



THE BRUSSELS-EU CHAPTER

Secrets

# Newsletter # 1

## Summer 2001

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This is something in the nature of a trial run for a publication which is intended to appear regularly for distribution to members of the CoR-BCH and to those who may be interested in supporting its aims. There was a previous 'trial' prototype for this format circulated to a handful of members to gauge their reactions, which attracted only modest criticism. It is hoped that members will respond to this first wide-circulation edition with ideas for the future; comments; letters to the editor; and contributions to future editions. These may be sent electronically to the editor, or to any committee member. Finally, may I just advise those with black-only printers that it looks prettier in colour.

Stephen Simmons - Editor

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### Forthcoming events in CoR-BCH

August 29 (Wednesday): meeting of the active members.  
Our colleague Chr. Fauconnier prepares a presentation.  
Agenda and place will be mailed later.

September 2001 The President of the CoR is expected to be in Brussels.

A separate mailing will provide more details.

A working group on Rio+10 will be set up in the coming weeks. Interested persons to collaborate are kindly suggested to give their name to the Secretary.

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## About the Brussels-EU Chapter CoR-BCH

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The Brussels EU Chapter of the Club of Rome is an independent non-profit association, registered under Belgian Law, affiliated with the Club of Rome. The Association specifically aims to build bridges between the European Union Institutions and the Club of Rome.

**The Association's mission is to act as a catalyst of reflection on sustainable development in Europe on all levels: Government and private.**

**Its aims are:**

- *To identify the most crucial problems facing European society; to analyse them in the global context and to reflect on alternative future solutions for a sustainable European Society, including the elaboration of specific scenarios for the future of the European continent.*
- *To initiate research in which the major theme is the development of a conceptual foundation for globally sustainable development and for the specific contributions that Europe can make;*
- *To organise a societal discourse on the implementation of European policies in a global context, involving the most important public- and private-sector decision-makers, as well as the general public.*

Its activities are framed within the objectives of the Club of Rome and of European society:

- **A global perspective**, recognising the increasing inter-dependence of nations;
- **A holistic approach**, seeking a deeper understanding of complex contemporary problems;
- **An inter-disciplinary and long-term perspective**, focused on the choices and policies determining the destiny of future generations;

It is composed of individuals who subscribe to the goals of the Association; of outstanding ability and with well-established reputations in their professional work, and who are active in the Brussels region – in Belgian society or with the European Institutions. ♦

A message  
From the President of the Brussels-EU Chapter

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**THE BRUSSELS-EU CHAPTER CoR-BCH**

Some thirty years ago the Club of Rome (CoR) was founded by about half a dozen of individuals who were worried about the development of the industrial world -especially about resource use- and the demographic evolution of the planet earth. The famous report to the CoR *The Limits to Growth*, by D. Meadows et al., appeared in 1972. This publication provoked a real shock in the industrial and political world. By some it was considered as prophetic, by others as totally erroneous. Nevertheless the world community started to think differently about the real dimensions of the earth. Indeed it was recognized that the planetary system on which humanity is living is a limited system and that in the long term mankind has to keep this mind.

The CoR has continued to spread this message around the globe: to political leaders, to the business community and to the civil society. In several countries around the world 'local associations' have been founded during this period.

In September 2001, after some months of discussion and consultation, a few persons took the initiative to start a 'local' association of the CoR. It was from the beginning clear that the opportunity should be taken to place the association within a European frame. Belgium and especially Brussels happen to be the ideal location to do so. The new association took the name of **The Brussels-EU Chapter of the Club of Rome: CoR-BCH**. The historical situation of the construction of the European Union is not only a political challenge but also a cultural and intellectual one. The ideas and the thinking for which the CoR have stood for about three decades have still a high and actual value. The concept of sustainable development was already present in the first report to the CoR, today it is on the agenda of the EU and world institutions.

A message  
From the President of the Brussels-EU Chapter

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Since then almost a year has passed!

The CoR-BCH is has been undertaking various different activities within its profile as an original association of the CoR:

- The regular meetings of the active members at which a topic is presented by one of the members and open to discussion: Paradigm shifts by Marc Luyckx; Terra2000 by Jonathan Cave and Cultural Sustainability by Verena Wiedemann.
- The Hearing on May 2 in the European Parliament with the publication of the Proceedings of the contributions. This event was unquestionably a success.
- The first evening lecture on April 24 by Professor Sergey Kapitza of the Institute for Physical Problems, RAS, Moscow on the subject *Information Society and the Demographic Revolution* was certainly an example of high intellectual standard.

