

**Germany's Council for Sustainable Development  
and  
the German Case of Framing National SD Policies  
(draft)**

**Presentation**

**Workshop hosted by the Stakeholder Forum for a Sustainable  
Future  
April 28, 2012**

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# **1 German Council for Sustainable Development**

## **1.1 Purpose and Modality**

The German Council for Sustainable Development (RNE) is a multi stakeholder body advising the German Federal Government. The 15 RNE members were appointed by Chancellor Angela Merkel. The RNE was first established in April 2001 by then Chancellor Gerhard Schröder.

RNE advises the Federal Chancellery on all aspects of the national Strategy on Sustainable Development, NSSD, which was relaunched in 2012. The NSSD was first introduced in 2002 and has continuously been updated since then.

Marlehn Thieme is Chair of RNE. She is a member of the Council of Lutheran Churches in Germany (EKD) and Director of the CSR section at Deutsche Bank AG. Olaf Tschimpke, President of NABU (Nature and Biodiversity Conservation Union), is RNE Deputy Chair.

The Council works through a secretariat directed by General Secretary Dr. Günther Bachmann, with an annual total net budget of €1,9 million. Regular working meetings and a couple of various additional dialogue conferences, leadership fora and expert panels are part of a robust working mode. Once a year, an audience of more than one thousand people attend a public Annual Conference featuring top politicians including Mme Federal Chancellor, key representatives of civil society and the private sector. The Annual Conference has acquired the role of a political benchmarking the commitment and credibility with which „sustainability“ is being laid out in Germany.

## **1.2 Outcome**

The Council shapes the national strategy for sustainable development in critical dialogue with the Federal Government and leading political, economic and social stakeholders.

Since 2001 the Council produced more than 45 policy statements and a series of print publications, all of them based on scientific evidence, and for this purpose, the secretariat links up with the r&d community and engages stakeholder from all part of society in new forms of dialogue-style informed debates. The Council's website and newsletter service turn out an average monthly web-visits of 250000 resulting in some 5 million hits per month.

The following RNE projects and initiatives produced the most political impact:

### **Green Economy: The German Sustainability Code**

Issued in 2011 the German Sustainability Code engages the corporate community and small and medium enterprises in a transparent sustainability management. It is a tool to frame Green Economy in the context of sustainable development. Providing transparent sustainability criteria it calls the private sector to take voluntary action in order to comply with the Code's

requirements, or to explain why this is not the case. It was developed within the framework of a comprehensive dialogue - initiated by the Council for Sustainable Development and supported by numerous parties concerned. It has been tested and refined by way of an extended participation of the business community, the capital market and other stakeholders.

## **Energy and Climate**

In 2011, five Members of the Council and the General Secretary found themselves involved in the ad hoc committee advising on the so called Energiewende (the final phasing out of nuclear energy). Previous results of the Council both on climate and energy issues formed a sound basis.

## **Dialogue**

RNE develops several visioning processes. The “*Dialogue\_Zukunft\_Vision2050*” involves young professional “under 27” in a dialogue on long-term policy. RNE facilitates a sustainable municipal development initiative engaging around 20 lord mayors. In 2009, RNE organised the Peer Review, a critical analysis of German sustainability policy conducted by international experts. Both the German Bundestag and the Federal Government have used the “Sustainability: Made in Germany” review to advance sustainable development policies. The German Council for Sustainable Development bestows the Social Entrepreneur Award in the frame of the German Sustainability Award, holds the Carl-von-Carlowitz Lectures and awards the “Werkstatt N” quality label for a year at a time for outstanding sustainability initiatives.

## **Other key issues**

Of key importance is the recommendation on how to avoid and minimise land consumption in Germany. Issued in 2003 the recommendation was prompted by innovative and decentralised frontrunner action on the local level and major federal and Länder research programmes. Land consumption is being reduced, but still unsustainably high.

In recent years the Council worked on issues such as the lacking recycling of important mineral resources and rare earth, on how to stabilise financial markets, and how to ensure the rise of organic farming in Germany.

## **Mission Statement**

Sustainable development entails treating environmental aspects on an equal footing with social and economic aspects. Making this abundantly clear is one of RNE’s missions. Future-oriented management means: we have to leave our children and grandchildren an intact ecological, social and economic system. One cannot be achieved without the other.

RNE seeks to make sustainable development a fundamental goal and area of action of politics. It works towards citizens living a sustainable lifestyle. It urges businesses and institutions to make their economic activities sustainable, to face the challenges posed by sustainability and to use the opportunities presented by sustainability. RNE seeks to broaden the discussion within society on sustainability and to make the outcomes of the discussion more effective and more binding.

### 1.3 Council Members

- *Marlehn Thieme*, **Chairwoman** of the Council, Member of the Council of Evangelical Churches in Germany (EKD), Director at Deutsche Bank AG
- *Dr. Heinrich Graf von Bassewitz*, farmer, Federal Commissioner for Organic Farming of the German Farmers' Association (DBV) and Member of the DBV Presidium
- *Dr. Ursula Eid*, former Parliamentary State Secretary for International Development Cooperation
- *Dr. Joachim Faber*, Senior Advisor of Allianz SE, former Member of the Board of Allianz SE Asset Management
- *Dr. Hans Geisler*, former Saxony State Minister for Social Affairs, Health and Youth
- *Alois Glück*, President of the Central Committee of German Catholics (ZdK)
- *Walter Hirche*, former Parliamentary State Secretary for the Environment, former minister in Lower Saxony and Brandenburg; President of the German Commission for UNESCO
- *Prof. Dr. Lucia A. Reisch*, Professor at Copenhagen Business School and Zeppelin University Friedrichshafen
- *Max Schön*, Managing partner of Max Schön Verwaltungsgesellschaft mbH & Co. Service KG, president German Association for the Club of Rome, Chairman of the Supervisory Board of the DESERTEC Foundation, Executive director of the initiative 2° - German CEOs for Climate Protection
- *Dr. Wolfgang Schuster*, Lord Mayor of the City of Stuttgart
- *Dr. Eric Schweitzer*, Member of the Board of ALBA AG, President of the Berlin Chamber of Industry and Commerce
- *Olaf Tschimpke*, **Deputy Chairman**, President of Nature and Biodiversity Conservation Union (NABU)
- *Michael Vassiliadis*, Chairman of the Industrial Union of Mining, Chemicals and Energy (IG BCE)
- *Hubert Weinzierl*, President of the German League for Nature and Environment (DNR), Chairman of the Board of Advisors of *Deutsche Bundesstiftung Umwelt* (DBU)
- *Prof. Dr. Angelika Zahrnt*, Honorary Chairwoman of "Friends of the Earth Germany" (Bund für Umwelt- und Naturschutz Deutschland, BUND)
- *Jochen Zeitz*, coopted member, Chairman of the Administrative Board of PUMA SE, CEO of the Sport and Lifestyle Group and Chief Sustainability Officer of PPR

