

# **Sustainable Welfare in the EU: Promoting synergies between climate and social policies**

**Max Koch**

*Lund University, Lund, Sweden*

**Anne Therese Gullberg**

*CICERO - Center for International Climate and Environmental Research  
Oslo, Oslo, Norway*

**M i Ah Schoyen**

*NOVA Norwegian Social Research, Oslo, Norway*

**Bjorn Hvinden**

*NOVA Norwegian Social Research, Oslo, Norway*

## *Abstract*

The commentary addresses the scope for synergy between climate change policy and social policy in the European Union from a ‘sustainable welfare’ perspective. The emerging sustainable welfare approach is oriented at the satisfaction of human needs within ecological limits, in an intergenerational and global perspective. While the overall goals of EU climate policy and EU welfare policies largely reflect this orientation, there are significant differences in policy priorities. A ‘policy auditing’ approach towards sustainable welfare defines critical thresholds for matter and energy throughput to identify how much room there is for economic and societal development. However, the EU refrains from prioritizing environmental over other, especially economic, goals and displays a remarkable degree of optimism in relation to the extent to which one can make these different policy goals compatible.

## KEYWORDS

Climate change; Welfare; Sustainability; EU policies; Synergy

**Published in final version by**

***Critical Social Policy* 2016, Vol. 36(4): 704–715**

**DOI: 10.1177/0261018316654614 csp.sagepub.com**

## **Introduction**

The natural sciences agree that observed increases in average global temperatures over the past century are due in large part to the anthropogenic emission of greenhouse gases, primarily stemming from fossil fuel combustion and land use changes such as deforestation (IPCC, 2014). Climate change affects the natural and physical circumstances in which people live. By the end of the 21st century, the global surface temperature increase is expected to exceed 1.5°C relative to the period 1850-1900 in all but the lowest scenario considered (IPCC, 2014). Other scenarios predict global temperatures to rise by as much as 4.8°C. The higher end of this range – and particularly the high speed of the temperature rise – would be unprecedented and accompanied by unknown levels of conflict (Stern, 2009). Climate change, therefore, comes with wide-ranging social implications, raising a number of practical as well as normative challenges for modern welfare states and social well-being at different levels of governance.

In this commentary, we first address these challenges at a theoretical and normative level. Based on a brief re-contextualization of existing research on welfare and sustainability, we outline the main goals of a ‘sustainable welfare’ approach, including its geographical reach and orientation. Considering climate change as both a socio-ecological issue and a threat to European welfare states, we make the case for a theoretical integration of social welfare and ecological sustainability research into a common concept of ‘sustainable welfare’. Next, we ask whether EU climate and welfare policies – and the Europe 2020 strategy more generally – embody a sustainable welfare approach. Since the EU is a key international political and economic actor and gives important directions for actions at the national level in Europe, its approach to climate change is of global significance with social as well as ecological implications.

## **Sustainable welfare**

Until now, scholars have usually carried out research into social welfare and ecological sustainability without much cross-fertilization. Welfare is commonly conceptualized in socio-economic terms, highlighting equity and distributive issues within growing economies in terms of GDP and social risks such as ill-health or unemployment, while social policy is often conceived as the ‘public management of social risks’ (Gough et al., 2008). Much current welfare literature centres on the crisis of post-war welfare state arrangements and on readjustments following the 2008 financial and economic crisis. Ecological concerns, which were raised as early as the 1970s (Meadows et al., 1972), keep being ignored in social policy debates. Direct and indirect climate change-related challenges are not normally regarded as ‘social’ risks. Although much recent research suggests that one cannot generalize Western production and consumption standards to the rest of the world due to ecological limits (Jackson, 2009; Koch, 2012), neither decision-makers nor policy scholars have paid much attention to the relevance and potential implications of environmental sustainability issues for welfare theory and social policy.

