



**Federation of Young European  
Greens**

**fyeg**

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## **Green Social Economy**

In today's developed societies, knowledge, creativity or imagination play the main role in value creation. Moreover due to the crisis of the industrial societies based on the production of material richness and paid forms of work, the traditional so called "productive work" is immersed in a process of devaluation which leads to more and more precarious, unstable and badly paid jobs. At the same time, no salary and no job almost automatically mean today social exclusion. Protection mechanisms as well as the social background consist of, sooner or later, sending the individuals back to the "labour market", forcing them to work no matter what the social and ecological conditions are, in a vicious circle dominated by the idea of "full employment" (as in the Lisbon Strategy based on three pillars: Economy, Jobs and Environment).

The construction of a true ecological welfare society requires acknowledging that wealth is not only based on money exchanges, material richness and its traditional "productive work". Cultural, political, family, artistic, associative, voluntary activities are as well sources of wealth and forms of valuable work. Love, pleasure and the pursuit of happiness have to be recognised as essential for personal and collective fulfillment. For example we recognize the value of unpaid work at home, in looking after children and the elderly and voluntary work, which is also crucial for the wellbeing of all and should be recognized both by the state and the society. Making a forty hour work week for a period of thirty or forty years doesn't make possible to recognize all the socially useful work that needs to be performed. We would wish to encourage the possibility of more members of the society to participate in other activities or having more leisure time, if they wish to do so.

Central to the Green idea of a social economy is the principle that all individuals should be able to engage in constructive self-fulfilling activity. Therefore, it is "full activity" that must replace "full employment" as the horizon of the cognitive green societies. In such a frame, we FYEG think that it is a priority to reorientate and reduce production, promoting new forms of social relationships and trade based on environmentally and socially meaningful activity, justice, solidarity and cooperation, that is to say on green concepts.

A Green Social Economy should consist of:

### **1. Universal Basic Income**

We conceive Basic Income as a powerful tool in order to promote a green concept of economy. We understand basic income as a unconditional and periodic amount of money paid to all members of society, regardless of their citizenship, on an individual basis. The

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amount should be big enough to cover the average basic needs of an individual. The main purposes of Basic Income are:

- **Redistributing wealth and fighting poverty:** The level of development of our current societies has been reached thanks to the contribution of the whole society. Science progresses and modernisation have allowed profits to rise amazingly through the last decades, but they haven't been equally shared. All members of society should receive the corresponding part of the wealth created in their society. Therefore Basic Income, rather than a gift, is a deserved income. Its implicit redistribution of wealth would greatly help fighting poverty by raising the income level of those under the poverty threshold.
- **Acknowledging unpaid forms of work:** Since surviving in society would no longer depend on involving in the labour market, basic Income would allow individuals to choose an activity, regardless the economical remuneration obtained from it. Social, personal, ecological values would be strengthened in front of socially unfair, empty and polluting forms of work. The importance for society of activities such as household work, child caring, civil volunteering and many others would be acknowledged.
- **Enabling a freely chosen way of life:** Basic Income breaks the dependence of the individuals on money. This is an invitation to choose a different way of life: slowing down, distancing from the predominant market competition, enjoying more free time, participating actively in the construction of society... In addition Basic Income conforms a solid ground for workers in case of labour conflicts, enabling them to effectively demand improvements on their working conditions and fighting precarious jobs.
- **Reorienting economy on a green social basis:** There is a clear aim for the creation of immaterial wealth which is key to leave behind the productivist way in which society is understood. Basic Income enables redefining meanings: wealth no longer serves to measure the social inclusion or exclusion of the individual; product is no longer linked to economical profit; "job" is replaced by "activity"... all of it by including economy's forgotten values in the context: social profit, improved welfare, environment impact... Basic income opens a door for the ungrowth of consumption, production and waste of energy.

Studies on the implementation of such a tool have been done by several agents. The Finnish Green Party, the Basic Income Earth Network (BIEN) and other national and regional organisms have developed models to finance it, and have proved that the adoption of Basic Income could not as far as it initially seems.

## 2. A Stronger Social Security System

A strong social security system is a pillar of a welfare state which ensures equity. Health and social services provide security to the citizens, the true agents of progress. Therefore, destining resources to social protection is in the end investing in development, and only the State can look after it at a macro level guaranteeing the accessibility to the whole population



in equal conditions. Therefore, it should be ensured that the so-called Services of General Interest become public service.