## **2 Assessing how Germany is Framing National Sustainability Policies. A Ten Years Look into Processes, Modalities and Structures**

### **2.1 Preliminary Remarks**

The analysis of how Germany is framing national policies and how structure, modalities, and processes evolved over time is new. It is based on the work of the German Council for Sustainable Development (RNE) which has allowed RNE to follow the sustainability strategy critically and with its own creative projects.

This assessment paper's focus is on analysing and assessing the "who and what" and the "how to" of German sustainability policy, not on the material content. The underlying notion, however, is that Germany is far from closing in on a sustainable pathway. This is the overall picture. But it is also true that the German Energiewende and moves to a more "green economy", and, above all, the commitment and engagement of the organised civil society form remarkable cornerstones for the sustainability agenda.

Whether resource productivity has improved; if and to what extent it has been possible to decouple energy consumption from economic growth; what consequences the debt brake is having and whether or not demographic change initiatives are taking hold in, for example, the working world; whether or not it has been possible to truly reduce land use; how the expansion of renewable energy sources is to be assessed; what potential organic farming has or could have – these issues have already been addressed elsewhere, including the successes and failures of Germany's pathway towards a sustainable future. A good insight into the empirical evidence Germany's "state-of-the-play" provides the Federal Statistical Office, which regularly monitors the data on the goals of the national sustainability strategy. This is an independent reporting on the basis of indicators set by the National Strategy on Sustainable Development. Beyond the scope and content of this reporting, a more in-depth analysis is today possible because of the high attention, investment and profile the German research agenda had been given in the course of the last decade. The public research, as shown in this assessment paper, into the issues of sustainability, climate change, resource use, and the impacts of demographic change has reached a remarkable state providing in-depth insight into option of what could and should be done.

### **2.2 Balance of Ten Years. The Assessment**

#### **2.2.1 Summary**

Germany has had a national sustainability strategy since April 2002. In February 2012, the German government tabled the further continuation of this strategy. How should these ten years of build-up, experimentation and further development of the institutional entrenchment of the strategy, of organisations, rules and structures be evaluated?

Ten years is just a short period of time. However, given the structural compulsion to short-termism in political and public life, it is a comparably long time. This ambivalence makes it

advisable not to draw a historical balance but an interim balance in terms of the processes and activities. Looking back at the years 2002-2012, certain events stand out on their own which have dictated the course of time, such as the worldwide effects of the terror attacks of September 2001 and the collapse of the financial markets in 2008. The events led to profound changes in the way many people think and act. Other events only stand out when recalled and are more specific, such as the UN Conference on Sustainable Development in Johannesburg in 2002. Oil spills in coastal waters and the nuclear power station disaster in Fukushima and the decisions on Germany's energy turnaround in 2011 that followed. These events resulted in more people rethinking their attitude towards wealth and the business sector. As a result of Japan's 2011 nuclear catastrophe, the German Ethics Commission<sup>1</sup>, established that “*more people (...) had become aware that the risks of a major accident not only existed hypothetically, but that such major accidents would also occur in reality. The perception of a relevant portion of society thus adapted to the reality of risks.*”]<sup>2</sup>

The following points are summarizing the result of this paper's assessment:

- In ten years, more has changed than is often perceived, but less than necessary for a transition into a resource-saving, climate-neutral society.
- That the issue of sustainability has been kept at the very top of the political agenda for ten years is undoubtedly a success.
- The negative omens that hung over the sustainability strategy in the beginning have been overcome.
- The term ‘sustainability’ has become generally accepted; this is also true of the maxim of filling it with specifics rather than discussing it in ever-new semantic waves.
- The driving forces behind the sustainability policy are: the institutional structure, leading companies, the scientific and research fields, civil society.
- Some first attempts acknowledge the independent role of the German *Laender* as well as cities and municipalities.

## 2.2.2 Scepticism and Reverse Trends as Starting Conditions

The starting conditions did not bode well for the proposition of entrenching a national sustainability strategy in society, especially since it was still in the minds of the general public that, in 1998, the preceding government did not put an approach focused on the environmental department to a cabinet decision and the conceptual debates appeared to have been exhausted in long-standing enquete commissions<sup>3</sup> within Germany's Bundestag.

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<sup>1</sup> This commission has been ad hoc called in by the Federal Chancellor to advise on German nuclear energy policies. The Ethics Commission worked for eight weeks. This time frame was determined by the three months moratorium phase that the Federal Government established right after the Fukushima accident. The commission was chaired by Klaus Töpfer, former Executive Director of UNEP and Federal Minister, now Executive Direktor of IASS (see below), and Matthias Kleiner, President of Germany's largest research funding organisation DFG.

