

# Five spearheads for sustainable development

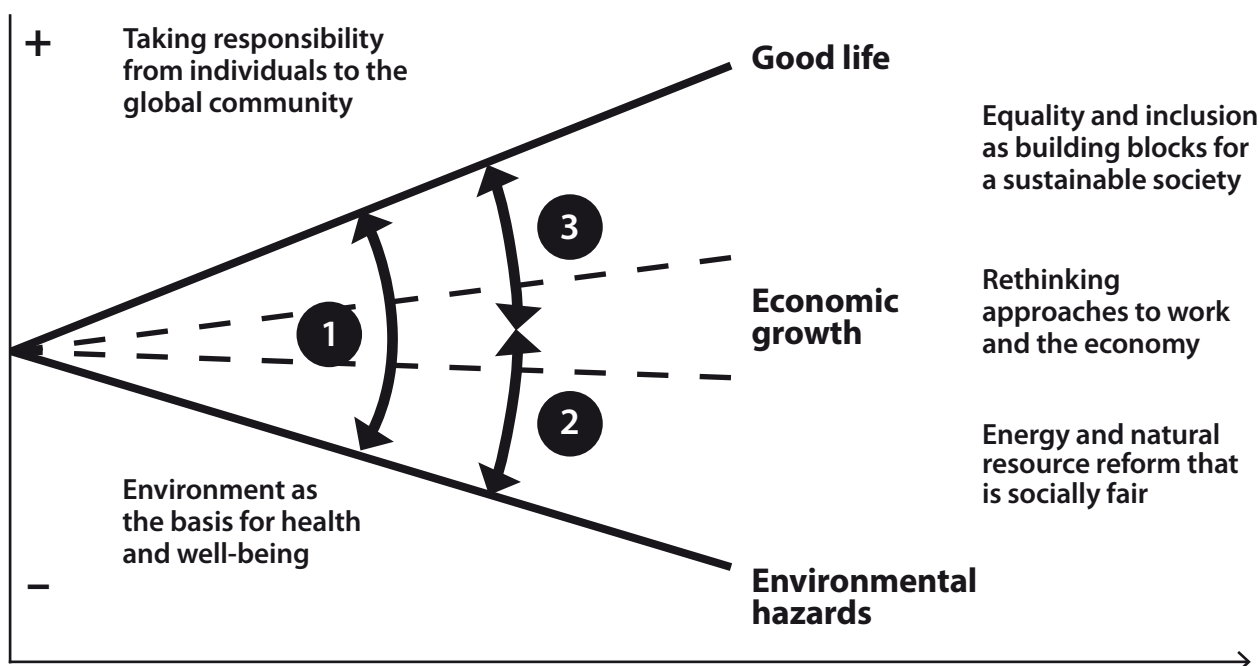
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*The independent Finnish Expert Panel on Sustainable Development brings a scientific perspective to Finnish policy. The panel contributes to the public discourse and both supports and challenges the Finnish National Commission on Sustainable Development. The Finnish Innovation Fund Sitra hosts and facilitates the panel's activities.*

Realisation of the UN's Agenda 2030 for Sustainable Development requires both universality (working to achieve all goals everywhere) and strategic ability (selection and phasing of focus areas). Since all the 17 Agenda 2030 goals are interlinked, some key clusters of goals need to be identified in order to tackle the complex whole. The Finnish Government has

been drafting a national implementation plan for the 2030 Agenda for Sustainable Development throughout 2016. The Expert Panel on Sustainable Development proposes five key focus areas as spearheads for the plan. They are based on the decoupling of economic growth from both environmental hazards and perceived well-being.

## Key focus areas of sustainable development



Realising sustainable development requires the decoupling of the economy from the sense of a good life and from environmental hazards on three levels.

When the **environment is seen as the basis for comprehensive well-being**, we can live a better life at the same time as environmental hazards decline (1, see picture). In order to keep development within the ecological limits of the planet or to reverse changes that have already exceeded planetary boundaries, environmental hazards must be reduced independently from potential economic growth (2, see picture). In order to make this happen, we need **an energy and natural resources reform that is socially fair**. In addition, the dependence of well-being on economic growth must also be reduced (3, see picture). This is why we need to renew ways of achieving **equality and inclusion, so that they** can be used as building blocks for **a sustainable society** in the future.

