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A Blueprint for a European Green and Social Deal, based on a wellbeing economy

(own-initiative opinion)

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1. Conclusions and recommendations

1.1. The EESC firmly believes that the European Green Deal should adopt a wider societal perspective and be reinforced to foster a wellbeing economy serving both people and the planet. The Economy of Wellbeing is a policy orientation and governance approach which aims to put people and their wellbeing at the centre of policy and decision-making.

1.2. For the EU to meet its climate and biodiversity objectives, it is essential to transpose the relevant legislation and to step up the adoption and upscaling of existing solutions across Member States and to strengthen investment in research, development and innovation (RDI) in order to find new, additional solutions. The EESC believes that the European Commission and the European Parliament must not lower the level of ambition or stall the implementation of current objectives. Rather, it is necessary to accelerate the conditions for an encouraging investment environment, provide access to clean affordable energy, offer new technological solutions contributing to a net-zero economy and put in place sufficient technical and financial support and safety nets for the Member States, the companies in the affected sectors, individuals and civil society organisations that will have to implement the rules.

1.3. The current funding of the transition is insufficient, so the EESC underlines the need to attract more public and private investment by both the EU and Member States. The Committee also points out the importance of national budgets supporting the transition and takes the view that greater efforts are needed to increase the budgets through a range of mechanisms. These may include tackling tax evasion, improving tax collection, putting an immediate stop to existing environmentally harmful subsidies and avoiding new ones, reforming existing subsidies, raising tax on fossil fuels, promotion of higher taxes on the wealthiest 1 % of the world population, and enhancing sustainable economic activity which generates resources.

1.4. To achieve a wellbeing economy, the public budgets for investments in key policy areas associated with the green and just transition, such as education, social protection and healthcare, will have to be ensured maintaining a balanced approach between higher public investments and fiscal sustainability, so as to avoid austerity measures.

1.5. The economy is an essential driver for sustainability, and so we need to move beyond a GDP-based growth economy and advocate for a comprehensive policy framework supporting a sustainable economy aimed at societal wellbeing and the achievement of the UN Sustainable Development Goals, the Paris Agreement and the Biodiversity Plan.

1.6. The EESC believes that there should be universal, affordable access to education, healthcare, social protection and housing. Basic resources such as sustainably produced food, clean water and energy should be provided in a way so as to enable everyone to lead sustainable lifestyles. Society should engage in ongoing dialogue to define 'access' and 'essential', ensuring these concepts meet the changing needs of the population.

1.7. The EESC urges the EU, Member States and companies to invest in training, reskilling and upskilling and calls for education on democracy and public institutions at local, regional, national and EU level.

1.8. The EESC considers that in order to ensure people's wellbeing, civil society participation should be stepped up in a meaningful and inclusive way, especially taking into account underrepresented groups such as young people, women, migrants and people with disabilities. This can be achieved by improving access to funding for civil society organisations and encouraging bottom-up civic participation. Social dialogue also plays a vital role in enhancing wellbeing. Moreover, the EESC calls for the promotion of participative mechanisms such as the European Citizens Initiatives and believes that having less strict requirements and with a meaningful response from the European Commission will result in more of them being set up.

1.9. The EESC believes that an inter-institutional declaration by the EESC, the European Parliament, the Council of the EU and the European Commission should be drawn up to provide a robust framework that guarantees the protection and advancement of the interests and rights of future generations. To this end, the European Commission should appoint a Commissioner for Future Generations.

2. **Context**

2.1. The European Green Deal has launched a significant and necessary transition in the areas of climate action and environmental protection, impacting various sectors, including energy, transport, industry and agriculture. Nevertheless, the worsening climate and biodiversity crises, the spread of pandemics, escalating wars, decreasing competitiveness, the rising cost of living and widening inequality pose further significant challenges, heightening political tensions and appearing to jeopardise the achievement of the goals of the European Green Deal. These escalating crises reveal the fragility of our system but also the need for transformation. 'Carrying on as before' is not an option.

2.2. The escalating triple planetary crisis poses the greatest threat to alleviating poverty, ensuring decent work and social justice and establishing a favourable long-term business environment. Global warming, biodiversity depletion and pollution endanger all life on our planet and contribute to increasing conflicts and social turmoil across Europe and in the Global South. In this context, it is becoming increasingly urgent to rethink our relationship with nature and to protect, and where necessary restore, the natural ecosystems on which human beings and the majority of their economic activities depend ([1]).