Health is a basic right. We unequivocally condemn recent attempts to remove this right and to institute systems of health insurance which deny those who are unable to pay insurance premiums access to healthcare. The health care system needs to recognize individuals as individuals with special needs according to gender, religion or country of origin. It must be adapted to the new demographic challenges: the ageing society, migrant cultures and new inequality problems.

We propose a stronger legislation to ensure the right of employees not to be disadvantaged because of the choices they make in relation to the work-life balance, so that they are not penalized in the workplace if they choose work part-time in order to care for children or the elderly. While supporting the right of people (men and women) to choose to look after children, we also recognize the right to child care. We advocate access to a kindergarten place for all. This should either be free of charge or with a progressive fee related to income.

Looming pensions crisis has been a cause of major debate in the last few years. A demographic shift whereby the population of Europe ceased to expand at the level of the previous couple of hundred years should have been welcomed as a positive development. Instead it has been painted as a rather negative phenomena.

We are concerned that in some countries, notably in the south of Europe, young people feel unable to start a family due to the difficulties of combining work and family life and we have attempted to address this in some of our remarks above. We also note that if a declining number of people in work compared to those in retirement means the tax income is no longer sufficient to cover state pension commitments, there are many workers outside the EU quite willing to come and fill the gap.

### **3. A Universal Educational System**

We uphold the importance of well-educated citizens for the functioning of any modern advanced society. Education should not be defined simply in relation to the acquisition of the particular skills needed for a particular job, but in terms of the self-achievement of the individual. That is, education should not be market-driven. We stress the importance of a high level of education to fruitful participation in the democracy of a complex society. Active citizenship must begin from the learning of our condition of citizens with the acknowledgment of the rights and duties it entails.

We thus support universal education at all levels of a very high quality which is free for all. The availability of a basic income would allow people to make the choices that they actually want to make rather than abandon or narrow their selection of education in the face of the large debts currently incurred.

In Research & Development a Green policy would foster environmentally friendly technologies as a priority. The reduction of the footprint of industry would be a major goal.

### **4. Green taxation system**



Taxation systems should reflect the actual needs of our societies, being redefined and updated in order to meet the current goals and respond to the future challenges. To support a Green Social Economy System that provides universal basic income, health insurance and universal quality education at all levels, a deep reform of the actual European and national tax systems, will be necessary. In such a frame, an European tax should be adopted: it would represent a step forward the construction of a stronger European Union and European citizenship, and more autonomy and own funds for the EU. Every European system taxation levels will necessarily be higher than they are at present. While income taxes (direct) represent the foundation for redistribution of wealth inherent in every welfare state, focus on consumption taxes (indirect) is becoming essential in the preservation of the environment. However this new paradigm should not weaken a progressive design, which ensures social equity.

When taxing consumption, 'polluter pays' principle should apply. That is those products, goods and services that pollute or waste resources would bear the higher tax burden. Taxes would also be introduced which would reflect the environmental damage done by the transport of good over long distances and which would promote goods produced under fair trade systems. Tobin taxes would be introduced in order to discourage international speculation and tax havens would be eliminated.

Taxes on kerosene and flights would encourage both travels and goods transportation by more environmentally friendly means. Higher fees to use roads would promote goods transportation by train (Swiss model). There would be green taxes on tourism and to the (mis)use of water by the industry. At the same time, ecological companies, innovative SMEs, sustainable agriculture and farming, cooperative work, local trade exchange systems (LETS) etc. would benefit of a tax reduction system to encourage environmentally friendly attitudes and social justice.

Aside from taxation the Green social economy model would be reflected in the wider financial system. In recent years we have globally witnessed first a dotcom bubble and then a property bubble. The later is now bursting with effects that have yet to be felt. The central problem is the way money is currently created as debt. Currently the standard EU regime is that banks need only have 8% of the money they lend (and some have been counting as 'deposits money they have borrowed). This is very largely the cause of the housing bubbles in the UK, Ireland, Spain and elsewhere. The growth associated with such bubbles encourages unsustainable consumption and social injustice. Creating money in this way is effectively a gift from the country at large to existing property owners and the shareholders of banks we would rather advocate, as in the 1960s, a much larger proportion of money was created by the state.

