

Draft topical resolution

Towards a social and green EU 2020: from vulnerability to sustainability

Tabled by the EGP Committee

Preamble

During the Barcelona Council held from 18th until 21st of March 2010 in Barcelona the European Green Party Council will debate and vote on a resolution on the EU 2020 strategy.

The resolution "Towards a social and green EU 2020" is supported by 3 documents:

- 1. The policy paper "Towards a social and green EU 2020: from vulnerability to sustainability"***
- 2. 15 Measures underpinning the Greens' vision for 2020***
- 3. Overview of main Lisbon targets and achievements so far***

Together all 4 documents present a comprehensive view on a green, social and sustainable economy. All documents are on the following pages to begin with the resolution that the Committee presents to the Council to vote. This resolution reflects a synopsis of the policy paper and accompanying measures and contains 10 goals to reach a „smart, green and inclusive Europe 2020“.

1 **RESOLUTION**

2 ***Introduction***

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4 For the European Greens, the EU 2020 strategy must put Europe at the leading edge of the green
5 revolution of the 21st Century, which must reconcile human development with the physical limits
6 of planet Earth and put human well being and social justice as goals of the economy. It is only by
7 doing so that Europe will build its future on a solid basis and enable sustainable quality job
8 creation.

9 We propose a strategy which consists of comprehensive ideas and proposals for a sustainable
10 green and social economy. We want people at the heart of the EU 2020 Strategy. We, European
11 Greens, propose real alternatives for sustainability, social justice and decent jobs as well as a
12 strategy for governance.

13 ***Key goals for a successful EU 2020 strategy***

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15 As the EU Council is set to define the headline targets of the EU 2020 strategy at its spring
16 meeting, the European Greens consider the following ingredients to be the key for success of that
17 strategy.

18 ***Redefining growth to "smart, green and inclusive growth"***

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20 For us, European Greens, economic growth is an instrument at the service of our objectives. GDP
21 growth does not automatically provide improved social equality, better environmental protection
22 or a happier life for citizens. We therefore need to move away from a pure material growth
23 concept to a broader concept of sustainable development for our society. This requires a brand
24 new set of indicators that, beyond GDP and other usual indicators, reflect environmental and
25 social gains and losses in order to move, towards a "smart, green and inclusive growth". As a
26 global player, the EU must also commit to promote the use of such alternative indicators in
27 international fora.

28 ***Sustainable and quality jobs instead of pure flexibility***

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30 Promoting good work and sustainable jobs has to be a cornerstone of the next strategy regarding
31 job creation. This includes besides social security rights, equal opportunity (equal pay for equal
32 work, access to lifelong learning and career development...), work organization, fair wages and
33 health and security issues at the work place as well as family friendly working conditions.

34 The labor market has to be greened through labor policy and social dialogue. The restructuring as
35 a result of the impact by climate change, has to be properly anticipated and managed.
36 Workplaces Quality indicators have to be introduced to measure and monitor all these
37 dimensions.

38 Given the skyrocketing unemployment rate, the ageing of society and the need to balance work
39 life and private life, the redistribution of working time should be considered seriously.

40 We need legislative action to close the loopholes in the Posting of Workers Directive, so that the
41 principle of equal pay for equal work can be implemented and to remove any opt-outs from the
42 Working Time Directive.

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45 **Green Jobs and a sustainable industrial policy**

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47 A green economy is a sustainable economy. Europe therefore has to formulate a long-term
48 industrial policy based on its energy and climate objectives. Furthermore environmental
49 technology is a future engine of job creation. For European Greens the question of how we
50 build Europe as a low carbon and resource efficient economy has to lie at the centre of this
51 policy. Therefore stronger links have to be developed with the current and forthcoming
52 Research and Development Framework Programme. Public procurement representing about
53 16 % of GDP is a lever to prompt enterprises to engage in eco-innovation and to foster the
54 adoption of a new sustainable way to produce and to consume.