<sup>2</sup> *Deutschlands Energiewende – Ein Gemeinschaftswerk für die Zukunft* [Germany's energy transition – A collective project for the future], submitted by the Ethics Commission on Safe Energy Supply], Berlin, 30<sup>th</sup> May 2011

<sup>3</sup> German Bundestag (1998), Final Report of the Enquete Commission “*Schutz des Menschen und der Umwelt -- Ziele und Rahmenbedingungen einer nachhaltig zukunftsverträglichen Entwicklung*“. [Protecting people and the environment -- Goals and framework conditions of a sustainably future-proof development]. *Konzept Nachhaltigkeit: Vom Leitbild zur Umsetzung* [Sustainability concept: Moving from mission statement to implementation], <http://dipbt.bundestag.de/dip21/btd/13/112/1311200>

The majority of the critical general public perceived the term ‘sustainability’ as a brash mind game and believed there was a risk it would deflect from important environmental policy undertakings.<sup>4</sup> Criticism of the inflation of advisory bodies was also predominant at that time. It was feared that parliamentary democracy would be undermined. Although this criticism focused on the commissions dealing with medical ethics and social issues (German (Medical) Ethics Council, Rürup and Hartz Commissions), the institutional establishment of the sustainability policy did not go unscathed either.

The federal policy of the time was not at all marked by a new departure towards sustainability. The opposite was the case in fact.

- The idea of an annually increasing eco-tax was thwarted by exceptions, and the concept was trimmed back to its minimum levels of feasibility at a very early stage; linking the income generated by the eco-tax to public care expenditure remained one of its weak points.
- Although a nuclear phase-out had been decided, it was tarnished by ultimately only being an agreement between the coalition parties in power and the nuclear plant operators, of not enjoying broad consensus in society and of including the opposition in the German Bundestag. It remained a revocable policy and triggered a desire to “break with taboos” in the years that followed.
- Instead of modernising the state, there was lopsided support for the globalised growth economy. Municipalities suffered as a result of companies paying little to no taxes. Banks were allowed to conduct transactions tax-free.
- What would later prove to be a plague of locusts was at first supported by the state in the initial years of the new millennium. In the meantime, the sustainability gap in the social systems continued to grow.
- The discussion surrounding Agenda 2010, which subsequently emerged, paved the way for a correction of economic policy, though without being holistically flanked by educational and ecology programmes which would have returned a portion of the redistributed revenue to society. Politicians reacted by making contradictory decisions on the challenges of demographic development. One only needs to consider the introduction and discontinuation of the intergenerational factor or the discussion surrounding the debt brake as well as the back and forth on the issue of commuter tax allowances.

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<sup>4</sup> Leading periodicals blasted the term as a synthetic word. The weekly Die ZEIT was particularly sceptical. In his editorial, Fritz VORHOLZ called the establishment of the German Council for Sustainable Development Schröder's green fashion gag (source: ZEIT of 18.5.2000). In the year that the German government published its sustainability strategy, the arts and entertainment section of the FAZ newspaper diagnosed that Germany was “far removed from a culture of endeavour” (Gero von RANDOW in the FAZ on 15.4.2002). The weekly Die ZEIT determined in 2002 that political fantasies of and proposals for a “just world order” fazed the general public. Thomas Assheuer stated that “*before now, intellectuals prided themselves on being able to dream about changing their world; today, their aim is to endure it with forbearance.*” Pointing to Hans Magnus Enzensberger, he lamented that it had become commonplace not to analyse reality using strict terms but only to describe it in varying plays on words. Cf. Thomas ASSHEUER (2002): *Who’s afraid of utopia? Working society is on its last legs; social systems are rupturing. What shape can a just world order take on here? The intellectuals no longer know; their courage to engage in political imagination has deserted them.* in DIE ZEIT issued on 5.12.2002. Environmental scientists from SRU warned that the term ‘sustainability’ posed a threat to the environmental policy agenda, cf. [http://www.umweltrat.de/SharedDocs/Pressemitteilungen/DE/Archiv/2002\\_04\\_pressemitteilung.html](http://www.umweltrat.de/SharedDocs/Pressemitteilungen/DE/Archiv/2002_04_pressemitteilung.html)

The general public was initially unable to see any connection between the concerns, projects and processes of the national sustainability strategy and concrete effects.

### 2.2.3 Conceptualising as a Policy

Sustainability is a political word, but not a word reserved just for politicians. At the beginning of the new millennium, many politicians thought the term was too clumsy, antiquated and incomprehensible. Prominent green politicians ridiculed the term. It was a common belief that “normal” people would not understand the term. Ten years of active sustainability policy have shown that “sustainability” can be made operational, that its content is meaningful and challenging, and that it can be communicated in a way that people understand it.

The German sustainability strategy has adopted the definition of sustainability, which was first introduced into the political landscape by the Brundtland Commission. In this regard, sustainability affects every area of policy from global to local policy. It is based on an understanding of sustainability that links economic performance with ecological responsibility and socially-just equalisation and that draws the time axis for accountability across several generations.

The Brundtland postulate implicitly assumes

- a) a rationally “future” calculating attitude;
- b) that far-reaching decisions are actually taken;
- c) that focus must be on practicing and institutionalising processes, not on selective solutions.

Germany's sustainability policy did not want to continue to propel the semantic confusion surrounding the concept of sustainability so as not to further aggravate the starting conditions. Proposals to define sustainability as a permanent, environmentally-fair development were afforded just as little attention as those which sought to differentiate between strong and weak sustainability.

Instead, the intense preoccupation with the term ‘sustainability’ has shown that it can be filled with specific goals, indicators, knowledge processes, projects and methods.

The negative starting conditions have been overcome. Today, the term is entrenched in everyday speech and expert discussions. There is a clear, critical awareness of what constitutes a false, superficially arbitrary and a substantively maintainable stewardship of the term, which endorses detailed arguments and rewards the search for solutions.

The term ‘sustainability’ is an expression of social values. They are becoming increasingly accepted. Youth initiatives use the term just as much as companies and trade unions, churches, politicians, designers and product developers, scientists and artists do. Much like the terms ‘democracy’ and ‘freedom’, ‘sustainability’ can, in terms of its acceptance within society, be perceived as a high-value word<sup>5</sup> that creates a platform for a variety of accesses

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<sup>5</sup>Cf. BACHMANN, G. (2011) *The concept of sustainable development and its significance for the environmental debate*, in: SCHRÖDER, W., FRÄNZLE, O. und MÜLLER, F. (Hrsg.) *Handbuch der Umweltwissenschaften*.

such as scientific and technical expertise, economic competence, visionary thinking and emotionality as well as a spirit of public wellbeing – a platform on which futures are conceived and hoped for. By building a bridge between highly diverse camps and points of view, the term succeeds in enabling discussions on target conflicts and the balancing of interests.