([1]) Opinion of the European Economic and Social Committee — A comprehensive strategy for biodiversity at COP16: bringing all sectors together for a common goal (OJ C, C/2024/6880, 28.11.2024, ELI: http://data.europa.eu/eli/C/2024/6880/oj).

2.3. The Economy of Wellbeing is a policy orientation and governance approach which aims to put people and their wellbeing at the centre of policy and decision-making. In the wellbeing economy, the objective of a society must be the wellbeing of each and every one of its members, in keeping with constitutional provisions. The starting point for achieving this goal must be that money and capital are important instruments – of exchange and investment – but never ends in themselves. The economic model of seeking the common good is based on values that everyone recognises as universal: human dignity, solidarity, ecological sustainability, social justice, transparency and democratic participation ([2]). The economy is an enabler for reaching the vision of wellbeing ([3]). In a wellbeing economy, progress is measured not just by traditional economic indicators like GDP, but also by metrics that reflect the quality of life, such as health, education, environmental quality, and social connections. This holistic approach emphasises the importance of an equitable distribution of resources and opportunities, ensuring that economic benefits are shared broadly across all parts of society.

2.4. If the EU is to meet its climate and biodiversity objectives for 2030 and beyond during the next term, it is essential to transpose the relevant legislation and step up the adoption and upscaling of existing solutions across Member States and to strengthen RDI investment in order to find new, additional solutions. The EESC considers that, in the coming mandate, the European Commission and the European Parliament must not lower the level of ambition or stall the implementation of current objectives. Rather, it is necessary to accelerate conditions for an encouraging investment environment, provide access to energy at affordable prices, offer new technological solutions contributing to a net-zero economy, carry out adequate impact assessments, and put in place technical and financial support and safety nets for the Member States, the companies in all affected sectors, individuals and civil society organisations that will have to implement the rules.

2.5. The European Commission released the 2023 Strategic Foresight Report ([4]), focusing on embedding sustainability and wellbeing in Europe's Open Strategic Autonomy and proposing ten actions to achieve this goal. This transition is crucial for the EU to achieve climate neutrality and sustainability, ensuring long-term competitiveness and global leadership in the net-zero economy. The report outlines key challenges and suggests policy responses, including an economy that prioritises wellbeing, addresses skills gaps for sustainability and secures sufficient funding for the transition.

2.6. According to the European Environment Agency's first European assessment of climate risks for the economy ([5]), our continent is warming faster than the rest of the planet's regions and the current policies are not moving at the pace necessary to reach the EU targets on climate neutrality. The World Bank shows that the cost of climate inaction far exceeds the cost of climate action in Europe ([6]). In addition, it is estimated that more than 50 % of global GDP is dependent on nature ([7]) and some 40 % of jobs globally directly depend on healthy ecosystems ([8]). However, billions are still being spent on environmentally harmful subsidies, even though there have been discussions about reducing them for decades.

2.7. According to the Global Resources Outlook 2024 ([9]) report, a projected 60 % growth in resource use by 2060 could derail efforts to achieve not only global climate, biodiversity and pollution targets but also economic prosperity and human wellbeing. The only viable option is to decouple economic growth from greenhouse gas emissions, resource use and environmental degradation while enhancing wellbeing, and promoting thriving economies and sustainable businesses.

([2]) Opinion of the Economic and Social Committee on 'The Economy for the Common Good: a sustainable economic model geared towards social cohesion' (OJ C 13 of 15.1.2016, p. 26).

([3]) Opinion of the European Economic and Social Committee on 'The sustainable economy we need' (OJ C 106, 31.3.2020, p. 1), Opinion of the European Economic and Social Committee on 'Advancing the EU's just transition policy framework: what measures are necessary?' (OJ C, C/2024/1576, 5.3.2024, ELI: https://eur-lex.europa.eu/eli/C/2024/1576/oj).

([4]) https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3623.

([5]) https://www.eea.europa.eu/publications/european-climate-risk-assessment.

([6]) https://www.worldbank.org/en/region/eca/brief/economics-for-disaster-prevention-preparedness-europe.

([7]) Study for a methodological framework and assessment of potential financial risks associated with biodiversity loss and ecosystem degradation, European Commission.

([8]) World Employment and Social Outlook 2018, ILO.

([9]) https://www.resourcepanel.org/reports/global-resources-outlook-2024.