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56 The EU should set itself the following targets

- 57 ➤ Cut its greenhouse gas emissions by at least 30 % by 2020;
- 58 ➤ Increase the resource efficiency of its economy by 3% annually;
- 59 ➤ Invest 4% of its GDP on R&D targeted especially on SME and eco-innovation (and
60 excluding military and nuclear s) and based on Open Standards;
- 61 ➤ Move to 100 % of green public procurement.

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63 **Social cohesion is more than employment**

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65 Greens demand that the social inclusion and equality become part of the social cohesion objective
66 of the EU 2020 Strategy, including dimensions such as access to quality services for all, minimum
67 income, ensuring decent housing for everyone, overcoming discrimination and increasing the
68 integration of persons with disabilities, ethnic minorities and migrants.

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70 To achieve this we call for

- 71 • an adequate core income guaranteed by an EU Framework directive implemented and
72 managed by all Member States,
- 73 • a different financial regime including progressive taxation,
- 74 • strong rights-based antidiscrimination,
- 75 • social inclusion policies,
- 76 • an EU framework directive recognizing the special role of Services of General Interest,
- 77 • an EU directive on Social and Health Services.

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80 **Education as a means for "smart, green and inclusive growth"**

81 The European education policy has to become more important and the benchmarks as more
82 public spending for education, life-long-learning, fewer juveniles without school degrees,
83 primary education, more child-care - have to be compulsory. The EU 2020 strategy should
84 include clear qualitative targets and indicators for primary and secondary education. Than the
85 final objective, to reach a 100% secondary education, will follow suit.

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87 ***Fighting Socio-economic disparities, making structural funds work***

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90 Development of solidarity mechanisms inside the EU and close monitoring of member states are
91 necessary to cope with (asymmetric) economic shocks. Therefore, the feasibility of creating a
92 solidarity fund to which countries would contribute in good times should be examined.

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94 Structural and cohesion policies should support the regions that face severe difficulties and help
95 them to catch up. These policies must be made to overcome the inequalities between regions and
strengthen the solidarity between Eastern and Southern Europe.

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97 The European Commission will have to ensure that the EU Structural Funds should be linked with
98 strong social and environmental conditions and should therefore contribute to the EU climate
99 goals by introducing a climate check for all structural funds intervention, starting with major
projects immediately.

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101 The next period of Structural Funds programmes should aim to halve interregional disparities
102 by 2020.

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104 **Greening environmental policy and safeguarding of biodiversity**

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106 Substantial improvements in the field of environmental policy have to be made if the EU-2020
107 Strategy really intends to put the EU on a path to 'green growth'. In addition to introducing a
108 30% greenhouse gas reduction target we need a clear timeline for reaching 100% green public
109 procurement and the raise of green taxes to 10% of all direct taxation and reduce by as much
110 the tax burden on the low skilled. Environmental harmful subsidies must be faced out and
111 environmental externalities must be fully integrated into prices. The EU should make a
112 commitment to halt the further loss of biodiversity and ecosystems.

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114 **Greening Fiscal policy and own resources**

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116 For us economic governance structure includes an effective, coordinated, anti-cyclical fiscal policy
117 of the member-states, the transition from tax-competition towards tax-cooperation and an
118 increased EU budget based on its own income, which promotes the balancing of uneven regional
119 development. Public services have to be adequately financed as they can be a green job motor
and contribute to the needs of an ageing society (e.g. health, care and education).

120 The current coordination on fiscal policy is limited to the rules laid down in the Stability and
121 Growth Pact that refers solely to public deficit and public debt. It should be extended to public
122 expenditures and investments to avoid negative spill-over and tap the full potential of EU
123 integration.