Realising the three levels of decoupling described above requires **a rethinking of our approach to the economy**, where the economy is seen as a means of producing sustainable well-being instead of an intrinsic goal. However, none of the objectives described here can be realised unless we **take responsibility at all levels, from the individual to the global community**.

# Can we keep up with the pace of the global agenda?

**UN AGENDA 2030**<sup>1</sup> challenges the nations of the world to promote sustainable development through 17 common Sustainable Development Goals (SDGs). By international standards, Finland has achieved a great deal of success in sustainable development. According to the gap analysis Avain2030<sup>2</sup>, commissioned by the Finnish Government and conducted by the Finnish Environment Institute and Demos Helsinki, our strengths include health, equality, sanitation, peace and equality. Our challenges are the state of ecosystems, responses to climate change and our consumption habits.

Even though many of these strengths will also remain in the future, there has been no significant improvement in Finland in achieving any of the SDGs in recent years. The development and adoption of new, eco-efficient solutions could be better.<sup>3</sup>

Basically, Finland has what it takes to be one of the leading countries in sustainable development. However, this requires improving on issues that have been challenging to us, maintaining our areas of strength and active social engagement. We must also be assertive in international arenas and steer the European Union towards advancing sustainable development values in Europe and among the UN's member countries.

In Finnish society, there are counteractive processes at work that hinder change. What will it mean to the future success of Finland if we lag behind other countries when pursuing sustainable development? How will we see the future of our own country if our forest ecosystems are impoverished, our educational success declines, our energy policy fails to follow cutting-edge technologies

and our approach to discussing sustainable development issues is far removed from people's own thoughts and concerns on the meaning of their own lives? How can we ensure that people see sustainable development issues as being linked to their own lives?

Do we once again see ourselves as being underachievers? The situation is not as bleak as the results of the Avain2030 project might lead us to believe. Although indicators are important to decision-makers and provide a frame of reference on the state of development, they do not tell the whole story, since they often refer to the past. The ability of Finnish society to make the significant, comprehensive changes required for sustainable development has in recent years increased in a way that does not yet show up on any indicators. There are currently numerous small-scale or grassroots reforms under way (for example, local food and community-supported agriculture, the solidarity economy and decentralised energy production based on recycled materials), whose impact will not be felt right away or at least not until they become mainstream.

With this kind of potential, we should be aiming for the top. Even though Finland plays a small role on the world stage, achieving the sustainable development goals will benefit the country in the long term and provide it with tools for success, for example through a positive image and improved competitiveness. In some things, Finland's level of ambition has to exceed that stated in the global goals. For instance, Finland could aim to be a trailblazer in areas such as sustainable economy, safeguarding ecosystems and conserving energy.

1 Transforming our world: the 2030 Agenda for Sustainable Development. Resolution adopted by the General Assembly on 25 September 2015.

2 Avain2030 project: Agenda 2030 in Finland – Key questions and indicators of sustainable development. <http://www.demoshelsinki.fi/wp-content/uploads/2016/08/Agenda2030inFinland-Key-questions-and-indicators-of-sustainable-development.pdf>

3 In the Avain2030 project, it was found that this is not a question of absolute development, but rather of relative global positioning.

# From separate goals to comprehensive changes

**REALISATION OF THE UN 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT** requires both universality (working to achieve all goals everywhere) and strategic ability (the selection and phasing of focus areas). When all the goals are interlinked, defining some key clusters of challenges helps in tackling the complex whole. With regard to this, we propose five key focus areas and seek spearheads for their implementation.

## 1. Environment as the basis for health and well-being

Planetary boundaries create a space for sustainable development within which economic instruments can be used to generate well-being. Ecosystems must be seen as the facilitators of human life, providers of well-being and the basis for a sustainable economy. The safeguarding and increasing of ecosystems<sup>4</sup> are not in conflict with human well-being and the promotion of a sustainable economy, because environmental problems will ultimately be detrimental to us. Investing in nature is beneficial to society.

Even though ecosystems suffer as a result of climate change, they also help mitigate it and adapt to it. Nature-based solutions, which are systemic and cost-effective over the long term, must be found for key issues facing society, such as flooding and droughts, health<sup>5</sup> and food security.<sup>6</sup> Finland still does not take full advantage of or offer political incentives for business ideas and the creation of new jobs related to these solutions. Solving a problem in one area can easily cause problems in another if they are not taken into consideration as a whole in terms of time and place, as well as from a socio-economic standpoint. Climate change alters ecosystems, thus also altering ecosystem services.