2.8. According to the Intergovernmental Panel on Climate Change (IPCC), 'having the right policies, infrastructure and technology in place to enable changes to our lifestyles and behaviour can result in a 40-70 % reduction in greenhouse gas emissions by 2050' ([10]). However, consumption choices, especially for people on lower incomes, are mostly driven by low prices and convenience as sustainable alternatives are often either not accessible or not affordable. This applies across various goods and services, including transportation, housing, food and products. The EESC is convinced that the systemic approach to sustainable behaviour needs to be enhanced, to ensure that sustainable lifestyles are the most convenient, accessible and cost-effective option for all.

3. **Vision for social wellbeing**

3.1. Social wellbeing should be underpinned by a balanced triangle of freedom, responsibilities and rights for all citizens. Society should seek to live in harmony with nature and within planetary boundaries without being subject to deprivation, relying on and benefiting from a sustainable economy that puts wellbeing at its core, respects our climate, nature, and the environment and preserves and develop opportunities for future generations to meet their needs.

3.2. Equity is the cornerstone of social wellbeing, and people need to be given the appropriate support to meet their needs. Structural barriers need to be significantly reduced as they contribute to growing social inequalities. Vulnerable groups such as the elderly and people with disabilities, people living in rural and isolated territories and regions, as well as young people and women that are currently lagging behind in terms of rights and income, need tailored support during the transition.

3.3. Governments should ensure safety for all. Feeling secure in one's environment is a fundamental aspect of social and economic wellbeing, as social instability creates economic instability and vice versa. Proper actions and investments in different domains are necessary to ensure peace and safety from internal and external threats.

3.4. The EESC believes that there should be universal and affordable access to education, healthcare, social protection and housing. Access to basic resources such as sustainably produced food, clean water and energy should be provided in a way so as to enable everyone to lead sustainable lifestyles. Society should engage in ongoing dialogue to define 'access' and 'essential', ensuring that these concepts meet the changing needs of the population.

4. **Blueprint for European Green and Social Deal**

Economic landscape

4.1. While the current European Green Deal emphasises 'leaving no one behind', it requires more thorough integration of this principle in order to better address the social and societal aspects of the green transition and the underlying causes of global crises. There is a pressing need for a renewed political, economic and societal paradigm prioritising human and planetary wellbeing, and aiming to enhance sustainable economic activity, production and consumption. We need a fundamental shift to a strong sustainable economy in order to facilitate wellbeing and a green and equitable transition aligned with the UN Sustainable Development Goals, the Paris Agreement and the Biodiversity Plan.

4.2. An essential step involves reforming the current economic model, moving beyond GDP-based ([11]) growth and advocating for a comprehensive policy framework supporting a sustainable economy geared towards societal wellbeing – a goal underscored in the 8th Environment Action Programme ([12]). This objective has been endorsed by the co-legislators, who emphasise the aim that people should be able to live well within planetary boundaries by 2050, within a wellbeing economy where nothing is wasted, growth is regenerative, climate neutrality has been achieved and inequality has been significantly reduced.

([10]) https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/.

([11]) Opinion of the European Economic and Social Committee on 'Beyond GDP measures for a successful recovery and a sustainable and resilient EU economy' (OJ C 152, 6.4.2022, p. 7).

([12]) Decision (EU) 2022/591 of the European Parliament and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030 (OJ L 114, 12.4.2022, p. 22).

4.3. According to a study by the Institute for Climate Economics ([13]), the climate investment deficit for achieving the 2030 objectives is around EUR 406 billion per year (2,6 % of EU GDP). Similarly, the 2026-2027 10 % budget targets for the fight against biodiversity loss will also be difficult to achieve ([14]). Therefore, mobilising more public and private funds towards green investments and for the short term, repurposing some of the available resources and subsidies in an impactful way will be key.

4.4. The EESC calls for greater efforts, by the EU and the Member States, to increase the budgets through a range of mechanisms. These may include tackling tax evasion, improving tax collection, putting an immediate stop to existing environmentally harmful subsidies and avoiding new ones, reforming existing subsidies, raising tax on fossil fuels and enhancing sustainable economic activity which generates resources. The EESC proposes promotion of higher taxes on the 1 % of the population that holds almost half of the wealth worldwide and to use the revenue to finance the transition.

4.5. To achieve a wellbeing economy, the public budget for investments and reforms in key policy areas associated with the green and just transition such as education, social protection and healthcare will have to be ensured. Austerity measures as we have seen during the previous economic crisis must be avoided. It is therefore crucial to ensure the implementation of a robust public investment strategy for achieving a balanced approach between higher public investments and fiscal sustainability.

4.6. The EU should better communicate the existence of currently available funds and simplify the processes whereby businesses can access them.