How does the meaning of welfare change if we take environmental sustainability seriously? We suggest that what Langhelle (1999) calls the ‘sustainability proviso’ has implications for the



scope and direction of welfare policy, giving a greater weight to distribution and justice across nations and generations. The argument is that along with social and economic issues, ecological considerations are inter-related pillars of sustainability. Given the anticipated major consequences of climate change, climate policy is at the core of the ecological dimension. A necessary condition for sustainability is that the goals and approaches within each pillar are consistent with what is going on in the other two.

Accordingly, welfare researchers would need to make their theories, which tend to focus on the experiences of advanced democracies, compatible with sustainability approaches. Already the original 'Brundtland report' on sustainable development (WCED, 1987) reflected the insight that that Western material and social standards are neither compatible with core principles of ecology nor with global and intergenerational justice. This helped set in motion what many now argue are the three mutually reinforcing and critical aims of sustainable development: the 'improvement of human well-being; more equitable distribution of resource use benefits across and within societies; and development that ensures ecological integrity over intergenerational timescales' (Sneddon et al., 2005: 255-6). Sustainable development has two sub-concepts: a) the 'concept of human need, especially those of the world's poor, to which overriding priority should be given; and b) the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs' (Langhelle, 1999: 130; WCED, 1987: 43).

Until the economic crisis of the 1970s, few challenged the boundaries of the national welfare state. This began to change with the growing awareness that major threats to human welfare can transcend space and time. Climate change is a good example of a transnational and transgenerational phenomenon. Greenhouse gases emitted at any given moment mix with the existing stock in the atmosphere, thereby producing global warming and amplifying the risk of negative effects such as droughts and flooding that are dispersed over time (i.e. into the future) and space (i.e. are geographically distant from the original emissions). As a minimum requirement, the distributive principles underlying existing welfare systems should therefore be widened to include those affected abroad and in the future, and not only the citizens of a given state today (Brandstedt and Emmelin, 2016).

The idea of sustainability and the concept of sustainable welfare challenge business-as-usual in existing welfare states since they recognize limitations, needs, aspirations and wants that would need to be reviewed – and possibly restrained – in order not to violate the sustainability proviso. We note that various disciplines have already started to reconceptualise 'welfare', 'prosperity', 'hedonism' and the 'good life' in alternative ways, and within much stricter ecological limits than existing welfare states (Fritz and Koch, 2014; Soper et al., 2009; Muraca, 2012). Though these contributions are fragmented, they share the assumption that much of what is required for welfare and human flourishing is non-material once a decent material standard of living has been reached. The satisfaction of basic needs for all humans now and in the future is the central welfare objective in these approaches. Needs differ from wants and preferences in that they are non-negotiable and universal. Failure to satisfy such needs produces serious harm to individuals and societies (O'Neill, 2011). Hence, these needs do not vary over time or across cultures but

according to the ways in which a specific culture at a particular point in time attempts to satisfy them. According to Gough (2015), one needs to redefine continuously the critical thresholds for the universal provision of human needs (and wants) for a ‘minimally decent life’ in the light of the advancement of scientific knowledge. Given the planet’s finite resources, the degree to which the world’s population can realistically expect more than the satisfaction of basic needs on a global scale remains subject to scientific inquiry, particularly climate expertise.

In summary, the concept of sustainable welfare is oriented at the satisfaction of basic human needs within ecological limits and an intergenerational and global perspective. It is only at the global level that thresholds for matter and energy throughput as well as for CO<sub>2</sub> emissions can be determined to mitigate climate change efficiently. At the same time, these biophysical and global thresholds delineate the space within which national and local economies may evolve, and within which welfare programmes may be provided that aim at more than the satisfaction of basic needs. Consequently, to assess the prospects of moving towards a model of sustainable welfare, we suggest examining national and supra-national environmental, economic and social policies against the perspective outlined above. In this commentary, we focus on policies at the European level and so we therefore ask: to what extent does the EU sustainability approach, and particularly its climate and social policies, reflect a sustainable approach to welfare?