In this context, the term ‘sustainability’ does not (!) seek to defuse differences on the surface or to bundle them into a stereotyped consensus. Instead, it draws its strength from linking to real problems by ultimately appealing to each individual (in spite of their differences) to redress their attitude and accountability in order to preserve society from a destructive overuse of natural resources. In this context, the reliable forecast will play a role that soon nine billion people will inhabit the planet and an increasing number of people will be able to access wealth and lifestyles which have proven up to now to be major contributors to the destruction of the environment. Geopolitical conditions are undergoing fundamental change to the extent that today’s centres of power do not necessarily have to be the centres of economic, military and political power of the future.

In the discourse, the term ‘sustainability’ can only begin to acquire this significance in full when the appropriate forms and methods of dialogue are in place.

#### **2.2.4 Build-up of Strategic Labour Capacities**

The national sustainability strategy has become “more strategic” over several stages. While not the only ones, the following stages have been of particular significance.

In 2002, the German government implemented RNE’s suggestions of refining the strategy to incorporate goals and indicators and not just programmes, projects and measures. The German Council for Sustainable Development had pressed for adding measurability to the strategy on the grounds that this was a prerequisite for managing highly complex tasks. An equally important statement that RNE made was that the strategy should not be restricted to the state’s area of accountability (non-paternalistic) and not just to Germany (no national navel gazing).

The key competencies for implementing the goals of the sustainability strategy (especially in the area of education but also, for example, with regard to land use and the requirements placed on spatial planning in order to expand the use of renewable energy sources) especially rest with the *Laender*, but also with the country’s cities and municipalities. The minister-presidents are invited to make their own contributions to the sustainability strategy, as are the municipal umbrella organisations. At the initiative of the heads of the state chancelleries, a work process has been launched that covers indicators and issues on, for example, sustainability in public procurement. This marks the creation of the first steps towards achieving the desired and required so-called “vertical integration”.

The selection process for the indicators has been consistently refined. Some indicators were added, while others were defined more concretely or replaced.

The FONA research programme is expanding the bases for making informed sustainability decisions by including strategically relevant research programmes on sustainability. The Year of Science 2012 focusing on “sustainability” is the result of these steps.

RNE has provided guidance and texts on the sustainability strategy and contributed new topics to the strategy as well as new forms of participation. It has also taken a stand to ensure that the “Sustainable City Dialogue” initiated by a group of lord mayors has found its way into the sustainable strategy. The same can be said of RNE’s efforts to open up the strategy to future visions of society for the development of Germany.

### **2.2.5 Drivers for Sustainability in the Years 2001 - 2012**

The sustainable development model has gained in significance over the past few years. This is the result of an active and activating sustainability policy, which began in April 2001 with the establishment of the German Council for Sustainable Development.

#### **2.2.5.1 Institutionalisation**

The ten years since 2001 have been marked by the build-up of labour capacities for the benefit of the sustainability strategy. A lot can be said for further expanding these capacities in the future, both quantitatively and qualitatively.

To politically steer the sustainability strategy, the German government has set up a committee of undersecretaries of state from every department, which is chaired by the Head of the Federal Chancellery<sup>6</sup>. The task of independently monitoring the sustainability strategy indicators was performed by the Federal Statistical Office in 2006, 2008, 2010 and 2011. Using so-called progress reports, the German government updated the national sustainability strategy in 2004, 2008 and 2012 respectively, each time involving extensive consultation processes, cabinet decisions and informing the German Bundestag. The German government has raised considerable funds with the particular aim of providing scientific and research policy support and analysis for the sustainability agenda and consistently promotes sustainable innovation processes.

Since 2004, the German Bundestag has had a Parliamentary Advisory Council for Sustainable Development (PBNE). Parliament thus drew an organisational conclusion from the fact that the German government’s sustainability policy consolidated at the Federal Chancellery could not be accompanied and monitored by the parliamentary committees that focused on departmental tasks. The PBNE submits recommendations to the committees with primary responsibility in the German Bundestag and comments on the reports to the German

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<sup>6</sup> The federal departments also report to the Head of the Federal Chancellery on the status of their specific activities, such as their procurement policy, forest conservation, the viability of public finances, on transportation, construction and urban development, on education and research, on the reduction of the pay gap between men and women, on environmental policy, on consumer and agricultural policy, on sustainability as a task for international cultural and communications policy, on domestic policy issues relating to social cohesion, as well as on economic policy.

The committee has furthermore submitted a programme of measures entitled "Sustainability in Procurement" as well as a set of guidelines for the sustainable organisation of events. It initiated the work which subsequently resulted, in October 2011, in an Action Plan for Corporate Social Responsibility (CSR).

government, and also contributes its own articles and expert reports to the discussion. The PBNE additionally checks that bills comply with the sustainability criteria.

In order to advance opinion formation in organised civil society and the business sector and to incorporate them into the decisions reached by the German government, the German government set up the Council for Sustainable Development (RNE) in 2001 – one year before the inaugural sustainability strategy had been presented. RNE advises the German government and also addresses the general public and policy-makers with its own initiatives in its capacity as an independent body<sup>7</sup>. In 2009, RNE brought in a group of international experts, who, under the leadership of Björn Stigson, the then President of the World Business Council on Sustainable Development, organised the first Peer Review of German Sustainability Policy, which contains new and innovative proposals on the governance of sustainability<sup>8</sup>.

The Federal Association of German Businesses (*Bundesverband der Deutschen Wirtschaft*) set up the Forum for the Sustainable Development of German Businesses, *econsense*, in 2001, which has since expressed its views on key sustainability issues and has grown as a result of leading companies joining it.