For the next year several initiatives are under preparation. Among them a contribution of CoR-EU, as well as from the CoR, to the Rio+10 Summit in Johannesburg in September 2002.

The President of the CoR will visit our chapter in the fall of this year. Several evening conferences are in the pipeline. They will be part of a cycle called the *Aurelio Peccei Lectures*.

Also the business community will be invited to join our group.

All these activities require the commitment of the members of the BCH. The Executive Committee (Exec Com) will be delighted to count on your collaboration, ideas and suggestions.

Your President,

Professor Raoul Weiler ♦

## From the proceedings of the hearing in the European Parliament of May 2<sup>nd</sup> 2001

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### KEY ISSUES:

#### VENTURING BEYOND THE CURRENT DEBATE

We, the Brussels-EU Chapter of the Club of Rome, recognise the valuable contribution from the Commission, and the importance of the Gothenburg Summit for EU policies. But, the agenda of issues, and of options in front of us is wider than in the Commission's Consultation Paper.

We have to be **open to ideas that are not yet in the political consensus**. The Hearing and this report, therefore deliberately go **beyond the current debate**.

The speakers, each of whom is at the forefront of their own field, present a much wider spectrum of ideas:

#### **1. Europe as a world actor**

- We need a global vision and global participation. Europe must not turn its back on global action simply to "put its own house in order".

#### **2. Facing the truth: political discourse and action do not match**

- Politicians must have the courage to say openly to the public that the actual policies are not yet leading to a sustainable future.
- Even those policies that point in the right direction are not followed up by effective action (example: European self-imposed reduction of CO<sub>2</sub> emissions).
- We should live only on nature's renewable "interest", rather than by depleting its "capital".

#### **3. Co-financing: a European vision for global sustainability**

- Equity is essential for reaching sustainability. This means the need for co-financing on the global level, as difficult as this may be. On the European level this model has been practised successfully for 50 years and remains the basis for future accessions.
- A preamble to the Commission's paper for the Gothenburg Summit should state that our ultimate goal is a social and equitable globally sustainable policy based on co-financing between rich and poor.

This strategy cannot be completely implemented without the ultimate co-operation of the United States. However, the EU can work along these lines with an increasing number of allies in the world (double strategy).

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*Editor's note: this document and the following 'concluding remarks' are abstracted from the full report of the hearing, which is available on request from cor-bch@cornix.co.uk*

- The European Union's strategy can serve as an inspiration and example for global co-financing. But it is not the only model.

#### **4. Taxes promoting sustainable growth**

- The actual tax and subsidy systems are rewarding unsustainable business and consumption practices. We need a new focus on tax revenues favouring a sustainable society (e.g. sustainable pension provisions).
- In the networked knowledge economy, we must invent taxation systems in which production and consumption activities with a small ecological "footprint" (dematerialization, immaterialization) would be encouraged.
- We need a gradual elimination of perverse taxes and subsidies which damage employment, investment and technological innovation.
- We must shift the tax burden onto resource use – including use of common resources such as a clean environment to dilute pollution; but to do so in a way that reflects ability to pay.

#### **5. Including the cultural dimension**

- We need to include the "cultural dimension" into sustainable human development, explicitly recognising the value of cultural diversity in both our heritage and future societies.

#### **6. New corporate values on sustainability**

- We encourage the business community to enhance their mechanisms for expressing and promoting new values – in corporate reporting, in "Green procurement", in ethical investment and in corporate social responsibilities.

**Professor Raoul Weiler**  
President of the Brussels-EU Chapter,  
The Club of Rome

**Marc Luyckx**  
Chairman of the Organizing  
Committee of the Hearing ♦

## **Concluding Remarks**

**Anders Wijkman**

**European Parliament and GLOBE EU, Brussels, Belgium**

### **"A new Model of Development"**

The adoption of a strategy for sustainable development for the EU (SDS) will represent a major step forward. It is a serious attempt at political level to address problems of a genuinely long-term nature; problems for which the market economy, as presently structured, provides few incentives in terms of solutions.

During the preparations of the strategy the Commission services presented an interesting discussion paper. Several obstacles to sustainability were defined, such as political inertia, short-termism, too little understanding of the problems and poor incentives in the economic sphere. I do agree with this analysis. However, the Commission paper stops short of undertaking a more in-depth discussion as regards the limitations of the neo-classical economic model in dealing with the challenges of sustainability.