### **EU policies: an application of sustainable welfare?**

At its 2001 summit in Gothenburg the European Council adopted a Sustainable Development Strategy, which took the Brundtland Commission’s concept of sustainable development as its point of departure (European Council, 2001). The Council of the European Union renewed the Sustainable Development Strategy in 2006, emphasizing that sustainable development is an overarching objective of the European Union (European Council, 2006), articulated in the 2000 Lisbon Treaty, Article 3.3:

‘The Union ... shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. ... It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child.’

In a background note to this article, the Treaty stated that:

‘The EU's objectives in its external relations are: peace, solidarity, sustainable development, mutual respect among peoples, free and fair trade, poverty eradication, the protection of human rights, particularly the rights of the child, observance and development of international law, including the UN charter.’

Eurostat publishes bi-annual reports on the extent to which member states achieve the Sustainable Development Strategy goals in practice (Eurostat, 2015). Arguably, Article 3 of the



Treaty, combined with its elaboration in the Sustainable Development Strategy, comes close to the idea of ‘sustainable welfare’. But is this also the case with the current Europe 2020 strategy, adopted by the European Council in 2010 (European Commission, 2010b; European Council, 2010)?

The Europe 2020 strategy is ambitious and complex. Its architecture of goals, priorities, flagship initiatives and targets, as well as its system of governance and implementation, is multi-faceted, raising a number of challenges for coordination across the many areas covered. In many cases, the operationalization of the overall goal of ‘smart, sustainable and inclusive growth’ seems somewhat ambiguous and perhaps even arbitrary. The aims of the strategy are elaborated in three priorities thought to be mutually reinforcing:

- ‘Smart growth – developing an economy based on knowledge and innovation’;
- ‘Sustainable growth – promoting a more resource efficient, greener and more competitive economy’;
- ‘Inclusive growth – fostering a high-employment economy delivering economic, social and territorial cohesion.’ (European Commission, 2010b: 10)

On the one hand, the strategy explicitly combines goals, priorities and flagship initiatives and targets on both climate change and social welfare. On the other hand, it is often unclear how exactly the goals listed under various headings are to be integrated, vertically or horizontally, as for instance in these cases:

‘Sustainable growth ... will help the EU to prosper in a low-carbon, resource constrained world while preventing environmental degradation, biodiversity loss and unsustainable use of resources. It will also underpin economic, social and territorial cohesion (ibid.: 14).

‘... At EU level, the Commission will ....undertake an assessment of the adequacy and sustainability of social protection and pension systems .... At national level, Member States will need ... to fully deploy their social security and pension systems to ensure adequate income support and access to health care’ (ibid.: 19).

At least on paper, the scope and direction of the Europe 2020 strategy appear to a considerable extent to be compatible with the concept of sustainable welfare outlined in the first part of this Commentary. However, the key issue is whether the implementation of the strategy will ensure a linking of policies on climate change and social welfare at the level of member states.

On the climate side of sustainability, the EU has for many years been committed to limiting the increase in global mean temperature to no more than 2°C above preindustrial levels. According to the European Council (2007: 3), remaining within this limit ‘will require global greenhouse gas emissions to peak within the next 10 to 15 years, followed by substantial global emission reductions to at least 50 percent below 1990 levels by 2050’. Recognizing developing countries’ need for their future emissions to rise if their living standards are going to improve, for the EU this would imply cutting emissions by 80-95 per cent by 2050 (European Commission, 2011). However, from the perspective of sustainable welfare, we note that the EU has not explicitly

discussed the potential tensions between its ambitious climate targets and its other policy goals such as economic growth, material prosperity and social welfare. Instead, they have incorporated potentially conflicting policy goals in the ‘decarbonization’ strategy of economy and society (European Commission, 2010a) involving the three – allegedly mutually reinforcing – principles of environmental sustainability, energy security and economic competitiveness (Szulecki and Westphal, 2014).