#### 2.2.5.2 Companies: Success through Sustainability

Through a variety of requirements, companies are called upon to exercise their responsibility towards the environment and society. In the past, it was customary throughout to describe sustainability activities as luxuries. Economic success was reaped in spite of sustainability. Today, an increasing number of companies are changing their tune. They must review their own business model to identify whether they can prevail when resources are scarce and climate restrictions are imposed, and also on changing markets – and do so under the banner of competitiveness. For them, economic success is reaped through sustainability.

Needless to say, such companies committed to environmental protection and closed-loop recycling management and who underscore this through an environmental management system and their products have existed for a long time. With all due respect, these had remained a niche. From the year 2000 onwards the sustainability philosophy experienced a breakthrough in the business sector, boosted by the foundation of the Global Compact, the Global Reporting Initiative and the consequential gradual spreading of the issue of Corporate

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<sup>7</sup> The German chancellor appoints the members of the German Council for Sustainable Development (RNE) for a period of three years at a time. The members have extensive political experience from working in active civil society groups. Whilst their appointment is *ad personam*, they represent – in the broadest sense of the term – the sustainability concepts from companies and trade unions, churches and environmental organisations as well as development policy organisations, municipal policy and the scientific field. RNE has a working and organisational head office, which can play an active role in developing RNE's topics and initiatives. RNE's annual budget has risen from an initial sum of 1 million euros to its current level of 2.4 million euros to fund the tasks with which it has been vested.

RNE was instrumental in formulating the inaugural sustainability strategy in Germany and has, at regular intervals, submitted its comments on the German government's progress reports and proposed initiatives. In its own analyses of themes of overriding importance, RNE has published 45 pamphlets in which it puts forward recommendations on issues such as climate policy, energy policy, forestry policy, corporate social responsibility, organic farming, etc. and drafted eight publications of its own on topics such as visions for Germany's future in 2050. RNE's own major political initiatives eventually mobilise the sustainability efforts in civil society and the business sector (Lord Mayors' Dialogue, Werkstatt N, German Sustainability Code).

<sup>8</sup> [http://www.nachhaltigkeitsrat.de/uploads/media/RNE\\_Peer\\_Review\\_Report\\_November\\_2009\\_03.pdf](http://www.nachhaltigkeitsrat.de/uploads/media/RNE_Peer_Review_Report_November_2009_03.pdf)

Social Responsibility, CSR. In Germany, the issue was afforded greater attention from around 2004/5 onwards and became detached from the antagonistically inhibiting demand for voluntariness, on the one hand, and a statutory requirement on the other. This was made possible by a learning process on all sides.

A company can compete successfully by and not in spite of addressing the challenges facing corporate social responsibility for sustainable development. This is becoming increasingly clear regardless of the size of the company. Corporate social responsibility towards sustainability has, to date, primarily been exercised by publishing sustainability reports. In this process, it was necessary to focus virtually entirely on major companies, which resulted in small and many medium-sized enterprises feeling excluded. This has now changed. It was not until the idea came to integrate the sustainability concept into the core business of companies that new, greater opportunities emerged for companies from every sector, of every size and every legal form. Through their sustainability activities in connection with their products and services, companies seek to stand out for customers and on markets.

Stakeholder dialogues remain important, such as those known among commercial enterprises and in chemical and detergent companies. The same applies to credible and sound communications through sustainability reports. More than ever, stakeholder groups are asking whether and how reports contribute towards the strategic management of the company. Another driving force is the sustainability promise, which is used as a brand essence and in brand management.

The effectiveness of the factors driving sustainability can be seen in the acceptance of the German Sustainability Award, in the continued development of methods and in the award winners. It was first bestowed in 2008 and has gained in popularity and standing from year to year ever since.

The German Sustainability Code makes the strategic competitive edges accomplished through sustainability achievements tangible and allows the company to further refine its specific sustainability guidelines. Its effect unfolds when market participants apply it in practice. The Code provides players on the capital market with a reliable basis for assessing sustainability information by using twenty criteria and a selection of performance indicators.

### 2.2.5.3 Science and Research Foster Reflection and Action

In the modern world, scientific and research findings are becoming increasingly important and abundant. The sustainability of decisions and social responsibility towards them depends on how well-informed these decisions are taken.

The mere creation of knowledge can totally change the world, but does not do so automatically, nor purposefully either, whilst – conversely – changes in the world, induced by, for example, technological or social circumstances, most certainly create new knowledge. This ambivalence provides incentives for sustainable development. For this to happen, the academic system must be open to incorporating the context and the “materiality” of knowledge (what is it really about?). In this regard, science itself needs new, sustainable dialogues and robust hubs for the public to form an opinion, which also overcome the asymmetry of the role of actors and target conflicts.

In this sense, the Institute for Advanced Sustainability Studies (IASS), led by its Executive Director, Prof. Dr. Klaus Töpfer, is a structural driver of change processes. Germany's scientific organisations launched it as a trans-disciplinary sustainability research institute at the suggestion on a symposium of Nobel Laureats in 2007<sup>9</sup> and following a specific request by the German government, which also provides the funding<sup>10</sup>. The IASS taps ambitious and innovative approaches on sustainability issues and acts as a hub for a strategic dialogue between researchers, policy-makers, businesses and society. Among other activities, the IASS is tackling the energy turnaround as a core issue of sustainable development and works in partnership with scientific institutes, as well as the German Council for Sustainable Development as a socially relevant body.

The Research for Sustainability Programme (FONA) of the Federal Ministry of Education and Research is funding the national sustainability strategy and the high-tech strategy in the areas of energy, climate protection, resource protection with over 2 billion euros up to the year 2015<sup>11</sup>. Its share of overall expenditure on research in Germany<sup>12</sup> is still low, however.

#### 2.2.5.4 Civil Society is Driving Change

People's attitudes and lifestyles are changing across all areas of society – in part, of course, still limited to the up to twenty percent of the most actively engaged citizens. An increasing number of people buy organic food, look for the Transfair label when making daily purchases and only trust in companies which are credibly and transparently working to improve their own carbon footprint and exhibit corporate social responsibility towards, for example, their own employees.