4.7. So far, there has been no evidence of widespread absolute decoupling at global level, so it is crucial to develop and adopt solutions that help reduce resource consumption and dematerialise the economy globally. This must take place on an equitable basis and provide space for just development, especially in low-income countries. To obtain a comprehensive understanding of the material consumption of various countries, a material footprint approach should be used, as called for by the European Parliament and several Member States that already have national material footprint reduction targets. The EESC supports the Council's call for an EU long-term objective for sustainable resource use and the use of green public procurement, as embedded in the Council Conclusions on the 8th Environment Action Programme ([15]).

4.8. Businesses, from large companies to MSMEs, cooperatives and social economy actors, have an important role to play in a green transition, as they undergo the transition in their own operations and at the same time contribute to the transition of other actors by providing climate and environmental solutions. They also play a central role in the wellbeing economy by generating resources and providing people with sustainable jobs, goods and services.

4.9. To be able to play their role in the sustainability transition and wellbeing economy, enterprises must be provided with a level playing field to avoid unfair competition. Therefore all imported goods must have the same standards as the ones produced in Europe. It is necessary to have a business environment that encourages innovation, investment and trade and facilitates the transition. Favourable conditions for managing the transition need to be put in place for all enterprises, while at the same time recognising that the diversity of conditions and needs varies with the sector and the size of the enterprise. Reducing bureaucracy and speeding up permitting procedures is of key importance.

4.10. Best practices on practical measures taken by European cities should be shared. For example, advertising for fossil fuels and carbon- and material-intensive products and services should be restricted, especially in public and online spaces to avoid driving overconsumption, building on the initiatives of Grenoble and Amsterdam where air travel, airports, SUVs, cruises and fossil fuel companies are specifically excluded from advertising on council-owned sites.

([13]) https://www.i4ce.org/en/publication/european-climate-investment-deficit-report-investment-pathway-europe-future/.
([14]) Biodiversity mainstreaming, European Commission.
([15]) https://data.consilium.europa.eu/doc/document/ST-11326-2024-INIT/en/pdf.

4.11. The establishment of diversified businesses and business models, including social, circular and solidarity systems such as steward ownership, cooperatives and female and youth entrepreneurship, should be encouraged to enhance more inclusive employment. The social and sharing economies should be more prominent, providing decent jobs, quality training and education opportunities that will be green and fulfilling. Additionally, in order to facilitate both wellbeing and productivity and promote work-life balance, working conditions must be driven by an equilibrium between the individual's life situation and business-specific needs, including measures such as reducing working time, where applicable.

Education and empowerment

4.12. Education must empower people with civic awareness, fostering the adoption of healthy and sustainable lifestyles. Reducing individual consumption without deprivation is possible thanks to many aspects of the circular economy, such as reusing, re-purposing, repairing and sharing of products. However, the global economy is only 7,2 % circular, which leaves more than 90 % of materials either wasted, lost or unavailable for reuse ([16]). To a large extent, thanks to the younger generations, these solutions are being promoted in society as a trend, but we need intergenerational solutions for a fully circular transition.

4.13. Education on democracy and public institutions at local, regional, national and EU level needs to be strengthened and made compulsory to ensure that all students have the knowledge to understand what a democratic system is, how decisions are made in Europe, the limitations and challenges involved, and how to be an active citizen. Moreover, the EU institutions should strengthen their efforts in delivering easy, tangible and accessible communication on the role of the EU for citizens, especially at the local level.

4.14. There is growing demand for skills relevant to a sustainable future, and workers need to possess the necessary technical and soft skills crucial for the EU's competitiveness. The EESC urges the EU, Member States and companies to invest in training, reskilling and upskilling.

Civil society participation

4.15. People should be encouraged to mobilise and organise towards a common objective using mechanisms such as the European Citizens' Initiative (ECI). The EESC believes that making the requirements of the ECIs less strict and with a tangible and meaningful response from the European Commission will result in more of them being set up.

4.16. Democracies must ensure better representation and inclusion, with greater civil society involvement and bottom-up governance. Mechanisms such as citizens' assemblies are an important part of participatory decision-making processes and governments should encourage more diverse representation of citizens in their policy-making and more active and meaningful involvement of organised civil society. This should allow for greater participation and influence by all citizens, local communities and sectors of society in the democratic process. As inequality erodes trust in politicians and our political system, in order to safeguard our democracies we need to invest in people.