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126 ***Taming globalization and regulating financial markets***

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128 Unfair competition, social dumping and Member States blackmailed by big business will continue
129 unless, we move away from tax competition between Member States towards tax cooperation. To
130 put finance back to the service of the economy and the society, which were so badly hurt lately
131 by the predatory behavior of financial markets and the reluctance of legislators to take their
132 responsibility, a wide range of actions from regulation to taxation and exchange of information
133 will be used.

134 The external dimension of EU 2020 Strategy needs a total revision. The current approach of
135 liberalizing sectors in partner countries where the EU enjoys comparative advantages has
136 devastating effects in many of those countries. Instead the EU needs to design the external part
137 of the EU 2020 Strategy with a focus on the 2012 UN Conference on Sustainable Development.

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- The target of 0,7 % GDP for public aid to developing countries for which the EU agreed on a roadmap and a calendar has to met in due time.
 - To put finance back to the service of the economy and society we have to introduce the long overdue financial transaction tax, which reduces speculation in international financial
- 145 markets and generates revenue desperately needed for the social and ecological conversion of
146 our economies.
- 147 Besides, the EU must take its fair share in financing an effective and fair climate
- 148 deal by providing at least €30 billion per annum by 2020 to help
- 149 those countries mitigate the effects of climate change and adapt. The EU should assist
150 especially the most vulnerable countries by organizing the transfer of eco-technologies.

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152 ***No successful EU 2020 strategy without proper governance***

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154 Proper governance is the key for a successful EU 2020 strategy. Objectives such as enhancing
155 social inclusion should be formulated with binding targets. In those areas where we define targets
156 (e.g. places of child care, reducing people dropping out of school, gender pay gap), monitoring of
157 the Member States' accomplishments should be done. The European Greens demand more
158 liability, accountability and incentives for the Strategy described above. All EU strategies and
159 instruments (e.g. the Sustainable Development Strategy, the Social Agenda, the Biodiversity

160 Strategy, the Common Agricultural Policy, the Structural Funds...) must be become consistent and
161 not pursue separate, if not contradictory targets and agenda's.

162 The Commission should develop policy recommendations on how a European economic
163 governance structure can look like. And put governance back at the core of fiscal policy.
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165 Social partners, like the macroeconomic dialogue and the Social Tripartite Summit, should be
166 involved in the decision making process.

167 Finally, new mechanisms should be developed in order to allow a bottom-up process when it
168 comes to defining priorities and implementing them, genuine involvement of stakeholders should
169 take place and real multipartite discussions are needed. The new citizen's initiative right
170 contained in the Lisbon Treaty will help to mobilize people.

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Appendixes (not to be put to the vote)

Appendix I

Towards a social and green EU 2020: from vulnerability to sustainability

Policy Paper presented by the EGP Committee

To the EGP Council, 21 March 2010, Barcelona

Introduction

For the Greens, the EU 2020 strategy must put Europe at the leading edge of the green revolution of the 21st Century, which must reconcile human development with the physical limits of planet Earth and put human well being and social justice as goals of the economy. It is only by doing so that Europe will build its future on a solid basis and enable sustainable quality job creation.

In that perspective, the draft presented by the EU Commission president J.M. Barroso lacks ambition to move to a low carbon economy, it consists mainly of green washing without presenting real targets for sustainable growth and social inclusion.

As evidence that the old economic paradigm couldn't even serve the neoliberal-oriented strategy, none of the goals adopted in 2000 and concentrated afterwards on growth and jobs was achieved (see Appendix I).

What we need is a strategy which consists of comprehensive ideas and proposals for a sustainable green and social economy. We want people at the heart of the EU 2020 Strategy. The Commission however already failed in this approach by its lack of consultation with the European Parliament, social partners, civil society and regional and local actors. We, European Greens, propose real alternatives for sustainability, social justice and decent jobs as well as a strategy for governance.

Key goals for a successful EU 2020 strategy

As the EU Council is set to define the headline targets of the EU 2020 strategy at its spring meeting, the European Greens consider the following ingredients to be the key for success of that strategy.

