

## ***Policy Recommendations for the EU: Wellbeing and sustainability at the centre of policy and decision-making***

**From the knowledge co-creation conference Beyond Growth – Indicators and Politics for People and Planet**

in Helsinki, on 28-29th October 2019.

Many of the planetary ecosystems are near or beyond their tipping points, climate change threatens everything that is important to us and our children, and inequality within countries is growing. So far, the societal objectives and indicators tied to economic growth — gross domestic product (GDP) in particular — have framed our ways of responding to the deepening sustainability crisis. ***People’s wellbeing is a principal aim of the European Union. There is a widely shared need for redefining progress through measures that go beyond GDP. We require a stronger and more realistic knowledge base for policy-making to create wellbeing that is sustainable now and in the future.***

We want the European Union to be a global forerunner in adopting and implementing policies which respect human rights and address the global challenges of the 21st century, such as climate change, poverty, inequality, resource depletion and quality of life.

Now the EU must seize the moment. We have a once in a generation opportunity to design new economic models that really work for all people and for the future of our planet. The global 2030 Agenda for sustainable development and the European Green Deal provide the seeds to deliver such a change.

The following recommendations were written in the knowledge co-creation conference Beyond Growth, which brought together politicians, academics, civil society, business and representatives of the EU institutions and international organisations.

## GENERAL RECOMMENDATIONS

- 1.** The European Union and Member States should adopt a policy orientation and governance approach that puts people and their wellbeing and the future of the planet at the centre of policy and decision-making.
- 2.** The European Green Deal cannot be monitored and measured through a single simple indicator such as GDP, which is no longer fit for purpose. The EU should replace the Stability and Growth Pact with a Sustainability and Wellbeing Pact accompanied by a dashboard of key indicators measuring social and environmental sustainability and resilience.
- 3.** Member States and the European Commission should focus on transparent sustainability impact assessment as an integral part of key political and budgetary processes in order to facilitate fair and just sustainability transitions.
- 4.** Measuring wellbeing and sustainability needs the participation of the people in order to get meaningful policy and action on the regional and local levels. Efforts should be made to listen to all different groups in society and their particular concerns as well as to understand their contexts.
- 5.** Decision-makers in the EU and Member States should take a lead in establishing and implementing integrated policies that deliver on wellbeing and sustainability. Integrated policies will maximise wellbeing in a broad sense through managing synergies and trade-offs.
- 6.** Beyond-GDP monitoring should happen at international, regional, national and local levels and there should be a connection between the monitoring efforts at all levels. Therefore, international and EU standards and frameworks for beyond-GDP data collection are required to ensure harmonised methodologies and data quality. This requires the EU to invest resources to increase the quality of the indicators, in particular in terms of timeliness, periodicity and granularity.
- 7.** The European Semester should be a mechanism to monitor progress towards the wellbeing of people and sustainability in the EU and globally.
- 8.** The EU should strive towards the elimination of negative transboundary impacts resulting from the EU's policies and practices, in line with the Lisbon Treaty obligation and Agenda 2030 for Sustainable Development.

## SPECIFIC RECOMMENDATIONS FROM THE THEMATIC GROUPS

### *Inequality of Income, Wealth and Opportunities*

1. The EU's Social Score Board should be restructured to measure actual wellbeing and equality — by using existing indexes by mapping and harmonising them (in line with the SDGs).
2. The EU and the Member States should invest in awareness raising and capacity building (economic models based on wellbeing) at all sectors and all levels of governance.
3. Fiscal policy needs to be reoriented to prioritise the wellbeing of the people and the planet, for example by shifting taxes from labour to capital and wealth.