The central goal of the strategy must be to set the framework for a new model of development, where social and environmental objectives are balanced with those of economic growth. It should be emphasized, that the task is not only one of bringing harmony between these different objectives. The natural environment has certain values that cannot be substituted for. The way conventional economics treats these values is totally inadequate. Hence, there is a need for a new economic paradigm, where issues like measuring wealth, the quality of growth, the short-term vs. long-term etc. are given priority. The general perception in society is one of economic growth always being positive for the environment (the theory of the so-called inverted Kuznetz curve). This theory holds true for many environmental problems in particular at the local level. However, for problems like climate change, bio-diversity loss, excess nitrogen and waste generation the opposite seems to be true. These problems tend to grow in magnitude as economies grow. Any credible strategy on sustainability must address this problem and suggest ways out of it.

### **Sector Integration not enough**

The work on the SDS does not start from scratch. The sector integration process that was initiated in Cardiff did represent an important step towards bringing greater coherence between economic, social and environmental objectives. However, the so-called Cardiff process has not been easy. Lack of knowledge, reluctance and even resistance among both Member States, directorates-general, government agencies and the private sector have made sector integration difficult. Furthermore, some horizontal issues have been difficult to tackle. Hence, there is a need for a comprehensive strategy to integrate the various sector strategies and to deal with the cross-cutting issues. Moreover, there is an urgent need for a common methodology when implementing sector integration. As of today, different sector councils use different standards and criteria, which no doubt makes the whole exercise extremely difficult to assess.

### **Targets Necessary**

The aim of the Commission is to add environment concerns to the so-called Lisbon process. Targets and indicators have already been developed in the economic sphere (e.g. the EMU convergence criteria) and for social cohesion (e.g. GDP/unemployment rate). The

Lisbon Summit in February 2000 added targets in the field of knowledge and innovation to the existing socio-economic priorities.

In the environment field targets and indicators are still being developed. Significant progress has been made within the Cardiff process but also as a result of innovative work by the European Environmental Bureau. Now is the time to decide on a limited number of environment-related targets and indicators and to integrate them with the economic and social targets and indicators. This task is complex both from a technical and scientific point of view. It also requires broadest possible consensus among major stakeholders.

Among the guiding principles for targets and indicators in the environment area, I take as a starting point what has already been proposed by the European Consultative Forum on the Environment and Sustainable Development and propose the following:

- a de-coupling of GDP-growth from energy and material consumption, emissions and waste;
- a yearly reduction of the energy intensity of the EU economy by minimum 2,5%
- a reduction of energy-consumption by a factor four over the next thirty years;
- a reduction of material consumption (dematerialization) by a factor ten by 2050;
- a phase-out of all hazardous substances over the next ten to twenty years:

### **The Strategy must be Global in Nature**

A sustainability strategy for the EU cannot be developed in a vacuum. It cannot ignore the realities of the global economy. The challenges of sustainable development can only be properly assessed and addressed within a global context.

EU policies in many areas have direct consequences far beyond Europe's boundaries. Prominent examples are energy production and consumption, export subsidies in agriculture, the fisheries policy as well as the activities of export credit agencies. The EU must ensure that there is coherence between its internal policies and their impact on the rest of the world, notably on developing countries. This ought to be done in the same strategy, and not, which is being proposed by the Commission at a later stage.

One useful way for the EU to assess the overall effects of its production and consumption systems on the rest of the world would be by applying the concept of "ecological footprint". When done in the field of energy consumption, the conclusion drawn is that GHG emissions within the EU by far exceeds the absorption capacity of the biosphere. A similar analysis in relation to the overall demands of the planet's natural capital – i.e. air, water, soils, fiber, mineral resources etc. – would reveal that Western Europe is a region which, in the words of a recent paper from WWF European Office, is pushing the planet into ecological overshoot. In other words, the ecological footprint of the EU by far exceeds the per capita carrying capacity and contributes to a gradual depletion of the earth's natural capital stock. This problem ought to be specifically addressed in the SDS so that action may be taken to bring demand and supply on the natural capital in balance.

### **Support "Technology Leapfrogging"**

Already at the time of the Rio Conference it was stated that current industrial production and consumption patterns can not be extended to the rest of the world. Yet, this is exactly what is happening. The rich countries have done very little to assist the poor countries in developing environmentally sound technologies. The only existing mechanism offering some support for "technology leapfrogging" is the Global Environment Facility (GEF), but its resources are pitiful compared to the needs. The GEF disburses a few hundred million dollars yearly in support of green energy. At the same time developing countries spend well above hundred billion dollars yearly in energy systems, most of it conventional technology, i.e. coal and oil.