1. Redefining growth

For us, European Greens, economic growth is an instrument at the service of our objectives. GDP growth does not automatically provide improved social equality, better environmental protection

or a happier life for citizens. We therefore need to move away from a pure material growth concept to a broader concept of sustainable development for our society. This requires a brand new set of indicators that, beyond GDP and other usual indicators, reflect environmental and social gains and losses in order to move, towards a "smart, green and inclusive growth". As a global player, the EU must also commit to promote the use of such alternative indicators in international fora.

2. Sustainable and quality jobs instead of pure flexibility

The old Lisbon Strategy has shown that the sole focus on quantitative job creation – moving towards flexibility on the cost of security – was not sustainable at all. Further, it led to an increase of precarious working conditions and the gender pay gap continued to deepen.

Promoting good work and sustainable jobs has to be a cornerstone of the next strategy regarding job creation. This includes besides social security rights, equal opportunity (equal pay for equal work, access to lifelong learning and career development...), work organization, fair wages and health and security issues at the work place as well as family friendly working conditions. Since labor markets will be impacted by climate change, they have to be reactive in the way that restructuring has to be properly anticipated and managed. Workplaces have to be greened through labor policy and social dialogue. Quality indicators have to be introduced to measure and monitor all these dimensions.

It is well known that what people furthest away from the labor market need to (re)-enter the labor market is access to quality services, minimum income, activation strategies and quality jobs.

Given the skyrocketing unemployment rate, the ageing of society and the need to balance work life and private life, the redistribution of working time should be considered seriously. This issue should also be dealt with by European social partners in their future proposals.

Given that labor markets are more and more Europeanized through the provision of cross border services among others, we need legislative action to close the loopholes in the Posting of Workers Directive, so that the principle of equal pay for equal work can be implemented and to remove any opt-outs from the Working Time Directive.

On the macroeconomic level it has to be considered that policies on wages and income are needed to boost internal demand.

In this perspective, the EU should strive to

- reduce the gender pay gap by half every 5 years (i.e. reducing the gender pay gap to 8,5 % in 2015 and to 4 % in 2020)

3. Green Jobs and a sustainable industrial policy

A green economy is a sustainable economy. Europe therefore has to formulate a long-term industrial policy based on its energy and climate objectives. Furthermore environmental technology is a future engine of job creation. For European Greens the question of how we build Europe as a low carbon and resource efficient economy has to lie at the centre of this policy. Therefore stronger links have to be developed with the current and forthcoming Research and Development Framework Program. Public procurement representing about 16 % of GDP is a lever to prompt enterprises to engage in eco-innovation and to foster the adoption of a new sustainable way to produce and to consume. Yet without concrete policy measures and ambitious targets, the EU will not be able to regain its leadership in the field of green technologies.

Therefore, the EU should set itself the following targets

- Cut its greenhouse gas emissions by at least 30 % by 2020;
- Increase the resource efficiency of its economy by 3% annually;
- Invest 4% of its GDP on R&D targeted especially on SME and eco-innovation (and excluding military and nuclear s) and based on Open Standards;
- Move to 100 % of green public procurement.

4. Social cohesion is more than employment

Empowering people in inclusive societies has been rightly mentioned by the European Commission as one of the priorities of EU 2020. Unfortunately, it addressed inclusion only through the narrow prism of employment. But this option excludes people that do not access employment easily (e.g. migrants, retired people or family carers). Greens therefore demand that the social inclusion and equality become part of the social cohesion objective of the EU 2020 Strategy, including dimensions such as access to quality services for all, minimum income, ensuring decent housing for everyone, overcoming discrimination and increasing the integration of persons with disabilities, ethnic minorities and migrants.