Notably, the European Commission (2011: 9) regards ‘decarbonization’ not only as a means to reduce greenhouse gas emissions but also as an ‘advantage for Europe as an early mover in the growing global market for energy-related goods and services’ (European Commission, 2011: 9). Hence, climate policies are also seen as a strategy to increase industrial competitiveness and to enhance energy security, especially as the EU seeks to reduce its import dependency (particularly on Russian gas). So, from a sustainable welfare perspective, although the common European approach has explicitly addressed the interactions between ecological and economic dimensions, the social dimension is largely absent.

On the welfare side of sustainability, the EU has focused on promoting ‘the sustainability and adequacy of social systems’ (European Commission, 2013: 12). In core social policy areas such as pensions, health care and long-term care the overriding concern of member states remains fiscal sustainability (European Commission, 2014). Yet the idea of balancing considerations of sustainability and adequacy in social protection has a solid foundation within the EU policy system as a whole. For instance, a report by the DG Employment and the Social Protection Committee (2012) stressed that while member states had made great advances towards achieving sustainability of public pensions, adequacy outcomes remained less impressive and largely contingent on people’s behaviour related to retirement and long-term savings (ibid.: 10). While not directly corresponding to the concept of sustainable welfare, the EU’s emphasis on the combination of sustainability and adequacy has some affinity to this idea.

Even closer to the concept of sustainable welfare is the notion of a ‘sustainable society’, that is, ‘a society that is economically viable, environmentally sound and socially responsible’ (Saisana and Philippas, 2012: 7). The European Commission’s Joint Research Centre has audited and recommended the use of the ‘Sustainable Society Index’ as a ‘tool to assess countries’ ‘development towards sustainability in its broad sense: human, environmental and economic well-being (ibid.: 51). The SSI consists of scores for human, environmental and economic wellbeing.<sup>1</sup> Together the three dimensions give a basis for assessing sustainability (Sustainable Society Foundation, 2014). While there is considerable intra-EU variation, overall, the EU does very well on the human wellbeing dimension. Among the 151 countries covered by the SSI assessment, sixteen of the top 20 countries are EU member states. Not surprisingly the EU performs well also when it comes to economic wellbeing, which is quite closely related to the human wellbeing scores. A completely different picture emerges when looking at

---

<sup>1</sup> Note that scores for the three dimensions of wellbeing have not been aggregated into one overall index score. The SSI methodology is elaborated further on their website: <http://www.ssindex.com/ssi/calculation-methodology/>.



environmental wellbeing. On this dimension a majority of the EU member states rank in the bottom third.

Many EU policies have had limited impact on the policies pursued by individual member states (Halvorsen and Hvinden, 2016). This leads us to question how significant the EU's 'triangulation' of economic, climate-related and welfare (or well-being) sustainability and adequacy objectives are in practice. The relative autonomy of member states in a number of relevant policy areas suggests that member states' commitment to this triangulation varies greatly.

For example, not all EU member states view the pillars of 'decarbonization' as mutually reinforcing. Instead, there are two competing policy frames. Northern and central European EU member states such as Germany, the Netherlands, the UK and the Nordic countries support the ecological modernization perspective (Mol and Spaargaren, 2000): environmental and economic concerns are not seen as conflicting goals but as (potential) win-win situations. The alternative policy frame, advocated by Eastern-European countries, sees environmental protection and economic growth as competing goals. Poland, for example, views economic growth as the main aim, considers climate policies as detrimental to economic growth, and argues that the EU should not take the lead in international climate change negotiations unless/until other countries follow because unilateral action would lead to 'carbon leakage' - the move of carbon intensive industries from the EU to countries with less strict regulations (Skodvin et al., 2010). Together with Romania and Bulgaria, the Visegrad group (Poland, Hungary, the Czech Republic and Slovakia) have adopted the position that 'the discussion on European climate and energy policy should be conditioned by the results of negotiations of a new global and legally binding agreement on climate change' (Visegrad 4, 2013: 3). The same alliance have emphasized the importance of 'affordable' energy prices for both industry and households. The picture appears more nuanced in Southern Europe. When the EU adopted the energy and climate package in 2008, Italy was a major opponent, using the financial crisis as the reason for not supporting ambitious targets. By contrast, Spain and Portugal have been forerunners on renewable energy (Gullberg, 2013).