For every year that passes developing countries become more and more dependent on the carbon economy. It would make sense for the EU to launch a crash program to assist developing countries in "technology leapfrogging", in particular in the fields of energy and transportation, agriculture, waste management, water management as well as information-and telecommunications. If we do not do that we will all suffer the

consequences of rapidly increasing levels of pollution. Moreover, for the least developed countries broad assistance in technology capacity building is an absolute prerequisite for integration into the global economy and reduction of poverty.

### **Strengthen Global Governance**

Parallel to a crash program for "technology leapfrogging", the EU must press hard to strengthen global governance in areas like environment, health and epidemics, poverty, international crime etc. These are examples of exponentially growing problems, often accentuated by globalization, which must be dealt with at the international level and where both existing institutions and available financial resources are totally inadequate today. EU should also press for reform within the WTO, notably for integration of environment, social and development concerns into the WTO framework as well as democratization of the WTO. Given the limited interest and engagement for problems like these by the new US administration, the EU must assume a leading role.

### **Rethink Science and Education**

One key problem today as regards sustainable development is that people in general are illiterate as regards the overall consequences for the global ecosystem of conventional growth policies. This is probably the main reason why integration of environmental concerns into sector policies has been difficult. Most sector specialists simply do not appreciate the inter-linkages between activities within their respective sector and society at large. This phenomenon could be expressed as the disease of "verticalities".

The narrow perspective offered by contemporary education on the horizontal linkages in society, notably the consequences of today's production and consumption systems on the natural systems and the atmosphere, is one of the major causes behind the environmental crisis. In my view, we have to rethink the organization of both science and education in order to stimulate inter-disciplinary research and bring about greater awareness about the inter-relationship between human activities and the natural systems.

To assist policymakers in the formulation of the SDS – and to help develop the necessary policy instruments to overcome the many obstacles to change – a vigorous research agenda has to be put in place. Since many of the challenges of sustainable development are found at the interface of disciplines, support for multi-disciplinary and inter-disciplinary research will be of utmost importance! The sixth framework program must play an important role in this context.

What is needed first and foremost is a problem-driven approach. This would mean that discipline-oriented projects have to give way to systems-thinking. The challenge will be to encourage the relevant science communities to define a specific problem together and collaborate on a common goal, linking their respective capacities. ♦

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Evening Presentation given by

Professor Sergey Kapitza

**The Information Society and the demographic revolution:  
where are the limits to growth?**

Sergey Kapitza is a member of the Club of Rome and professor at the Institute for Physical Problems, Russia Academy of Sciences, Moscow.

The lecture he gave in Brussels on April 24, 2001 is based on his book *Information Society and the Demographic Revolution. The nonlinear theory of growth of mankind*. The English version will be appear in the coming months with the label a 'report to the Club of Rome'.

The world population growth has draw the attention of scientists and political leaders for may decades even for a couple centuries. Although the demographic explosion of the latest decades was perfectly foreseeable for a long time, the perception of the dimension of the phenomenon has come through only recently. Indeed in the year 2000 six billion people live on earth and in another thirty years the total population will be around 8-9 billion.

Today in fact human kind finds itself in a **population transition period**, which will ultimately lead to a stabilization of the world population. This transition period will be terminated by the end of this century. The demographic transition will affect all aspects of our life: lifestyles, food security, carrying capacity of the planet, economic development, etc.

Several mathematical models have been used in the past by different authors. The introduction of the law of quadratic growth allows to draw an overall picture of the demographic evolution also millions of years in the past. It states that the growth depends on the total number of people in the world. It is a function -the square- of the number of people, as an expression of the state of the global population and expresses the interaction of all people in the world.

The quadratic interaction points out that we are dealing with a collective societal phenomenon, an interaction valid for many generations and operating throughout the whole human system. This interaction is determined by a time factor, valid over the whole period of presence of mankind on earth. This means that the growth is not limited by external factors, as assumed in other models, but by an intrinsic time of growth; the human system behaves as an open system, not limited by external factors.

This approach is quite inspired by the mathematical analysis of physical systems and the mathematics of the analysis are not trivial for most of us.

In conclusion we are living in a period very remarkable and singular epoch in the evolution of humankind. But time appears to be critical. According to S. Kapitza 'the event is greater than Neolithic revolution and probably comparable to the arrival of the *Homo Habilis* himself a 1.5 million years ago. But the transition from a biological pattern to a social, information moderated explosive growth took a million years to develop. Now we have a mere 100 years to go through the final stage of this transformation.'

The way S. Kapitza presents this topic is absolutely fascinating. We are most grateful to him for his contribution. [R.W.]♦