The EU should

- reach an unemployment rate of no more than 6 % in 2020;
- adopt an ambitious poverty reduction target of reducing poverty by half every 5 years, i.e. a target of level of poverty of 8,5% by 2015 and 4% by 2020. Poverty must be measured as "relative poverty" to help identify those at risk of exclusion (not as "anchored in time poverty rate" as suggested by the European Commission).
- take care that no more than 10% of people should be at risk-of-poverty

To achieve this we call for an

- adequate core income guaranteed by an EU Framework directive implemented and managed by all Member States,
- a different financial regime including progressive taxation,
- strong rights-based antidiscrimination,
- social inclusion policies,
- an EU framework directive recognizing the special role of Services of General Interest,
- an EU directive on Social and Health Services.

5. Education as a means for “smart, green and inclusive growth”

The results of the Lisbon Strategy in the field of education are more than disappointing. None of the agreed benchmarks – as more public spending for education, life-long-learning, fewer juveniles without school degrees, primary education, more child-care – were reached. The European education policy therefore has to become more important and the benchmarks have to be compulsory. The Commission’s proposed approach of focusing mainly on higher education and with respect to migrants only on well educated migrants is totally wrong.

The EU 2020 strategy should include clear qualitative targets and indicators for primary and secondary education. Than the final objective, to reach a 100% secondary education, will follow suit.
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6. Fighting Socio-economic disparities

For years, some countries have spent far too much while others have offset this by saving far too much and neglecting their own consumption. This imbalance threatens to disrupt the sound functioning of the economy. To reverse this trend, a new procedure should be established to closely monitor Member States.

Further, it is essential to develop solidarity mechanisms inside the EU to cope with asymmetric shocks. Therefore, the feasibility of creating a solidarity fund to which countries would contribute in good times to better deal with asymmetric shocks should be examined.

Structural and cohesion policies support the regions that face severe difficulties and help them to catch up. These policies must be made to overcome the inequalities between regions and strengthen the solidarity between Eastern and Southern Europe. The regional disparities as to GDP per capita remains huge: the 20 wealthiest region in Europe are about 4,4 times well-off than the 20 poorest. Four regions have a GDP per inhabitant below the EU threshold of 75 % of the EU27 average.

The European Commission will have to ensure that the EU Structural Funds should be linked with strong social and environmental conditions and should therefore contribute to the EU climate goals by introducing a climate check for all structural funds intervention, starting with major projects immediately.

Therefore, the next period of Structural Funds programs should aim to halve interregional disparities by 2020.

7. Greening environmental policy and safeguarding of biodiversity

Substantial improvements in the field of environmental policy have to be done if the EU-2020 Strategy really intends to put the EU on a path to 'green growth'. In addition to introducing a 30% greenhouse gas reduction target we need a clear timeline for reaching 100% green public procurement and the raise of green taxes to 10% of all direct taxation and reduce by as much the tax burden on the low skilled. Environmental harmful subsidies must be faced out and environmental externalities must be fully integrated into prices. The EU should make a commitment to halt the further loss of biodiversity and ecosystems.

8. Greening Fiscal policy and own resources

For us economic governance structure includes an effective, coordinated, anti-cyclical fiscal policy of the member-states, the transition from tax-competition towards tax-cooperation and an increased EU budget based on its own income, which promotes the balancing of uneven regional development. Public services have to be adequately financed as they can be a green job motor and contribute to the needs of an ageing society (e.g. health, care and education).

Given the latest and future waves of enlargement as well as the new competences and objectives assigned to the EU along the years, the forthcoming debate on the financial perspectives should lead to the inflate the EU budget in the next decennium thanks to a new and genuine tax-based own resource. Since the onset of the 7-years financial perspective in 1988, national budget have increased by 39 % (in real terms) whereas EU budget has grown by no more than 19 %. It represents only 2,5 % of the total of public expenditures in the EU.

The current coordination on fiscal policy is limited to the rules laid down in the Stability and Growth Pact that refers solely to public deficit and public debt. It should be extended to public expenditures and investments to avoid negative spill-over and tap the full potential of EU integration.