### **Conclusion: Still much room for stronger synergies across policy areas**

The first part of this commentary made a case for a normative theory of sustainable welfare that rests on the satisfaction of human needs within ecological limits, in line with the dual goals of intergenerational and global justice. Next, we have suggested that general EU policy goals – especially through the Europe 2020 strategy – reflect this to some extent by highlighting critical thresholds and considering human needs of non-citizens and future generations. However, while a 'policy audit' in line with the sustainable welfare approach would define critical thresholds for matter and energy throughput to identify the scope for economic and societal development for all countries in the world, the EU refrains from prioritizing environmental over other goals. By doing so, the EU displays a remarkable degree of optimism in relation to the compatibility of these different policy goals. We have also questioned the member states' capacity to convert the EU's ambitious and highly demanding policy goals into corresponding

policies at national level. This step is no doubt challenging, but is a fundamental pre-condition for the fulfilment of the high-profile goals that Europe has set itself.

As far as academic policy research is concerned, the international community and national governments' ability to promote holistic thinking and policymaking, across traditionally separate policy areas, is something that should be scrutinized further by policy scholars looking both at single country cases and from a comparative analytical lens. At present, the public policy literature too tends to focus more or less narrowly on single policy areas and assessments of climate policy tend to be published in different journals than those that publish articles about social policy, welfare state reforms or economic policy. For social policy scholars it is paramount not to ignore these emerging issues; to do so risks being left with outdated theories, missing the research questions that are most relevant to current and future welfare state developments. The societal implications of climate change are far too important to be left to climate (policy) research alone.

## References

- Brandstedt E and Emmelin M (2016) 'The Concept of Sustainable Welfare', in Koch M and Mont O (eds) *Sustainability and the Political Economy of Welfare*. London: Routledge.
- DG Employment and Social Protection Committee (2012) Pension Adequacy in the European Union 2010-2050, Luxembourg: Publications Office of the European Union.
- European Council (2001) 'A strategy for sustainable development', In Presidency Conclusions Gothenburg European Council 16-16 June 2001, SN 200/1/01 REV 1.
- European Council (2006) Review of the EU Sustainable Development Strategy (EU SDS) – Renewed Strategy. Council of the European Union, Brussels, 26 June 2006, 10917/06.
- European Council (2007) Presidency conclusions. Brussels, 8-9 March 2007.
- European Council (2010) European Council 17 June 2010 Conclusions, EUCO 13/10.
- European Commission (2010a) Communication from the Commission. "Energy 2020. A strategy for competitive, secure and sustainable energy. COM(2010) 639 final.
- European Commission (2010b) Europe 2020 – A strategy for smart, sustainable and inclusive growth, Communication from the Commission, COM(2010) 2020 final, Brussels, 3 March 2010.
- European Commission (2011) Communication from the Commission, 'Energy roadmap 2050', COM(2011) 885 final.
- European Commission (2013) Investing in Social Europe, Luxembourg: Publications Office of the European Union.
- European Commission (2014) Identifying fiscal sustainability challenges in the areas of pension, health care and long-term care policies, DG for Economic and Financial Affairs, Occasional Paper 201, Luxembourg: Publications Office of the European Union.
- Eurostat (2015) *Sustainable development in the European Union: Key messages*, Luxembourg: Publications Office of the European Union.
- Fritz M and Koch M (2014) 'Potentials for prosperity without growth: Ecological sustainability, social inclusion and the quality of life in 38 countries', *Ecological Economics* 108: 191-199.



