



NAT/765
The sustainable economy we need

OPINION

European Economic and Social Committee

The sustainable economy we need
(Own-initiative opinion)

Rapporteur: **Peter Schmidt (DE/II)**

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1. Conclusions and recommendations

- 1.1 The EESC underlines that the European Union (EU) has fully committed itself to the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). To guarantee their proper implementation the EU urgently needs to develop the foundations for a sustainable and inclusive wellbeing economy that works for everyone.
- 1.2 The vision of social progress only relying on the pursuit of growth in the Gross Domestic Product (GDP) ignores important elements of individual and social wellbeing and fails to account properly for environmental and social considerations.
- 1.3 The EESC calls for the EU to propose a new vision of prosperity for people and planet based on the principles of environmental sustainability, the right to a decent life and the protection of social values. The economy is an enabler for this vision.
- 1.4 The wellbeing economy should protect ecosystems, conserve biodiversity and deliver a just transition to a climate neutral way of life across the EU and foster sustainable entrepreneurship. Educational systems across the EU will play a key role in promoting such concepts across society, thus inscribing in them the way of thinking of the decision-makers and leaders of tomorrow.
- 1.5 To achieve this goal, the EESC recognises the need to support the fundamental changes that have already begun to emerge in the nature of enterprise, the organisation of work, the role of investment and the structure of the money system.
- 1.6 The EESC highlights that building the wellbeing economy must start by adopting a precautionary approach in which macroeconomic stability does not depend on GDP growth. It proposes the development of new indicators of economic performance and social progress beyond GDP.
- 1.7 The EESC proposes the adoption of a Living Standards Framework and the introduction of a Wellbeing Budget for the EU, modelled on approaches already adopted elsewhere.
- 1.8 The EESC calls for an end to perverse subsidies and for the alignment of all public sector spending across the EU and its Member States with the goal of achieving climate neutrality.
- 1.9 The EESC calls for a European Green and Social Deal to deliver the large-scale investment needed for a just transition to a climate neutral economy and to provide quality jobs in every community.
- 1.10 The EESC calls on the Commission and the Member States to carry out green fiscal reform to help align taxation, subsidies and pre-distributive policies with the goal of achieving a just transition to a wellbeing economy, in particular by enforcing existing legislation.
- 1.11 The EESC proposes a review of the growth dependency of the EU Member States and a strategy to focus on sustainable and inclusive wellbeing in the EU economy. It also recommends a

review of the EU's fiscal and monetary rules to ensure they are fit for purpose in achieving the transition to a climate-neutral economy.

- 1.12 The EESC calls for all existing EU policy and budgetary/financial frameworks and tools (such as the Multi-Annual Financial Framework, the European Semester and Better Regulation) to be urgently aligned with a just transition to a wellbeing economy.
- 1.13 The EESC proposes the adaptation of the Stability and Growth Pact and the Annual Growth Survey to ensure that the wellbeing economy is fully consistent with the SDGs and the European Pillar of Social Rights.
- 1.14 The recent statement by the newly appointed European Commission President, Ursula von der Leyen, on a European Green Deal, along with her speech at the COP 25 in Madrid in December and the publication of Commission Communication COM(2019) 640 final of 11 December 2019, opens up a window of hope for the EESC's proposals included in the present opinion, without prejudice to an in-depth analysis of the Commission document in a future EESC opinion.

2. Introduction

- 2.1 The EU has fully committed itself to the implementation of the 2030 Agenda for Sustainable Development and the 17 SDGs agreed by the UN in September 2015¹. At the heart of Agenda 2030 is the recognition that our present and future prosperity must remain within the constraints of the biosphere which sustains us. Current patterns of production and consumption are incompatible with planetary boundaries.
- 2.2 The economy must be rooted in clear principles that reflect both our aspirations for a better world and our scientific understanding of the planet that sustains us. There will be no life, no jobs and no enterprise on a degraded planet². There will be no security if the transition leaves whole communities behind or if ordinary citizens feel alienated.
- 2.3 The financial crisis of 2008 left a deep mark on society and profoundly changed our economy. The macroeconomic policy that led to the crisis prioritised financial deregulation in order to stimulate economic growth, but this narrow focus on GDP growth led to financial instability and rising inequality.
- 2.4 In addition, in some Member States migration, economic disparities and other challenges led to a loss of citizens' faith in the European project and a rise in nationalism and populism, which now threatens to overturn democratic values and undermine social and political stability.