9. Taming globalization and regulating financial markets

Unfair competition, social dumping and Member States blackmailed by big business will continue unless, we move away from tax competition between Member States towards tax cooperation.

To put finance back to the service of the economy and the society, which were so badly hurt lately by the predatory behavior of financial markets and the reluctance of legislators to take their responsibility, a wide range of actions from regulation to taxation and exchange of information will be used.

The external dimension of EU 2020 Strategy needs a total revision. The current approach of liberalizing sectors in partner countries where the EU enjoys comparative advantages has devastating effects in many of those countries. Instead the EU needs to design the external part of the EU 2020 Strategy with a focus on the 2012 UN Conference on Sustainable Development.

Therefore,

- the target of 0,7 % GDP for public aid to developing countries for which the EU agreed on a roadmap and a calendar has to met in due time.
- To put finance back to the service of the economy and society we have to introduce the long overdue financial transaction tax, which reduces speculation in international financial markets and generates revenue desperately needed for the social and ecological conversion of our economies.
- Besides, the EU must take its fair share in financing an effective and fair climate deal by providing at least €30 billion per annum by 2020 to help those countries mitigate the effects of climate change and adapt. The EU should assist especially the most vulnerable countries by organizing the transfer of eco-technologies.

10.No successful EU 2020 strategy without proper governance

The last years showed that the Strategy's Achilles' heel was that governance was too lax especially in the social policy field. The Stability and Growth Pact has measurable, quantifiable, clear and binding targets as well as penalties. Objectives such as enhancing social inclusion on the other hand were formulated without any concrete targets. Furthermore in those areas where targets existed (e.g. places of child care, reducing people dropping out of school, gender pay gap), there was hardly any monitoring of the Member States' accomplishments. The European Greens therefore demand more liability, accountability and incentives for the Strategy described above. It goes without saying that all EU strategies and instruments (e.g. the Sustainable Development Strategy, the Social Agenda, the Biodiversity Strategy, the Common Agricultural Policy, the Structural Funds...) must be become consistent rather than pursue separate, if not contradictory targets and agenda.

The Commission should develop policy recommendations on how a European economic governance structure can look like. And at the same time governance has to come back at the core of fiscal policy.

Social partners should be more efficiently encouraged by the European Commission to clinch deals. The macroeconomic dialogue and the Social Tripartite Summit should be emphasized and better taken into account in the decision making process.

Finally, we should bear in mind that it was already unanimously stated in 2005 that the Lisbon Strategy would fail because of a lack of ownership by all stakeholders (from the Member States to the municipalities via national parliaments, from the NGO to the citizens). Lessons should be drawn. New mechanisms should be developed in order to allow a bottom-up process when it comes to defining priorities and implementing them. Fake public consultations are not sufficient; genuine multipartite discussions are needed. The new citizen's initiative right contained in the Lisbon Treaty will help to mobilize people.