([16]) https://www.circularity-gap.world/2023#:~:text=The%20global%20economy%20is%20now%20only%207.2%25%20circular&text=This%20means%20that%20more%20than,such%20as%20buildings%20and%20machinery.

4.17. Social dialogue plays a crucial role in industries and sectors that will have to shrink, making sure that workers who lose their jobs will be able to opt for decent and fulfilling alternatives. A way to put this into practice is by advancing a Just Transition Policy Framework as called for in the EESC opinion on *Advancing the EU's just transition policy framework: what measures are necessary* ([17]). The EU and Member States should monitor and strengthen the implementation of the fundamental rights of workers to organise and join trade unions without retaliation and to engage in collective bargaining in emerging green sectors of the economy and beyond. To this end, the EESC highlights the monitoring provisions for the implementation of the Council Recommendation on strengthening social dialogue in the EU ([18]), and points out that Member States are recommended to submit, within 18 months of the publication of the recommendation, a list of measures, drawn up in consultation with the social partners, for its implementation. The social partners should play a prominent role in the development of these indicators to monitor implementation ([19]).

4.18. The EU should provide resources, including core funding, for bottom-up civic participation geared to a just transformation. Moreover, it should provide various forms of deliberative democracy in different contexts and at various levels to enable social innovation. This includes community-led initiatives, cities in transition, participatory budgeting, citizens' assemblies, youth energy councils, inclusive city strategic planning, more citizens consultations on how to prioritise actions, community gardens, energy communities and cooperatives. Special attention should be paid to diversity and inclusiveness so as to involve young people, migrants and people with disabilities, and to how the gender dimension is incorporated in such initiatives.

4.19. Effective and inclusive consultation of people and stakeholders needs to become a binding requirement. Incentives and standards for meaningful and early participation at local level should be included in relevant EU laws.

Considerations for future generations

4.20. To ensure intergenerational justice, the European Green and Social Deal needs to embed the rights of young and future generations in all policies. The EESC has already supported the EU Youth Test and is the first EU body to pilot its application in its opinions. The EESC has also worked with several youth organisations, setting up mechanisms such as the Youth Climate and Sustainability Round Tables ([20]). Young people have been leaders in calling for the European Green Deal, and they should also play a key role and be meaningfully involved in the European Green and Social Deal.

4.21. With the current demographic situation of the aging EU population and unpaid care responsibilities, which are mostly undertaken by women, more affordable and quality caring services will be required. The funding and service gap needs to be addressed and policies must ensure sustainability without burdening future generations with unsustainable debt.

4.22. The principle of intergenerational justice should be central in policy-making to ensure that the burden of either mitigating any threat or adapting to any unavoidable pressures is not offloaded unilaterally onto future generations. As such, a Future Generations Impact Assessment should be included in the Better Regulation Guidelines. Transformational policies have to serve the long-term interests of European citizens, including future generations, and should avoid creating harmful path dependencies for them.

([17]) Opinion of the European Economic and Social Committee on 'Advancing the EU's just transition policy framework: what measures are necessary?' (OJ C, C/2024/1576, 5.3.2024, ELI: https://eur-lex.europa.eu/eli/C/2024/1576/oj).

([18]) Council Recommendation of 12 June 2023 on strengthening social dialogue in the European Union (OJ C, C/2023/1389, 6.12.2023, ELI: http://data.europa.eu/eli/C/2023/1389/oj).

([19]) Opinion of the European Economic and Social Committee on the proposal for a Council Recommendation on strengthening social dialogue in the European Union (COM(2023) 38 final – 2023/0012 (NLE)) and on the communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on strengthening social dialogue in the European Union: harnessing its full potential for managing fair transitions (COM(2023) 40 final) (OJ C 228, 29.6.2023, p. 87).

([20]) https://www.eesc.europa.eu/en/initiatives/youth-climate-and-sustainability-round-tables.

4.23. To ensure close collaboration between the EU institutions, an inter-institutional declaration by the EESC, European Parliament, the Council of the EU and the European Commission should be drawn up to provide a robust framework that guarantees the protection and advancement of the interests and rights of future generations, while also including commitments by the institutions to incorporate safeguards for future generations into legal frameworks and policies.

4.24. The next European Commission should appoint a Commissioner for Future Generations with a cross-cutting portfolio to contribute to all legislative processes in order to ensure that new and existing policies have a positive impact on future generations. It should build on the successful examples of similar offices from around the world, such as the Future Generations Commissioner in Wales.

Brussels, 19 September 2024.

The President
of the European Economic and Social Committee
Oliver RÖPKE