¹ <https://www.un.org/sustainabledevelopment/development-agenda/>

² EESC Opinion - Sibiu and beyond, [OJ C 228, 5.7.2019, p. 37](#).

2.5 The aim of this opinion is to build the foundations for a sustainable and inclusive wellbeing economy for Europe³. It first analyses the challenges to the current system and then suggests clear foundations on which to build an economy that works for people and the planet. It makes concrete recommendations to the new European Commission and Parliament on areas where priority action is needed to achieve this goal.

3. Challenges – analysis of the current situation

3.1 The challenges facing the world today are unprecedented. A global climate emergency, a catastrophic loss of biodiversity, and the pollution of air, water and soil are undermining the basis for future prosperity in Europe and across the world. Despite some positive developments and action at EU level, these impacts now represent an urgent threat to human health and to the viability of our food chains and agricultural systems⁴.

3.2 Prosperity today means little if it comes at the cost of survival tomorrow. Success measured by GDP is misleading when the impacts of growth lead to irreversible and catastrophic changes in the state of our climate, soils, forests, rivers and oceans.

3.3 The rising scale of economic output has led to an increasing global consumption of material and energy resources and imposed dangerous anthropogenic impacts on both local and global ecosystems⁵. The World Economic Forum Global Risks Report 2019 found that environmental risks ranked among the top threats affecting the global economy and society⁶.

3.4 Faltering labour productivity growth and persistent inequality are still creating significant uncertainties for the future of the EU economy. These trends are only partly the result of the financial crisis. The trend rate of productivity growth across the OECD declined from over 4% in the early 1970s to less than 1% today, resulting in a "secular stagnation" of the average growth rate in advanced economies⁷.

3.5 Measures taken at the EU level to address this decline have led to increased income and wealth inequalities and unsustainable levels of debt. The top 5% of wealthiest Europeans now own almost 40% of total private wealth. In-work poverty has increased by 15% since 2010, with almost 10% of European workers being categorised as working poor. Nearly one quarter of our children and young people are at risk of poverty or in poverty, and millions of young people cannot find decent work to start shaping their adult life⁸.

³ See the following documents also referring to this: OECD Beyond GDP; Council Conclusions on The Economy of Wellbeing, 17 October 2019.

⁴ <https://www.ipcc.ch/sr15/>
https://ipbes.net/sites/default/files/ipbes_7_10_add.1_en_1.pdf
http://europa.eu/rapid/press-release_IP-18-3927_en.htm

⁵ <https://doi.org/10.1146/annurev-environ-102016-060726>

⁶ <https://www.weforum.org/reports/the-global-risks-report-2019>

⁷ <https://www.cusp.ac.uk/themes/aetw/wp12/>

⁸ Report of the Independent Commission for Sustainable Equality, 2019; [Eurostat](#)

- 3.6 Technological breakthroughs in automation and artificial intelligence (AI) have the potential to reverse the decline in labour productivity growth, but the potential gains remain elusive at the macro-economic level. Gains in "marginal productivity" have gone to the shareholders of large corporations rather than to workers, disrupting the social contract, increasing inequality and undermining public trust in government. Reversing this trend through tax and wage policies is essential in order to ensure a fairer distribution of economic benefits.
- 3.7 New sustainable technologies have the potential to rejuvenate communities left behind by years of underinvestment and to enhance social wellbeing. But, single-minded focus on labour productivity growth without due attention to its environmental and social implications could drive smaller companies out of business, lead to rising unemployment and exacerbate inequality⁹.
- 3.8 The EU is already leading the way in the wellbeing economy, as demonstrated by the October 2019 Council Conclusions on the Economy of Wellbeing¹⁰. The EESC recognises that the wellbeing economy must be able to meet the sustainable development goals and ensure prosperity even under conditions of low or no growth, such as those associated with economic recession or secular stagnation.