Appendix II: 15 measures underpinning the Greens' vision for 2020

1. In order to provide right incentives, each Member State submits to the European Commission its own national objectives given the European agreed targets and its starting point; the European Commission addresses recommendations as to the feasibility and the ambition of the objectives; every 3 years, the progress will be reviewed and the countries that have achieved progress in line with their commitments will enjoy extra EU funds; the others will have to pay extra fees to the European budget.
2. The EU's structural funds have so far done more to contribute to climate change than to fight it. This must change: clear and transparent criteria related to the impact on the environment/energy but also health, creation/loss of jobs and EU competitiveness ought to be used for the selection of projects to be financed under different budget headings and programs.
3. The European Commission should publish either a communication or a recommendation to put in practice the provisions having general application contained in the Lisbon Treaty such as the new horizontal social clause (art.9) and the ones on non-discrimination (art.8 and 10), sustainable development (art.11) and consumer protection (art.12). The impact assessment procedure should be refined in accordance.
4. Given the looming pay inequalities resulting from polarization of the skills needed for the future and the increase in the labor supply advocated in order to tackle the crisis, which intensifies competition between workers and leads to widespread deskilling, the Commission should address a recommendation to countries where replacement income is now below the target of 60% of the median income of the population (poverty threshold) and where growth in wages is well below production and inflation gains, this formula being enshrined in a framework directive. The reason for the recommendation would be that these developments are undermining not just social cohesion but also economic stability in the EU, since growth is no longer balanced and these developments bring with them an increasing risk of household debt going out of control.
5. The Commission should present a legislative proposal forbidding firms to lay off if they have achieved profits for the last year. Limited exemptions may exist to this general principle. Furthermore, if a plant infringes this directive, financial sanctions (up to 10 % of the payroll (cf. regulation 1/2003 which defines the maximum level of fines in antitrust cases) will apply: the money raised will contribute to the ESF of the country on which the plant is established and it won't be eligible to any public funding for the next 5 years.
6. In consultation with the European Social Partners, we need a green jobs strategy that delivers on skills, workplace adaptation and transformation of society. This includes o.a. incentives to transform existing jobs into green jobs, investment in training and lifelong learning to support workers to develop and enable workers to move into new jobs where necessary and adapt workplace organisation across the board to face the challenges of a smarter greener economy.
7. The European Globalisation Adjustment Fund should be revised in order to support the transition to a less carbon-intensive economy: the Fund could in future be used to support workers who are the victims not just of globalisation, but also of restructurings, closures and relocations resulting from (the fight against) global warming.
8. Given on the one hand the number of people occupying two jobs at the same time has risen by +9 % between 2000 and 2008 and those working usually on a Sunday or at night has grown (from 11,5 % of the labor force to 13,7 % and from 17,7 % to 19 % respectively); on the other hand that the unemployment rate is skyrocketing while the combination between private life and working life is still a challenge, a renewed discussion

on the distribution of working time should be initiated.

9. As The demographic challenge will be met by a life-course approach to employment and a flexible approach to retirement, underpinned by an adequate state pension and new binding benchmarks on youth unemployment stating that the youth unemployment rate may never exceed the general average unemployment rate.
10. We also need on the one hand a European framework agreement on transition security, including the right to training and sufficient social security in times of job transition and on the other hand, sufficient resources for controls in Member States as well as an enhanced administrative cooperation (including to enforce sanctions against employers) system to have stronger tools for the implementation of labor legislation.
11. A framework directive on social services and health services as well as regulations on services of economic general interest should be adopted. State aid should be reformed in order to facilitate public funding associated with internalising the positive externalities created by the provision of SGIs.
12. The Stability and Growth Pact should be updated to meet new needs. The procedure developed for excessive deficits of the SGP should be extended to Member States with excessive surpluses of the current account and to excessive private debt. The SGP should also be amended to exempt partially from the budget balance calculation carefully targeted investment which is strategically important in research and development (excluding in nuclear and military fields), green innovation.
13. Taxation should become environment-friendly: in order to alleviate the burden hampering the low skilled to have an access to employment and to bring about new sustainable consumption and production patterns, environmental taxes should be introduced in a coordinated way in order to shift the burden away from labor taxes towards unsustainable activities and products. All environmental harmful subsidies must also be phased out. Environmental externalities must eventually be fully integrated into prices.
14. A timetable for the introduction of a common consolidated tax base for corporate profits, a mechanism to ensure a minimum coordination of corporate tax rates on a similar basis as what is currently in place for VAT; the introduction of country-by-country reporting on corporate income and taxes paid thereon, as well as an automatic exchange of information between national tax authorities in order to effectively fight tax fraud.
15. Commercial activities and investment activities should be split in the banking sector. Tax havens should be closed down for goods, starting with those within the EU. An EU wide Financial Transaction Taxes such as a Tobin-Spahn tax would reduce speculation in international financial markets and generate revenue desperately needed for the social and ecological conversion of our economies.