### *Resilience and Respecting Ecosystem Boundaries*

1. EU policymaking must be driven by principles of ecological resilience and social wellbeing, and respect ecosystem boundaries. The EU regulatory framework, trade policy, budgeting, and the European Semester have to be shaped by these principles. The Green Deal must create transformative binding EU targets with indicators on ecological resilience and wellbeing, mechanisms for enforcement and accountability across the EU and Member States.
2. Considering the poor status of our ecosystems, the EC should develop a concrete action plan and binding EU targets for the SDGs. It must address the critical tradeoffs and synergies between all SDGs, as well as trade policies to address the global spillover effects. Member States should report on its implementation in a sustainability chapter in the European Semester and in the SDG Voluntary National Reviews.
3. Commit to a “Green-Deal-coherent” EU multi-annual budget, that supports public goods, invests in resilient ecosystems, respects planetary boundaries and promotes European cohesion and social wellbeing — by integrating sustainability principles, funding binding reviews of budget policies and programmes, and prioritising public money to common goods and public services. Public investment should be facilitated by making use of the flexibility mechanism of the European Semester, while the green taxonomy can leverage needed private investments.

### *Fair Transition to Carbon Neutral Circular Economy*

1. The EU should establish a European fund financed through environmental taxation which allocates resources to the affected regions, industries and people.
2. Member States should set a limit to the per capita material footprint, while ensuring equitable implementation.
3. The EU should mandate the life-cycle assessment, including human rights and ecological objectives, in all production.

### ***Policy Coherence for Sustainable Development***

1. The EU and its Member States should take holistic evidence-based decisions by including findings of transboundary Policy Coherence for Sustainable Development indicator monitoring in ex-ante and ex-post impact assessments in EU policy-making. The findings should also be discussed with Member States, through the renewed European Semester policy coordination cycle so that national policies can also be adjusted accordingly. Third party peer reviews should be used when possible.
2. The monitoring of transboundary Policy Coherence for Sustainable Development should be based on concrete indicators, in line with the following five-fold approach:
  1. Identify or develop (through a participatory process) and integrate multi-disciplinary spill-over indicators into Eurostat's annual SDG or other relevant progress reports and pathways analysis:
    - a. consumption-based accounting (such as energy and material use, social outcomes but also including land use, deforestation, water use)
    - b. export/trade indicators or flows (such as conventional weapons, CO<sub>2</sub> emissions, waste)
    - c. financial flows (such as illicit financial flows, tax havens, unfair tax competition, financial secrecy)
    - d. humanitarian action: number of resettlement slots by EU Member States annually, percentage of the transaction costs of migrant remittances
    - e. impact on trafficking of human beings and violence against women
    - f. health sector workforce migration
  2. Develop an EU PCSD dashboard integrating all the above individual indicators;
  3. Further integrate existing (and new) data that has proven its worth (meets quality criteria) into existing monitoring frameworks. For example: citizen and civil society-generated data, business reports, data from international organisations and institutions, research institutes and geospatial data.
  4. Mandate the European Commission's services and national statistical offices to gather and analyse the transboundary impacts or spill-overs regularly, support partner countries and EU delegations to gather the data;
  5. Invest in gathering missing data, clarify concepts and dedicate adequate resources, in particular in the following areas:
    - a. waste and secondary material flows
    - b. land grabbing
    - c. governance
    - d. social impacts

### **Respecting human rights in business**

Due to market and regulatory failure, companies continue to directly and indirectly cause and contribute to human rights violations and ecological degradation, since voluntary measures and reporting requirements to date have proven wholly insufficient.

It is therefore essential to:

1. Establish new EU legislation for companies that must include, inter alia:
  - a redefinition of the purpose of the company beyond short-term profit and shareholder value maximisation, taking into account social equality, environmental and climate impact throughout the entire value chain;
  - mandatory human rights due diligence for companies at the EU level which would create a level playing field for companies instead of the patchwork of national legislation.
2. Meaningful outcome-oriented metrics should be developed to assess the implementation by companies of this new EU legislation and its impact, which should be developed in a transparent and consultative manner and on the basis of adequate resource allocation.

#### MAIN PARTNER



#### THEME PARTNERS



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