People who look for “sustainability” in products and services in their daily lives, when purchasing food, from their energy provider and when planning trips or investing money drive change. Only by looking back from time to time does it become clear how fundamentally some lifestyles have changed. Smoking in public areas is just one example; another is the boom in organic products. From the abundance of groups participating in the “Local Agenda 21”, competent cores have emerged. Numerous pertinent activities run by school pupils, students or independent educational institutions can be observed in this context.

However, even over and above this, some of today's leading figures, i.e. lord mayors, university deans or, for example, even company executives are taking up the “sustainability”

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<sup>9</sup> Global Sustainability – A Nobel Cause, cf. <http://www.nobel-cause.de/potsdam-2007>

<sup>10</sup> Those represented in the General Assembly of the IASS are: Leibniz Association, acatech – National Academy of Science and Engineering, Ministry of Science, Research and Culture of the State of Brandenburg, University of Potsdam, Alfred Wegener Institute for Polar and Marine Research in the Helmholtz Association, Max Planck Institute for Meteorology, Helmholtz Association, Berlin-Brandenburg Academy of Sciences and Humanities, German Academy of Sciences Leopoldina, Halle; Federal Ministry of Education and Research

<sup>11</sup> The amount of funding earmarked to individual focal areas of the programme can be found here:

[http://www.bmbf.de/pub/forschung\\_fuer\\_nachhaltige\\_entwicklung.pdf](http://www.bmbf.de/pub/forschung_fuer_nachhaltige_entwicklung.pdf)

<sup>12</sup> Cf. information provided by the Federal Statistical Office on private and public expenditure for research and development as a sustainable development indicator,

[https://www.destatis.de/DE/Publikationen/Thematisch/UmweltoekonomischeGesamtrechnungen/Umweltindikatoren/IndikatorenPDF\\_5850013.pdf;jsessionid=E55030384DC45B03B24105F2784A25C4.cae2?\\_blob=publicationFile](https://www.destatis.de/DE/Publikationen/Thematisch/UmweltoekonomischeGesamtrechnungen/Umweltindikatoren/IndikatorenPDF_5850013.pdf;jsessionid=E55030384DC45B03B24105F2784A25C4.cae2?_blob=publicationFile) (as retrieved on 11.4.2012)

cause and using an integrated approach to tackle highly-complex goals and target conflicts with the courage and curiosity to try out new processes.

The Peer Review on German sustainability policy has acknowledged this broad entrenchment in civil society, whilst also determining significant shortcomings in trans-disciplinary dialogues (need for major social systems to listen and communicate with each other) as well as a lack of visionary thinking. The Peer Review, above all, also criticised the lack of contact between companies with a sustainability agenda and policy-makers as well as the lack of political incentives to achieve a vision of ‘Made in Germany 2050’ that would be characterised by a symbolic and emotional force which puts the perception of the (small) contribution made by individuals in a bigger context and change this context. According to the Review, the issue is primarily one of political leadership.<sup>13</sup>

An eloquent reference to the positive change in civil society’s dealings with “sustainability” can be found on the book market: there are numerous new publications which have, above all, revealed the cultural dimension of sustainability<sup>14</sup> and which have, in part, become bestsellers.

### 2.2.6 Untapped Potential: International Cooperation

Key aspects of the sustainability strategy remain without any driving force or conceptual impact for sustainable development in the political community and in society. This is in contrast to the potential attributed to such themes. These are quite apart from topics, which are not addressed (and not analysed here) and thus go completely ignored.

One example of this is the international dimension of the sustainability policy. This relates to conventional cooperation with developing countries and international cooperation with threshold countries and emerging economies. Here, Germany is very active, and rightly so.

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<sup>13</sup> It is still unclear what hard criteria should be used to measure sustainability and who vouches for them. The public perception is dominated by general terms and concepts, such as that of the ecological industrial revolution and of global climate protection, though no collective remembrance and identity experiences. Were these to exist, they would presumably be group-specific and not along the customary social lines of division in structural analysis such as income, education, social class, and they would more or less be at conflict with the general fragmented nature of social recall.

<sup>14</sup> Cf. especially GROBER, U. (2010), *Die Entdeckung der Nachhaltigkeit. Kulturgeschichte eines Begriffes* [The discovery of sustainability. Cultural history of a term], Verlag Antje Kunstmann, Munich, 299 pages / DIAMOND, J. 2005. *Kollaps. Warum Gesellschaften überleben oder untergehen*. Frankfurt/M: Fischer [Collapse: How Societies Choose to Fail or Succeed. Viking Adult; 1 edition (December 29, 2004)] / OSTERHAMMEL, J. (2009): *Die Verwandlung der Welt. Eine Geschichte des 19. Jahrhunderts* [The transformation of the world. A history of the 19<sup>th</sup> century], Munich: Beck, 2. Auflage, 1,567 pages / VOIGT, M. (2009): *Prinzip Nachhaltigkeit. Ein Entwurf aus theologisch-ethischer Perspektive. Hochschulschriften zur Nachhaltigkeit* [The principle of sustainability. A draft from a theological and ethical perspective]. University publications on sustainability, volume 39, Munich: Oekom, 550 pages / RADKAU, Joachim (2011), *Die Ära der Ökologie* [The era of ecology], Verlag C.H. Beck, Munich, 782 pages / HABER, W. (2010) *Die unbequemen Wahrheiten der Ökologie. Eine Nachhaltigkeitsperspektive für das 21. Jahrhundert* [The inconvenient truths of ecology. A sustainability perspective for the 21<sup>st</sup> century], oekom verlag, Munich, 72 pages.