Finland is currently undergoing a change in its food culture, where consumer influence has moved large companies to introduce protein products from Finnish agricultural suppliers. There has also been a considerable boost to the direct sale of ecosystem-friendly produce.

In Finland, forests play a key role in safeguarding biodiversity. We should see safeguarding biodiversity as an

opportunity, not an impediment to progress. Finland's reputation and attractiveness will decline if we do not care for the biodiversity of our forests. We must remain vigilant to ensure that forest biodiversity is taken into consideration when the production structure is changed in ways that affect the use of land and natural resources.

In cities, a highly functional green and blue structure is crucial.<sup>7</sup> Cities affect the enjoyment and health of citizens and visitors.<sup>8</sup> Urban nature absorbs storm run-off, encourages people to go out and exercise, promotes mental health, prevents inflammatory diseases and cleans both air and water. The proper management of water services in growing cities ensures the health of lakes and groundwater as well as the availability of clean water and sanitation for all. Residents, civil servants and politicians should work together to create a connected, rich and accessible green structure as a means to break up the increasing density and height of residential areas. Working with and on behalf of nature can make living in the city not only a pleasure, but also meaningful.

## 2. Socially fair energy and natural resource reform

It cannot be taken for granted that it will be possible to use natural resources as freely in the future as they are used today. This is not only an ethical issue, it is also a tangible problem, which depends on our ability to safeguard the functional capacity of ecosystems,<sup>9</sup> change consumption habits and adopt production methods that spare natural resources.<sup>10</sup>

Finland has made modest progress in climate action,<sup>11</sup> which can also be seen in international analyses. Policy measures for steering energy production towards renewable energy, eco-efficiency and the reduction of energy consumption<sup>12</sup> have been thus far insufficient. Technological development should invest more in eco-efficiency, and public procurement should promote the introduction of new, eco-efficient solutions. We are beginning to gain a reputation for falling behind, which affects our attractiveness, at least where trade with developed countries is concerned. There is evidence from research which shows how changes in the energy structure creates new jobs, provided that policy instruments are in proper order.

4 SDG 14: Life below water; SDG 15: Life on land

5 SDG 3: Good health and well-being

6 SDG 2: Zero hunger

7 SDG 11: Sustainable cities and communities

8 SDG 3: Good health and well-being

9 SDG 14: Life below water; SDG 15: Life on land

10 SDG 12: Responsible consumption and production

11 SDG 13: Climate action

12 SDG 7: Affordable and clean energy

The Finnish energy system is slow to change and based more and more on centralised production, such as the burning of oil and coal (33% of the total energy consumption), burning of wood and its by-products (25%) and nuclear power (18%).<sup>13</sup> In light of Finland's technological development, this is understandable.

Nuclear power was important in the 1970s, when Finland, a country that had only recently and rapidly industrialised and urbanised, needed more electricity. The advancement of nuclear technology helped strengthen technological, economic and political relations with the then Soviet Union. The combined fossil fuel-based production of centralised electricity and heat was needed to satisfy the needs of heavy industry as well as for district heating systems. And, in connection with pulp production, it was natural to use black liquor for electricity and heat production.

On a planet plagued by climate warming, inertia threatens to derail the Finnish energy system. Decentralised energy systems based on solar, wind and geothermal power have begun to eat into the market share of centralised and non-renewable energy systems. However, compared to reference countries such as Sweden, Denmark and Germany, Finland has fallen behind in the development of renewable energy systems. The threat comes not only from the long-term commitment to costly, outdated energy systems, but also from the loss of competitiveness within unprecedentedly large global markets. If we fail to jump on the bandwagon in time, we will lose both money and jobs.<sup>14</sup>

Finland's renewable energy production is largely based on the energy produced from wood and peat. This is where Finland's profile differs from other developed countries.