4. Vision and principles

- 4.1 Moving towards a wellbeing economy means combining the idea of prosperity with the possibility of social progress within planetary boundaries. It involves defining more clearly what we want from progress and articulating the foundations for an economy founded on sustainability. The starting point is a meaningful and viable vision of prosperity for people and for the planet.
- 4.2 Prosperity is not simply a matter of production or income. It is more precisely defined in terms of the possibilities that people have to flourish and to achieve their full potential¹¹. The wellbeing economy must provide citizens everywhere with the capabilities they need to thrive as human beings, within the ecological constraints of a finite planet.
- 4.3 The SDGs, and in particular the three pillars of sustainable development – environmental, economic and social – provide the foundations for this task.
- 4.4 The environmental pillar relates to the environmental and resource constraints – the "safe operating space" – within which human activity must take place. The Stockholm Resilience

⁹ <https://www.economics.ox.ac.uk/materials/papers/15126/819-susskind-a-model-of-technological-unemployment-july-2017.pdf>

¹⁰ <https://data.consilium.europa.eu/doc/document/ST-13432-2019-INIT/en/pdf>, see point 1

¹¹ Jackson, T., 2017. Prosperity without Growth; Raworth, K., Doughnut Economics.

Centre has identified nine "planetary boundaries" within which humanity must remain if it is to develop and thrive for generations to come¹².

- 4.5 The economic pillar concerns enterprise, employment with decent wages and investment policies which deliver decent lives and livelihoods. Entrepreneurship plays a vital role here. Enterprise must be able to deliver the basic means for all citizens to meet their underlying needs for subsistence, nutrition, clean water, affordable energy, health and education.
- 4.6 This requirement goes beyond the establishment of minimal material conditions. It also requires close attention to social justice. The wellbeing economy must take careful account of the interests of all segments of society and pay particular attention to those who may stand to lose further from the transition. Legitimate concerns raised by workers across the EU have emphasised the need for a just transition where the costs and benefits of transition are fairly shared between different social groups, industries and regions – as well as between current and future generations¹³.
- 4.7 The social pillar concerns the quality of our society and the rights of individuals to fair and equitable participation in it. Often undervalued and sometimes entirely absent from monetary evaluations, it remains self-evident that no economy can function effectively without the participation of its citizens.
- 4.8 Casting citizens primarily as individual consumers has put a burden of responsibility on people for their choices without providing them with accessible or affordable alternatives¹⁴. The commercialisation of social life and the encouragement of hyper-individualism have undermined the social fabric and contributed to political instability in Europe.
- 4.9 The EESC believes that EU and Member States policies should seek to reverse this imbalance. Strengthening social solidarity will also help to revitalise democracy. Citizen concern over climate breakdown, social injustice and financial misconduct is now visible in new and more urgent forms, exemplified by the school strikes for the climate and other social movements.
- 4.10 In short, the wellbeing economy must recognise the fundamental importance of social values and support the resilience of communities.

5. Foundations for the wellbeing economy

- 5.1 This opinion highlights four specific aspects of the economic system where profound changes will be needed in order to deliver the wellbeing economy: reframing the role of enterprise, reforming the nature and quality of work, restructuring investment and transforming the money system. The following paragraphs expand on these four foundations.