There are also some interesting factual accounts more focused on technocratic governmental procedures, such as NIESTROY, I. (2005): *Sustaining Sustainability. A benchmark study on national strategies towards sustainable development and the impact of councils in nine EU member states*, EEAC series no. 2, Utrecht: Lemma publishers // GERMAN ADVISORY COUNCIL ON THE ENVIRONMENT (SRU) (1998): *Environmental Report 1998. Environmental Protection: Securing Achievements – Breaking New Ground*. Stuttgart: Metzler-Poeschel

This fact is merely reported in the sustainability strategy, using an indicator, for example, which specifies the financial commitment to development cooperation. As a result, the credibility which German development policy has gained over decades is not used sufficiently for the sustainability policy.

This shortcoming is reciprocal: on the one hand, more could and should be made of the sustainability strategy pursued in Germany in many cases, including in external cooperation. The energy turnaround, the achieved level of land, soil and water resource management, corporate social responsibility, but also new initiatives, such as the Sustainability Code or the governance of sustainability solutions, are all good examples. On the other hand, the experiences gained from forms of international cooperation in terms of, for example, the cultural diversity of sustainability solutions or capacity building as well as the peacekeeping role of resource management could also have a greater impact on Germany.

Positive examples of a linkage of measures in Germany and in developing countries can often be seen in projects involving twinned cities and in training or even school projects, e.g. when energy efficiency measures in Germany are combined with adjusted measures taken by foreign partners.

## **2.3 Evaluation: Success or Failure?**

### **2.3.1 Summary<sup>15</sup>**

- The sustainability strategy has been successfully organisationally entrenched. This will give it the opportunity to take effect in politics and society. The first steps in this direction have proven to be a success.
- The management of the respective methods and instruments has yet to reach a level of independence and therefore bindingness.
- Sustainability management has, to date, only been of a descriptive nature, with little operative character. The indicators play too minor a role in policy guidance. Sustainability-oriented policy has not yet explicitly made the move from monitoring to governance.
- Work on visions for Germany's long-term development falls short of its potential to activate society, and young individuals in particular.
- The means of establishing the framework for a green economy have not yet been as successful as they could or need to be. The move from a programmatic declaration to recognising a strategically operative governance of companies and their way to achieving sustainability still needs to be accomplished. Scientific research initiatives do not draw sufficiently on the advanced state of corporate practice.

### **2.3.2 Governance**

In drafting its inaugural sustainability strategy, the German government provided international impetus and acted on a corresponding, concrete recommendation expressed by the German Bundestag in 1998. Prior to this, the preceding government had failed in its

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<sup>15</sup> For empirical data on the extent to which the sustainability strategy goals are being achieved: cf. report issued by the Federal Statistical Office on indicators for sustainable development, Wiesbaden 2012

attempt to establish a sustainability strategy. Since 2002, all subsequent German governments have continued the sustainability strategy and set new trends.

The German government has made the sustainability strategy a factually sound work. Compared to the economic and social policy agenda, it has the potential to be even more politically relevant. Notwithstanding this, it already impacts how ministries, subordinate authorities and state-owned enterprises act, e.g. as regards the procurement of goods and services based on sustainability criteria, climate-neutral business trips, vehicle fleet CO<sub>2</sub> emissions, reduction in energy consumption in real estate, and in data processing centres and public events. The more consistently sustainability is implemented the more it can become the driving force behind social, political and technological advancement.

The gradual introduction of corrections to the institutionalisation of the sustainable strategy has been a success: for example, the frequency with which the progress report (policy) and indicator report (statistical) are published has been reassessed. In this context, the importance of the political report has been elevated, and, at the same time, its continuity safeguarded through the submission of regular statistical reports every other year. Governance of the sustainability strategy has been enhanced by strengthening the organisational and methodological makeup of the working structures.

There are practical shortcomings, however:

- Where politically significant clashes of interest occurred, the sustainability strategy was unable to provide any decisive new impetus. This is especially true of the energy efficiency policy and in terms of energy-saving methods for federal real estate, with regards to developing economic policy ideas for the so-called third stage of life and in view of the follow-up infrastructure questions of demographic change.
- The sustainability strategy has not developed any independently effective instruments to steer the successful coordination of the ministerial activities, for example in terms of a specific project management system.
- The international financial and economic crisis has highlighted especially clearly how crucial orientation to the sustainability model would be, even in financial policy, and what shortcomings prevail.
- The debt brake can only then become a sustainability instrument if its federal implications – in terms of equal working and living conditions – become truly strategic issues.
- The national sustainability strategy must, at times, assert itself against other meta-strategies, which are frequently launched by ministries in parallel to the sustainability strategy in order to raise greater awareness for an upcoming topic. This frequently gives rise to cannibalisation in an effort to compete for the public's attention.

One question yet to be answered is how to enhance the legitimisation of the national sustainability strategy. This question is raised because of the increasing amount of knowledge and information and the customary manner in which this is processed in the shape of group-specific rules, processes, the differentiated communications structure, the distinguishing fragmentations in the shape of social sub-systems: how can integrative thinking, the mastering of complexity, the power of mission statements and visions as well as trans-disciplinary science be practiced and be presented more forcefully to decision-makers and socially relevant groups? The experiences of the Ethics Commission on Safe Energy Supply, the

German Council for Sustainable Development and of the German Ethics Council (Biomedicine) indicate that they are well on the way to achieving a socially relevant consensus.

### **2.3.3 Management Rules**

The management of the sustainability strategy by the Head of the Federal Chancellery is a vital part of the sustainability management process and the application of the rules established in this respect. The function of the steering group, the State Secretaries' Committee on Sustainable Development has slowly but surely been strengthened. This includes the ministerial departments' dealings with the sustainability profile and the involvement of external guests to discuss and examine the main discussion topics.

The following factors are vital aspects in this regard:

- In general, policies are expected to be effective and results-oriented. This is also true of the sustainability strategy and is especially challenging here. Changes in the highly complex indicators for sustainable development rarely result from the impact of individual measures.
- The ten management rules summarise very concisely the mission statement and requirements of sustainable development, but remain ineffective. They are a foreign body. The progress reports do not shed light on to whom or what they should apply, nor on what should happen if they are not applied.