## **5. Decreasing**

Decreasing, defined as reorienting and effectively reducing production and consumption, must be an essential part in a green social system.

The world's economy is currently based upon the idea of economical growth. Its inherent need for an increasing production and consumption have severely endangered planet's health. The amount of resources used and waste produced by our current model is causing



irreversible damage to our environments: climate change, threatened biodiversity, forest destruction, desertification, water pollution...

In addition, the present system is conceived so that only a minority of the world's population enjoys the profits, widening the gap between the poor and the rich. In order to achieve this, a culture of efficiency and saving must be assimilated by the society, and put into practice both on an individual and a collective basis.

Traditionally, the ecologist discourse has claimed that sustainable development, conceived as in terms of low or zero growing economies was the solution to guarantee the stable coexistence between humans and nature. However, the pace at which 'developed' societies are moving today is itself unsustainable for the environment. Furthermore, we observe the mad run for growth and profits requires a society tied to paid often precarious jobs and long working hours. The difficulties to claim improvements and participate actively in the construction of society in such conditions are constantly increasing. In order to achieve this, a culture of efficiency and saving must be assimilated by the society, and put into practice both on an individual and a collective basis.

It is necessary then to abandon the deep spiral of production in which the planet is immerse. Economic growth must not be the goal and indicator to measure the well-being of modern societies.

To produce less is mandatory so we can live better and assure a future. It must be acknowledged that GDP is an anachronistic and useless indicator. It must be admitted that to move forward to ungrowth of consumption, production and waste of energy, and the growth of health, education, happiness, social justice and quality of life, a more relevant indicator is the human development index (HDI). Giving priority to local markets and season products, taxing environmentally dangerous and socially unfair products, reducing working hours and creating an universal basic income would be some starting points to crate a society no longer based on the empty values of massive consumption. A society whose citizens can take their time to learn and enjoy the little pleasures of life.

At the same time, it is imperative to help countries in difficulties to improve their conditions and influence in the international sphere in order to reduce and, eventually, eliminate the huge gap existing between the poor and the rich. Better systems of redistribution of wealth and social protection are key factors in order to advance towards a really sustainable world, based on peace, justice and the welfare of all its inhabitants.

## **6. International responsibility**

A strong social security system is a pillar of a welfare state which ensures equity. Health and social services provide security to the citizens, the true agents of progress. Therefore, destining resources to social protection is in the end investing in development, and only the State can look after it at a macro level guaranteeing the accessibility to the whole population in equal conditions. Therefore, it should be ensured that the so-called Services of General Interest become public services.

The Green model of a social economy stresses our global interconnectedness. We live on one planet and are part of one huge yet fragile ecosystem. We recognize that Europe is one



part of a much bigger planet yet consumes a very disproportionate quantity of the earth's resources. We do not feel it is acceptable for our consumption to be at the expense of citizens of poorer parts of the world. EU trade policy should open the Europe market to imports from developing countries and cease 'dumping' of European agricultural surplus in developing world markets.

The public must be educated on the reality of the peak oil and on the effects that Europe's disproportionate carbon dioxide emissions have, via climate change, in poor countries that are much less equipped to cope with the ravages of an increasingly volatile climate. As part of the acknowledgement of Europe's responsibility to the Global South we advocate the forgiveness of debt.

We recognize that many such countries still have massive debts whose maintenance continues while their people remained in abject poverty. Debt is the responsibility of both the debtor and the creditor and we recognize that as much of the money loaned to heavily indebted countries was actually given specifically to repay creditors for existing loans. We also note the failure of many of the initial loans pressed onto governments in the Global South by the World Bank and IMF failed to benefit the people of those countries and these latter institutions bear much responsibility for lending to corrupt elites.

We also note the recent stalling of the scheme for rescheduling debts under the Highly Indebted Poor Countries initiative due to intransigence and self-interest of creditors.

## **Conclusion**

The European Union needs to find a compromise to reform its social and economical system, based in old fashioned concepts. Better and greener jobs, gender equality, quality education and health system should be the goals of such a policy. In FYEG, we think that a Greener Europe needs a Social Economy system that redefines the concept of work, taking into account ecological parameters and social justice; We also think the European Union needs to admit their responsibility towards the rest of *the world* and shift to fairer markets for everyone.