¹² <https://www.stockholmresilience.org/research/planetary-boundaries.html>

¹³ EESC Opinion - Clean Planet for all, p.3.4.1, [OJ C 282, 20.8.2019, p. 51–59](#), EESC Opinion "Climate Justice", p. 4.1.5, [OJ C 81, 2.3.2018, p. 22–28](#)

¹⁴ EESC Opinion - Climate Justice, [OJ C 81, 2.3.2018, p. 22–28](#)

5.2 *Reframing enterprise*

- 5.2.1 Enterprise has a substantial role to play in delivering the wellbeing economy. New business models are already beginning to transform linear processes of consumption and production on which enterprise was traditionally founded.
- 5.2.2 For instance, the circular economy emphasises the re-use and remanufacturing of products, the redesign of production processes, and the recycling of raw materials¹⁵. The cooperative and collaborative (or sharing) economy seeks to increase the shared use of goods, improving their utilisation and reducing the need for new production¹⁶. The platform economy adopts new business models and forms of employment¹⁷.
- 5.2.3 These emerging forms of economic activity offer new opportunities for employment, ownership and innovation. They have the potential to transform the relationships between producers, distributors and consumers, also in traditional sectors, in ways that create more resilient local economies with a fairer distribution of ownership and benefits¹⁸.
- 5.2.4 Enterprise flows from the commitment of people working in the service of each other and of society. Just as economic growth is at best the means to prosperity rather than an end in itself, so the consumption of material commodities is valuable only insofar as it delivers the services that people need to survive and to thrive.
- 5.2.5 Even our most basic material needs are better thought of in terms of the service they provide to us than the quantity of throughput. For example, the concept of energy services has already begun to supplant the concept of energy supply as the basis for utility companies¹⁹. Similar approaches have been applied in areas like transport, housing, communication, nutrition and even manufacturing.
- 5.2.6 The EU agriculture and food sector has a fundamental role to play here. Community-supported agriculture, short supply chains, alternative food networks, local farming systems and direct sales and consumer cooperatives have the potential to deliver public goods, food security, social protection and sustainable production²⁰.
- 5.2.7 Supporting the capacity for sustainable enterprise in the EU requires close attention to the conditions under which goods and services are traded with the rest of the world.

15 http://ec.europa.eu/environment/circular-economy/index_en.htm.

16 <https://www.investopedia.com/terms/c/collaborative-economy.asp>.

17 <https://issues.org/the-rise-of-the-platform-economy/>.

18 EESC Opinion Circular Economy Package, [OJ C 264, 20.7.2016, p. 98](#), p. 3.1, 3.6, 4.1.7.

19 For instance see: EESC Opinion Transport, energy and SGI as drivers of sustainable EU growth through digital revolution, [OJ C 353, 18.10.2019, p. 79](#).

20 <https://www.thersa.org/discover/publications-and-articles/reports/future-land>.

5.2.8 Beyond our material needs, the vision of enterprise as service means nurturing those enterprises which contribute most to a shared prosperity. Sectors such as health, social care, education, renovation, culture, craft and creativity are inherently lighter in material and energy requirements than extraction or manufacturing-based sectors, and contribute directly to a better quality of life. This transition represents a significant but vital challenge for society.

5.3 *Reforming work*

5.3.1 Work is more than just the means to a livelihood. Good work offers respect, motivation, fulfilment, involvement in community and in the best cases a sense of meaning and purpose in life.

5.3.2 The reality is sometimes very different. Many people are trapped in low-quality jobs with insecure wages. Youth unemployment across Europe is more than 14% and in parts of southern Europe remains above 40%²¹. This enormous waste of human potential undermines the creativity of the workforce and threatens to derail prosperity. The long-term implications are nothing short of disastrous.

5.3.3 Service-based activities tend to be labour-intensive, because it is the time people spend in care or in craft (for example) which creates economic value for society. An important benefit of the shift towards services would therefore be the creation of a more labour-intensive economy, counter-balancing the precarity of jobs in these sectors, supporting higher levels of employment and bringing jobs back in to the real economy²².

5.3.4 Benefiting from this double dividend (higher employment and lower environmental impact) may mean lower labour productivity growth, particularly in sectors (such as care) where the pursuit of productivity growth may run counter to the quality of service and can undermine the working experience.