### **2.3.4 Indicators**

Indicators reveal how far we have progressed down the path towards sustainable development. Goals make it clear where there is a need for action and are important for measuring levels of achievement. Indicators for the national sustainable strategy were first developed in 2002. For its part, RNE commended this as a move in the right direction because the indicators are a vital step towards making sustainability tangible and accompanying the implementation of the goals and measures of the sustainability strategy. This continues to be necessary.

The selection and application of individual indicators have since become the subject of comprehensive activities. The indicator concept has been further refined. However:

- The strategic value of the indicators for political governance and cooperation between the federal-*Laender* and municipal levels has yet to fulfil its expectations.
- Indicators and action strategy often run side by side. It then often appears as if the determination of indicators follows a descriptive self-concept that leans towards completeness.
- This is especially apparent in the indicators, which, even ten years later, show no positive shift towards the agreed goals.
- One issue worth mentioning here because the indicators used to date do not cover it is that the sustainability strategy does not have an indicator for sustainable consumption, whereas the EU strategy and individual EU member states certainly do.

### 2.3.5 Goals and Concrete Visions

We cannot predict the future. “Future” is often concealed in things that we overlook today. Nevertheless, we need perceptions of “potential futures”, of goals and paths that we want to pursue in order to allow us to orientate to sustainability. Concrete visions of the future give rise to friction and provide food for thought for the public debate on sustainability. They open up new possibilities and levels of freedom to be able to make a conscious decision for or against something. This is a necessity for inter-generational justice and natural reassurance given the size and temporal and spatial scale which today’s investments and commitments have on technologies and the social framework conditions.

The sustainability strategy has gradually expanded the time horizon, and, in its current form, also incorporates a 2050 time horizon for energy and climate policy. It also takes account of the decision reached in the 2009 Peer Review to recommend an extended and dialogue-based understanding of sustainability visions (known as the Grand Design<sup>16</sup>).

Germany needs to overcome minority and disciplinary interests. Long-term and responsible thinking and actions can be fostered through new alliances in the political, social and economic sectors. Criticism needs to be levied at the fact that, whilst new forms of action are recognised by the sustainability strategy, they only make headway outside the sustainability strategy:

- The work performed by the young generations on social and practical visions for “Sustainability - Made in Germany” should become a regular, integral part of the sustainability strategy.
- The Sustainable City Dialogue conducted by the lord mayors is a good example of this. It marks the first time that lord mayors have come together to conduct a strategy dialogue on sustainability policy.
- In the dialogue process on the German Sustainability Code, companies from the production and trade sectors and financial services have come together to use the Sustainability Code to create a new instrument that makes the sustainability activities of companies transparent and assessable. This will continue to inspire further ambitious measures in the future.

### 2.3.6 Economy

The “green economy” issue became a central theme of the 2012 Progress Report. This should generally be viewed as a positive step. The following areas are of particular importance and should be further cultivated:

- The question of the nature and direction of “growth processes” and “shrinkage processes”:

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<sup>16</sup> At the request of the German government and as a consequence of the 2009 international Peer Review on German sustainability policy, a Vision\_2050 project was carried out. The “U27” political generation has drafted visions for the year 2050, a year when the population will be close to nine billion and tight limits on CO<sub>2</sub> emissions and the use of natural resources, plus a change in geopolitics will apply.

Here, a fundamental dilemma lies in the fact that a) ongoing economic growth along the lines it occurs today is not possible in a finite world, but it is something hoped for by many; and b) zero growth is scarcely possible for a consuming consumer society whose ideal is to have goods available at any time, and, in many instances, it is even considered harmful. A solution in terms of ways out of this dilemma has yet to be found.

- Lack of lessons learned from practical corporate sustainability management.

The development of methods and instruments of sustainable corporate governance fail to be sufficiently knowledge-based.

- Framework conditions in the social market economy.

Whilst these are adapted and changed on an ongoing basis, they lack explicit references to sustainability (though there are exceptions to this rule). The roadmap instrument applied in developing a sustainable economy is not used adequately or in appropriate new forms of action (see above).

- The Sustainability Code.

To date, this has not been applied in the areas of responsibility of state-owned enterprises. No use is made of its potential as a means of improving the sustainability of capital markets and corporate strategies.

## **2.4 Proposals 2012 for Further Action**

In the light of this analysis it seems reasonable to propose further key action of policy making on the German national level:

- The sustainability strategy should be further developed.
- The work on visions and the expansion of the steering tools of the sustainability strategy should be linked to a broad initiative on the culture of sustainability which promotes responsibility, education and capacity building.
- The European dimension can and must be strengthened. Given their European involvement, policy-makers should seize the German energy turnaround as a good opportunity to canvass for an ambitious overhaul of the EU sustainability strategy.<sup>17</sup>

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<sup>17</sup> In virtually every policy field, it is imperative that more attention is paid to Brussels. The guidelines for sustainable development found their way into the European Community treaty as early as 1998. They were embedded into the treaty as a fundamental goal of European policy. Three years later, the EU Strategy for Sustainable Development was passed. It has the potential to become a key reference for the German sustainable strategy. The EU Strategy has since become politically powerless and insignificant. Whilst, in Germany, the term 'sustainability' is becoming increasingly accepted within society and the sustainability policy is gaining influence, institutions for sustainable development in key member states of the European Union are falling apart:

- Parliament should call for a report on sustainability to be submitted when it adopts the federal budget and therefore fall into line with business groups and major companies that submit a report on the non-financial performance indicators and on sustainability with their annual report.
- In addition to advising the federal government, RNE's role as an agency for cross-functional partnerships for sustainability should be further expanded.
- The transfers between the science field and society should be stepped up significantly in terms of both the questions directed at the science field and the findings emanating from it.

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this is especially true of the United Kingdom, the Republic of Ireland, the Netherlands, Sweden and, France. In other, thus far active countries, there is a lack of specific progress, such as in Switzerland and Austria, or substantial political steps are not even undertaken (Poland, Spain, Italy). As a consequence, the majority of EU member states are trying to evade any implementation pressure resulting from an effective European sustainability strategy.