- Gough I (2015) 'Climate Change and Sustainable Welfare: An Argument for the Centrality of Human Needs', *Cambridge Journal of Economics* 39: 1191-1214.
- Gough I Meadowcroft J Dryzek J Gerhards J Lengfield H Markandya A and Ortiz R (2008) 'JESP Symposium: Climate Change and Social Policy', *Journal of European Social Policy* 18(4): 25-44.
- Gullberg AT (2013) 'Pressure or Information? Lobbying for Binding Renewable Energy Targets in the European Union', *Review of Policy Research* 30(6): 611-628.
- Halvorsen R and Hvinden B (2016) *Combating Poverty in Europe: Active Inclusion in a Multi-Level and Multi-Actor Context*, Cheltenham: Edward Elgar Publishing.
- Intergovernmental Panel on Climate Change (IPCC) (2014). *Climate Change 2014: Synthesis Report. Summary for Policymakers*. [http://www.ipcc.ch/pdf/assessment-report/ar5/syr/SYR\\_AR5\\_SPMcorr2](http://www.ipcc.ch/pdf/assessment-report/ar5/syr/SYR_AR5_SPMcorr2).
- Jackson T (2009) *Prosperity without Growth? The Transition to a Sustainable Economy*. London: Sustainable Development Commission.
- Koch M (2012) *Capitalism and Climate Change: Theoretical Discussion, Historical Development and Policy Responses*. Basingstoke: Palgrave Macmillan.
- Langhelle O (1999) 'Sustainable Development: Exploring the Ethics of Our Common Future', *International Political Science Review* 20(2): 129-149.
- Lisbon Treaty (2007) Treaty of European Union, as amended by the Treaty of Lisbon signed on 13 December 2007, Official Journal of the European Union 2007, C 306/01
- Meadows D H Meadows DL Randers J and Behrens W (1972) *The Limits to Growth*. New York: Universe Books.
- Mol AP and Spaargaren G (2000) 'Ecological Modernisation Theory in Debate: A Review', *Environmental Politics* 9(1): 17-49.
- Muraca B (2012) 'Towards a Fair Degrowth Society: Justice and the Right to a "Good Life" beyond Growth', *Futures* 44: 535-545.
- O'Neill J (2011) 'The Overshadowing of Needs', pp. 25-43 in Rauschmayer F, Omann I and Frühmann J (eds) *Sustainable Development*. London: Routledge.
- Saisana M and Philippas D (2012) *Sustainable Society Index (SSI): Taking societies' pulse along social, environmental and economic issues*, Report EUR 25578 EN, Luxembourg: Publications Office of the European Union.
- Skodvin T, Gullberg AT and Aakre S. (2010) 'Target-group Influence and Political Feasibility: The Case of Climate Policy Design in Europe', *Journal of European Public Policy* 17(6): 854-873.
- Sneddon C Howarth RB and Norgaard RB (2005) 'Sustainable Development in a Post-Brundtland World', *Ecological Economics* 57: 253-268.
- Soper K, Ryle MH and Thomas L (2009) *The Politics and Pleasures of Consuming Differently*. London Palgrave Macmillan.
- Stern, N. (2009) *A Blueprint for a Safer Planet. How to Manage Climate Change and Create a New Era of Progress and Prosperity*. London: The Bodley Head.
- Sustainable Society Foundation (2014) *Sustainable Society Index. SSI-2014*. The Hague, Netherlands: Sustainable Society Foundation (SSF). Available from: <http://www.ssfindex.com/ssi2014/wp-content/uploads/pdf/SSI2014.pdf> (accessed 14 May 2016).

Szulecki K and Westphal K (2014) 'The Cardinal Sins of European Energy Policy: Nongovernance in an Uncertain Global Landscape', *Global Policy* 5(1): 38-51.

Visegrad 4 (2013) *Polish Presidency of the Visegrad Group. Executive summary*, p. 3.  
Retrieved 13/08/2013 from <http://www.visegradgroup.eu/pl-v4-pres-2012-2013-130620>

World Commission on Environment and Development (WCED) (1987) *Our Common Future*.  
United Nations.