5.3.5 An economy with lower labour productivity growth tends to put a downward pressure on wages unless this is countered by protections offered to workers. Policies to support work in labour-intensive sectors that deliver high quality services are therefore essential.

5.3.6 Quality basic education, as well as high-standard and effective training, lifelong learning, up- and re-skilling and digitalisation will also be the necessary tools for grasping the job opportunities of the future and fostering the wellbeing economy.

5.3.7 Specific policies for in-depth consideration and further work for the EESC could include: enhanced worker representation on company boards, the adoption of a right to work or "job guarantee", universal basic income, universal basic services and a maximum income.

21 <https://www.statista.com/statistics/266228/youth-unemployment-rate-in-eu-countries/>.

22 <https://www.cusp.ac.uk/themes/s2/wp12/>;

5.3.8 The EESC reiterates its call to introduce a binding European framework for a decent minimum income in Europe and enabling minimum income schemes in the Member States to be extended across the board²³.

5.4 *Restructuring investment*

5.4.1 Reframing enterprise and work will not be possible without a transformation in investment, which is the basis for any lasting prosperity. When large proportions of private investment are dedicated to rent-seeking behaviour and asset price speculation, the productive relationship between the present and the future is fundamentally distorted, destabilising the economy and undermining prosperity.

5.4.2 Sustainable investment in communities, in public spaces, in health care, in education, in social services, in zero carbon housing and infrastructure and in the protection and restoration of biodiversity will be essential to deliver a wellbeing economy that works for everyone and is in line with SDGs.

5.4.3 Achieving a climate-neutral economy within three decades or less requires a wholesale renewal of our energy systems, our transport infrastructures and our production processes. It has been estimated that this will require around EUR 300 billion in annual investment over the next twelve years²⁴.

5.4.4 About half of this investment lies in the promotion of greater energy efficiency in buildings, leading to cost savings and offering opportunities for profitable private investment. The EESC recognises that leading businesses and investors are already developing these opportunities. It is vital that EU policy supports and rewards this leadership.

5.4.5 Of particular importance is the need to create the right framework conditions to ensure that both private and public savings are directed towards the sustainable long-term investments needed for a sustainable economy²⁵. Prudential regulation will be essential to prevent short-term behaviours from undermining stability and to reward a new portfolio of investments in sustainable wellbeing.

5.4.6 Delivering this new portfolio of investment depends on having a financial system which is fit for purpose²⁶. Improving the ability of ordinary people to invest their savings responsibly in ways that benefit both their own community and the wider environment is paramount, but deeper and more decisive changes are also needed.

²³ EESC Opinion - For a European Framework Directive on a Minimum Income, [OJ C 190, 5.6.2019, p. 1–8](#). This opinion did not receive the support of the Employers' Group.

²⁴ https://www.e3g.org/docs/E3G_Report_Just_Transition_and_EU_Budget.pdf

²⁵ EESC Opinion - Next steps for a sustainable European future, [OJ C 345, 13.10.2017, p. 91](#)

²⁶ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en.

5.4.7 It is clear that the financial institutions across the EU that support the economy, including the European Central Bank, the national central banks, the European Bank for Reconstruction and Development, the European Investment Bank and the commercial banks operating at national and international level must all embed the SDGs as guiding principles in their investment and lending activities²⁷.

5.5 *Transforming the money system*

5.5.1 The EESC believes it is time to make the money system more resilient to negative impacts of short-term speculation and to ensure that the money system itself works for the good of people, planet and sustainable business.

5.5.2 Money is created in three distinct ways in advanced capitalist economies: through state spending, through central bank operations and through credit creation (debt) in commercial financial institutions²⁸. More than 95% of the money supply in modern economies is created as debt by commercial financial institutions.

5.5.3 The EU informs the regulatory basis for all financial institutions across Member States and sets the fiscal and monetary rules under which the Eurozone countries operate. The European Central Bank is ultimately responsible for the stability and resilience of the money supply across the Eurozone and has intervened vigorously at times in pursuit of this²⁹.