The message being sent from the scientific community has not made it onto the current policymaking agenda. Peat can be considered a renewable natural resource only over a very long period of time. Furthermore, numerous models made by the scientific community show that using forests for bioenergy is by no means a positive climate action. Despite this, Finland is doubling down

on the approach currently used. Although the burning of black liquor might prove to be a reasonable solution in cases where there is no alternative use for it, there is no sustainable justification for the plans to considerably increase the use of wood in fuel production. International awareness of the ecological, social and economic problems underlying the use of forests for energy production is growing. Accordingly, steps must be taken to develop an energy strategy that weans us off the use of wood and peat.

Upheaval in energy production<sup>15</sup> is a complex issue that challenges the integrity of society. Among researchers there are also differing views, a majority of which stem from the fact that different time perspectives are used when examining the issue. How can social polarisation<sup>16</sup> and an increase in poverty<sup>17</sup> be prevented during an energy transition? Cities and their suburbs, as well as other population centres,<sup>18</sup> play a key role in finding new and maintaining old practices, which are used to ensure a quality of life, even for those with lower incomes. We need social and technological innovations as well as a sustainable infrastructure,<sup>19</sup> all of which contribute to a reduction in emissions (for example, public transportation and energy-efficient construction).

The most important aspect of a sustainable future is to escape the vicious cycle in which striving for well-being results in environmental hazards. In decoupling, well-being is based on the sustainable and multifaceted use of natural resources. This type of decoupling may not necessarily require economic growth.<sup>20</sup>

### 3. Equality and inclusion as building blocks for a sustainable society

Equality<sup>21</sup> and education<sup>22</sup> are cornerstones of a good society. They form the foundation of social trust and maintain stability and peace in society.<sup>23</sup> Inequality has undeniably grown in Finland. There are many who feel that they are not included in the social contract and are, in fact, being left aside in the wake of economic progress. The social foundation needs to be re-established, which also requires a new understanding of well-being and what constitutes a good life.<sup>24</sup> This includes not only a material

13 [http://www.motiva.fi/taustatietoa/energian kaytto\\_suomessa](http://www.motiva.fi/taustatietoa/energian kaytto_suomessa) (available in Finnish only)

14 Halme, M., Hukkinen, J.I., Korppi-Tommola, J., Linnanen, L., Liski, M., Lovio, R., Lund, P., Luukkanen, J., Partanen, J., Wilenius, M., Nokso-Koivisto, O., edit. (2015) *Maamme energia* (Our Nation's Energy). Helsinki: Into Kustannus.

15 SDG 7: Affordable and clean energy

16 SDG 10: Reduced inequalities

17 SDG 1: No poverty

18 SDG 11: Sustainable cities and communities

19 SDG 9: Industry, innovations and infrastructure

20 SDG 8: Decent work and economic growth

21 SDG 10: Reduced inequalities

22 SDG 4: Quality education

23 SDG 16: Peace, justice and strong institutions

24 SDG 3: Good health and well-being

standard of living, but also the need for social relationships and meaningful activity, as well as experience of feeling that life has a meaning.

Major changes in the energy and natural resources economy also pose challenges to equality. The functioning of markets has a significant impact on inequality, with social discourse primarily revolving around income, the redistribution of income and taxation. Addressing inequality as part of sustainable development, however, requires a more complex political discussion, which acknowledges not only inequalities between different demographic groups, but also gender inequality.

Education is both a common good and a human right, but it also reflects more broadly the vulnerability of society. It influences how values develop and how a nation is able to perceive broader issues together.

Virtue, which is based on performing good acts, is the driving force behind sustainable development. It is not only our responsibility, but also the foundation for a meaningful life. Happiness fosters short-term virtue, but over the long term virtue blossoms from giving, sharing and participating. Trust is an important part of both the more conventional form of well-being and regenerative well-being.

Ensuring that economic growth<sup>25</sup> and well-being are decoupled is a very relevant challenge today, because economic growth has declined and not even economists are prepared to forecast strong growth in the near future. On the other hand, the application of virtue for the good of the environment can promote the decoupling of economic growth and environmental hazards, thus empowering people in different financial or social situations. We urgently need to find answers to the question of how society can produce and share well-being in a manner that is independent of economic growth and of the degradation of ecosystems.

#### 4. Rethinking approaches to work and the economy

The role of the economy<sup>26</sup> must be redefined in order to make sustainable development possible. The economy must be seen as a means instead of a goal. It should lay a foundation for decent work, and together they are linked to everything from the functional capacity of ecosystems to human well-being.

