategy). Thus, general EU-wide guidelines and targets would be issues, but the methods and steps by which each country pursues this strategy would be diverse, depending on each EU Member State's circumstances. However, deliverables would be fixed and their timeline and achievement monitored.

Within each country, specific sustainability projects would be designed, in order to fulfill the targets. These would use all sub-regional units, cities, rural areas and their interactions to develop Comprehensive Sustainability projects. It is the choice of these projects, which will make tradeoffs between different strands of Sustainability visible, and will call for conflict resolution. Within each country, civil society would be included into monitoring mechanisms.

Since it is the aim of the WWWforEurope project to make Sustainability the overarching goal of EU and national decision-making, mainstreaming Sustainability considerations into all policy fields is essential. For the EU, this means that existing instruments, like especially the EU budget (Medium-Term Framework) and the Cohesion and Structural Funds will have to incorporate this objective in new guidelines. A significant increase and a rearrangement of EU budget priorities will be an important step in this direction.

Transition towards a better socio-ecological future will only be possible and successful if the ways towards achieving it are accepted by a very large number of people and interests. Decision-preparing and -making processes will have to take account of widely different viewpoints and behaviors of the European population, diverse interests and very different regional and cultural contexts. Successful implementation implies that these differences are accepted by all participants as legitimate, if narrow, points-of-view. While bottom-up participatory processes are crucial to activate local and personal know-how and to generate acceptance and legitimacy of possibly painful adjustments, also top-down guidance is necessary in order to align the diverse micro approaches with an overarching desirable transition path.

Policymakers must be aware that in order to find compromises, they will not only have to convince, but also will encounter strong power struggles. Decision makers need to realize that all compromise solutions are based on some sort of concept of democracy. This may find its limits when very strong vested interests refuse to budge. At the present time, within the EU we do not want to contemplate possible ways out. Since the Strategy aims at "marrying" social, environmental and economic goals, potential conflicts cannot exclusively use economic (efficiency) considerations as guideposts.

Within each country, the individual projects pursued will require the most specific conflict-solving procedures, in order to solve contested tradeoffs between the individual strands of Transition. These processes will have to include the viewpoints of all stakeholders into a multi-stage deliberation and decision-making process. When priorities and objectives are contested, pragmatic compromises ("clumsy solutions"), rather than consensus, will be the best available decision rule guaranteeing effective implementation. At the national level, it will still be the parliaments taking the final decisions on projects and programs. They will need to be informed, however, by wide-ranging participatory deliberation processes.

Transition promoted in such a way will not occur as a “big bang”, nor as an “elegant”, one-directional solution, but rather as a multitude of many smaller, diverse steps, which move European societies in a “pragmatic” or “clumsy” way towards a better life for all. Sequencing individual steps with different time horizon will form an important part of such a Strategy, the more so as the European Union at this time still has not emerged from the deep crisis, which makes short-term crisis fighting the most immediate agenda item. However, the proposed Strategy should contribute towards already now laying the basis for long-run Sustainability, also in the social and environmental fields. Certain “red lines” could be defined along the way, where social or economic or environmental paths are chosen which strongly violate the sub-objectives of one or two of the other strands. In this case, such developments would have to be prevented or forbidden.

### 3. Decision-making Rules

At present, EU decision-making is based on a wide variety of decision-making rules. Some issues (like the MTF) require assent by both the Council (in this case unanimity) and the Parliament and build on proposals by the Commission (“community method”). Other issues are based on the Open Method of Coordination (OMC), where member states develop plans based on EU guidelines and the Commission, together with the Council monitor progress. Frequently, the OMC has remained at the level of declamatory policy-making, without leading to the desired results. Still others, where a number of member states want to go forward with specific integration measures (e.g. a Financial Transactions Tax), are in effect inter-country commitments to achieve certain goals, where other member states feel unwilling or unable to go along (“enhanced cooperation”). There is a long discussion about the appropriateness of the voting shares of countries, both in the Parliament and in the Council. In order to make the achievement of a Comprehensive Sustainability strategy possible – and to include not only the EU institutions proper, but also organized and non-organized civil society in the deliberation process – all existing, and possibly additional decision-making mechanisms are necessary. It is obvious that mere declamatory politics is not sufficient to solve the inherent conflicts, but that binding decision-making is highly desirable, which must include sanctions of various kinds in order to be effective.

It will be highly desirable that all EU member states pursue this strategy, thus “enhanced cooperation” for the highest level is not possible. While it would be desirable that all member states implement this strategy vigorously, unanimity would be undesirable, since this implies veto power for each country. While in reality, the stance of each member state with respect to Comprehensive Sustainability is very uneven, it would be undesirable to have dominant leadership of this process by one or two (large) countries. It is the role of the community institutions, parliament, council and commission to move the EU forward, while taking diversity into account. As has been seen in other policy fields, too strong domination of individual or two countries works against strong acceptance by other countries – who might feel coerced. The spread between the high ambition of this strategy (requiring unanimous consent) and implementation, given very diverse contexts, makes a multitude of decision rules essential.

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## **Project Information**

### **Welfare, Wealth and Work for Europe**

#### **A European research consortium is working on the analytical foundations for a socio-ecological transition**

##### **Abstract**

Europe needs change. The financial crisis has exposed long-neglected deficiencies in the present growth path, most visibly in the areas of unemployment and public debt. At the same time, Europe has to cope with new challenges, ranging from globalisation and demographic shifts to new technologies and ecological challenges. Under the title of Welfare, Wealth and Work for Europe – WWWforEurope – a European research consortium is laying the analytical foundation for a new development strategy that will enable a socio-ecological transition to high levels of employment, social inclusion, gender equity and environmental sustainability. The four-year research project within the 7<sup>th</sup> Framework Programme funded by the European Commission was launched in April 2012. The consortium brings together researchers from 34 scientific institutions in 12 European countries and is coordinated by the Austrian Institute of Economic Research (WIFO). The project coordinator is Karl Aiginger, director of WIFO.

For details on WWWforEurope see: [www.foreurope.eu](http://www.foreurope.eu)

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