5.5.4 Between 2015 and the end of 2018, the ECB's asset purchase programme injected EUR 2.6 trillion into the economy to support financial institutions, boost credit and control inflation. In June 2019, six months after the programme ended, the President of the Central Bank, Mario Draghi, signalled a revival of the programme, citing a "lingering softness" in global markets³⁰.

5.5.5 Article 123 of the Lisbon Treaty explicitly prohibits the European Central Bank from financing public institutions and state governments, but "monetary financing" – a term used to describe the purchase of government debt by the central bank – was once standard practice in advanced economies and is still used routinely in Japan³¹.

5.5.6 There is compelling evidence that greater state control over the money supply can reduce both public and private debt and improve financial resilience³². The EESC believes it is time to review the money system in Europe and to align it with the priorities of the transition to a sustainable and inclusive wellbeing economy.

²⁷ EESC Opinion - European Finance-Climate Pact, [OJ C 62, 15.2.2019, p. 5.5.2](#)

²⁸ https://www.ecb.europa.eu/explainers/tell-me-more/html/what_is_money.en.html

²⁹ https://www.ecb.europa.eu/pub/economic-bulletin/articles/2019/html/ecb.ebart201902_01~3049319b8d.en.html.

³⁰ <https://www.ecb.europa.eu/press/key/date/2019/html/ecb.sp190618~ec4cd2443b.en.html>.

³¹ <https://www.brookings.edu/wp-content/uploads/2018/10/WP48-DellAriccia-et-al.pdf>.

³² <http://www.imf.org/external/pubs/ft/wp/2012/wp12202.pdf>.

5.6 In summary, there is good evidence to suggest that reframing enterprise, reforming work, restructuring investment, and transforming the money system provide the basis for a robust response to the challenges Europe now faces.

5.7 Innovation is essential to ensure social progress, but building an economy that works for everyone involves more than just technological innovation in pursuit of labour productivity growth. It requires us to engage in a new and vital conversation about the kind of society we want to be and to initiate the social innovations needed to achieve that vision³³. In the final section of this opinion, we outline a number of proposals dedicated to that task.

6. **From vision to implementation – policies for the transformation of the economy**

6.1 The nations of the world have committed themselves to an Agenda for 2030 that is radical, equitable and achievable. The EU has adopted Agenda 2030 and is committed to making progress towards the SDGs. The arguments in this opinion are aimed at achieving that goal. Commitment to that process offers a unique opportunity for the EU to renew its vision of social progress, revitalise its economy and strengthen its leadership across the world.

6.2 The journey towards a sustainable and inclusive wellbeing economy begins with a shared vision. It is guided by principles drawn from values that framed the European project from the start. Building it will require systematic reform of the foundations on which the economic system is built: enterprise, work, investment and money.

6.3 The EESC now calls on the new European Commission and the European Parliament to work closely with the EESC on developing a substantial programme of integrated policies that will create the conditions for this transformation.

6.4 The following proposals are offered as the starting point for this exercise. They will need to be further developed in upcoming EESC opinions.

6.5 *Financing the transition*

6.5.1 Align all public sector spending across Member States with the goal of achieving the SDGs and making the transition to a climate-neutral economy; ensure that all financing mechanisms, including the Multi-Annual Financial Framework, the European Social Fund and the European Globalisation Fund are all fully aligned with the transition to a climate-neutral economy;

6.5.2 Adopt a European Green and Social Deal to deliver large-scale investments with clear and widespread public benefits such as the retrofitting of public buildings, the redesign of public transport and the building of clean energy systems; such a programme will provide jobs in every community;

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<https://diem25.org/wp-content/uploads/2017/03/European-New-Deal-Complete-Policy-Paper.pdf>.