When considering a sustainable economy, thought should be given to what is to be increased by economic means. Once the answer is found, approaches can be

sought in economic structures and practices. Public investments, dirigisme and the more innovative culture that makes them possible promote the transition to economic models, in which well-being is established more fairly and with less harmful impact on the environment.

Economic reform also challenges us to think about work in a whole new light. Work is distributed in a new way both during a person's lifespan and between different people. From a well-being standpoint, the meaningfulness and quality of work are just as important as an adequate income and a reasonable amount of work.

The nudge theory is based on behavioural economics, which studies how people make economic decisions in real life, i.e. decide on how they will spend their money or even their working time. This extensive research history has found that people's actual behaviour differs in many respects from the assumptions of economic rationalism.<sup>27</sup> This is but one of the many reasons we are wasteful in the consumption of natural resources.

The nudge theory has given rise to many promising (although small-scale) examples of how the state can reframe people's choices (i.e. build better choice architectures), without forcing citizens to fit into a single mould. One example of a deviation from rationalism is the status quo bias, meaning that people have a tendency to favour decisions that maintain the existing state of affairs. As a result of this, only approximately 12% of Finnish consumers have switched to green electricity,<sup>28</sup> even though this would be, according to the most common climate impact calculators, one of the simplest ways to reduce their own carbon footprint (Ilmastodieetti.fi).

In a few real-life trials conducted in Germany, power companies switched consumer power contracts to green electricity, while offering their customers the opportunity to choose a more affordable electricity produced with fossil fuels. In this case, 95 to 99% of the customers opted to stick with green electricity.<sup>29</sup>

In its most fundamental sense, the nudge theory suggests that people's choices are framed by their social and operating environments. In actual fact, our entire economic system (including money at its core) is a social construct. This idea holds promise: even with the burden of historical precedents, we can strive to reframe the economy in more sustainable ways.

25 SDG 8: Decent work and economic growth

26 SDG 8: Decent work and economic growth

27 For a good general work, see Kahneman, D. (2011). *Thinking, fast and slow*. London: Macmillan.

28 Eurobarometer (2014) Special Eurobarometer 409. CLIMATE CHANGE. Available online: [http://ec.europa.eu/public\\_opinion/archives/eb\\_special\\_419\\_400\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb_special_419_400_en.htm)

29 Pichert D & Katsikopoulos KV (2008) Green defaults: information presentation and pro-environmental behaviour. *J Env Psych* 28, 63-73.

Compared to other countries, the conditions in Finland are better for discussing economic reform, because our society is highly organised and citizens act largely in accordance with its norms. Automation and robotisation accelerate the redefinition of work and the economy. This can spark discussions on reforms on a broader scale. Political discourse is needed in a general sense and to specifically gauge whether capital is being directed towards achieving a sustainable economy. An open dialogue and comprehensive literacy in economic policy are the prerequisites for moving forward.

## 5. Taking responsibility at all levels: from an individual to the global community

How can sustainable development be made a part of the broader consciousness and thinking, instead of merely serving as an elitist discussion? Individuals play multiple roles, and sustainable development perspectives change when moving between these roles. The paths to sustainable development also follow the life cycle: the paths of young people and parents can differ from one another, because their ways of thinking and everyday routines do.

Local communality creates contact points and common directions for sustainable development paths. Even micro-moments, such as making eye contact, can have an impact on the sustainability of decisions. Humans are lemmings by nature, and belonging is important to us. How can steps be taken towards realising good sustainable development with lemming-like tendencies and our inclination to follow leaders?

“Do it yourself if no one else is providing services” - Building a sustainable local economy in the village of Eskola.

Villages are emptying and services are disappearing from rural areas. Located in the Central Ostrobothnia region with a population of roughly 400, the village of Eskola has taken on the challenge with enthusiastic local efforts. The Eskola Village Society manages the village school facilities and keeps the village library running. Both had been closed. In 2013, the Village Society and other local actors founded Eskolan Kyläpalvelu Oy, which is an enterprise dedicated to providing services. It is a social enterprise, which does not collect profits for its shareholders. Any profits earned are put towards the village. The village also has another limited liability

company that focuses on housing production and a co-operative for hard-to-employ people.