- 6.5.3 End immediately all "perverse subsidies" that support for instance fossil fuel extraction and use or palm oil use, directly or indirectly; at the global level eliminating these subsidies would raise government revenue by 3.6% of global GDP, cut emissions by more than 20%, cut premature death by air pollution by more than half and raise global economic welfare by USD 1.8 trillion (2.2% of global GDP)³⁴;
- 6.5.4 Establish a blueprint for green fiscal reform in the EU – using taxation and incentives to promote desirable outcomes, penalise undesirable ones, reward those seeking to live more sustainable lives and incentivise sustainable investment. This will not be possible without greater flexibility in EU decision-making to facilitate the introduction of the necessary fiscal instruments and market-based mechanisms. A gradual shift to Qualified Majority Voting (QMV) would help reach environmental objectives more effectively at a time when action on climate change is more urgent than ever³⁵;
- 6.5.5 Use re-distributive taxation and subsidies and "pre-distributive" policies to reduce income and wealth inequalities and ensure a just transition by providing sufficient financial support and retraining opportunities for workers at risk of losing their jobs as a result of the transition to a climate-neutral economy.

6.6 *Ensuring governance and policy coherence*

- 6.6.1 Identify and reform the barriers to a climate-neutral transition embedded within existing industrial strategy, trade policy, competition policy, innovation policy, labour policy and financial regulation; align all policy domains with the goal of achieving a climate-neutral economy;
- 6.6.2 Establish a review of the EU's fiscal and monetary rules to ensure their consistency with and fitness for the purpose of enabling the transition to a sustainable economy;
- 6.6.3 Establish a review of existing EU structures to develop insights and strategies aimed at ending the "growth dependency" of the EU economy;
- 6.6.4 Explore the potential for a new Directorate in the European Commission charged with responsibility for the Wellbeing of Future Generations in order to strengthen knowledge-based policy and future-proof decision-making; meanwhile develop a cross-sectoral assessment on this matter.

³⁴ EESC Opinion - New sustainable economic models, [OJ C 81, 2.3.2018, p. 57–64](#) EESC Opinion - The Paris Protocol, [OJ C 383, 17.11.2015, p. 74](#) EESC Opinion - Climate Justice, p. 1.9, [OJ C 81, 2.3.2018, p. 22–28](#)

³⁵ EESC opinion - Taxation – qualified majority voting, [OJ C 353, 18.10.2019, p. 90](#)

6.7 *Reforming existing tools*

- 6.7.1 Take action to address hyper-consumerism, through (e.g.) restrictions on harmful advertising (particularly to children³⁶), the regulation of harmful products, the promotion of ethical and sustainable consumption choices, the encouragement of shared spaces and community endeavours, and the protection of common pool resources and public goods;
- 6.7.2 Support social solidarity by fully implementing the European Pillar of Social Rights and reinforce the important paradigmatic shift of Agenda 2030 towards a more participatory model of multi-stakeholder governance for sustainable development and encourage a "whole of society" approach to making the important transition to a more sustainable future for the planet³⁷;
- 6.7.3 Develop new indicators of economic performance and social progress to replace the inappropriate use of GDP which does not provide a comprehensive picture of people's wellbeing;
- 6.7.4 Adapt the Annual Growth Survey to ensure a consistency with the SDSGs reflecting a more pluralistic approach to the understanding of sustainable prosperity;
- 6.7.5 Adopt a "Wellbeing Budget" for the EU, drawing on the example of the New Zealand Living Standards Framework;
- 6.7.6 Adapt the EU Stability and Growth Pact to account for sustainability and wellbeing, reflecting the proper alignment of the EU's governance mechanisms with its social and ecological goals, while respecting fiscal responsibility.

Brussels, 23 January 2020

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The president of the European Economic and Social Committee

³⁶ EESC Opinion Advertising/young people and children, [OJ C 351, 15.11.2012, p. 6–11](#)

³⁷ EESC Opinion "Towards a Sustainable Europe by 2030" ([OJ C 14, 15.1.2020, p. 95](#)).