Kyläpalvelu Oy provides services that are in line with local needs and promote well-being. The former school building houses a daycare centre and lunch cafeteria, which serves as a gathering spot for villagers of different generations. The lunch cafeteria also has a convenience kiosk, where villagers can purchase daily provisions, as the local village store had closed its doors. The services provided include the home delivery of food as well as home and cleaning services, such as for elderly residents. Is this an example of a sustainable social welfare and health solution for rural communities?

Every effort is made to purchase the food used for meal services from local producers as close as possible to the village. The Village Society is part of the Green Care Finland network. Children get out into nature on trails and in recreational areas restored by local organisations. The challenge facing the village of Eskola in terms of its sustainability is, however, the use of renewable energy sources: the Village Society has reluctantly decided to switch from the use of wood pellets to less expensive oil – for financial reasons. This choice shows that higher-level regulation and economic policy measures are needed to accelerate the energy transition.

The promotion of sustainable development will require everyone's input, in all our roles and institutions: associations, organisations, companies and public administration. Public administration forms a hierarchy of moderators and catalysts for the promotion of sustainable development and sets framework conditions and operating models through regulation and policies. Municipalities, cities and the nation state, as well as the European Union and the UN, set the stage for action, both individually and together with others.

Working together with progressive countries like Germany, Finland could promote and further enhance the EU's sustainable development policy, activating it to function consistently with a strong agenda in the UN.<sup>30</sup> Finland could also integrate foreign trade with its sustainable development activities by being more proactive in proposing and providing solutions to global sustainable development issues.

# Spearhead measures are interdependent

**A VARIETY OF APPROACHES** can be applied to the key focus areas described above.

The SDGs, whose situation has traditionally looked good in Finland, must be maintained in **proactive** ways. We must, for example, consider how large-scale immigration can have a radical impact on gender equality, which is now relatively good in Finland. How can the preservation of gender equality be taken into consideration in immigration policy and practices now?

In many very strong areas, such as education and the equality of citizens, concerns regarding a deterioration of the situation have arisen. When dealing with such issues, the **venerable pillars of the Nordic social welfare society must be preserved**. This may, however, require different approaches to those used previously.

In critical environmental issues, where the situation is dire, **change must be initiated quickly or development must be accelerated**. How can we get on the top of, for example, safeguarding ecosystems, climate action, energy reform and responsible consumption?

The least amount of progress is estimated to have taken place in decent work and sustainable economic growth. These form a basis that is associated with a deeper need for a **paradigm shift**. In particular, new thinking is required in the relationship between economic growth and work, perceived well-being and the environment.

The proposed spearhead measures have been placed in a model, which describes the interdependencies of the environment, a good life and the economy. Understanding these in a new light opens new doors to sustainable development.

## Where there's a will, there's a way!

**THE CURRENT APPROACH TO REFORMING FINNISH SOCIETY** is not producing results. A new vision and new ways of working must be found. Systemic change is needed in policy and regulation, not to mention markets and everyday life.

Short-term power politics will not lead to sustainable development paths – it will only make our sustainability debt even larger. Adjustment costs are rising exponentially. We need to make social changes based on deeper and more far-sighted analyses. We need to come up with solutions and commitments that will stand the test of time at all levels of society. We must all internalise the idea that short-term happiness is not enough for building lifelong meaningfulness. We must instead aspire to act responsibly, make commitments and perform good acts. In addition to radical solutions, we need to make small changes in our everyday lives in order to ensure well-being without jeopardising ecosystems.

Tools such as **the Society's Commitment to Sustainable Development**<sup>31</sup> must be developed, expanded and strengthened, so that they become part of the mainstream and reform sustainable development.

We also need trailblazers and game changers, who depart from conventional social roles. A culture of experimentation and grassroots activity should be continued and obstacles to them must be eliminated. In order to learn from experimentations, they must also be systematically assessed. In many areas, regulation is a key way to get off paths leading in a negative direction and get back on the path to sustainable development.

31 The Society's Commitment to Sustainable Development is a Finnish social innovation. It is based on a vision, principles and eight goals of sustainable development, agreed upon by the Finnish National Commission on Sustainable Development.

Based on these goals, societal actors and citizens may make voluntary commitments of conducting measures that promote the sustainable development goals. <https://commitment2050.fi/>

# Expert Panel on Sustainable Development

The independent Expert Panel on Sustainable Development brings a scientific perspective to Finnish sustainable development policy. Sitra is hosting and facilitating the panel's activities.



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