

The social dimension of the Green New Deal

Why a new course is needed

The European Green Party expressed its vision for a social Europe in 2008.¹ However, at this moment, the financial crisis was just starting. Since then, this crisis has transformed into an economic and social one, which increased inequalities. Some groups have been particularly affected by the crisis, including the young, the low skilled, women, employees on temporary contracts, EU mobile workers, migrants and the elderly; the long term social impact of the crisis is not yet fully known. These times of combined social, economic, environmental resources and food crisis have sharpened the sense of urgency to fundamentally review the way our society functions from the local to the global level. The European Union must play a key role in this process. Persistent unbalanced distribution of wealth and other inequalities are not only an issue in Europe, but at least as much on a global scale, between the continents and within societies of emerging countries. It could well be the greatest challenge of our time to improve the quality of life all over the world in such a way that our planet can bear. This major topic – a global Green New Deal – will be covered in another paper. This policy paper deals with the needed transformation of European societies.

For the past 50 years, the Gross Domestic Product (GDP) of developed countries has been growing steadily. Technological progress, replacing labour by capital, a more efficient labour organisation, an intensive level of de-localization of industries and imports of low-price commodities, improved education and training have resulted in a continuous increase in the productivity of labour, and an exponential rise of our material wealth. Yet this apparent progress was achieved at the cost of environmental destruction and did not lead to social welfare for all; a reality that we Greens have long tried to bring attention to. How should we interpret the erosion of our social rights (pension rights, social protection, health care, etc.) at a time when we are told that economic growth is leading us to a better world? What conclusions should we draw from persistent inequalities between rich and poor, the difficult access to decent and affordable housing, the persistence of mass unemployment, the rise of working poor among the low skilled workers, the increase in the number of homeless people, the bulk of un-skilled or poorly-skilled workers, for whom social protection only reaches the bare minimum? How can we justify the rate at which we are degrading our environment, advancing dangerous climate change, threatening our health and depleting biodiversity? When rising income inequalities have been a cause of the crisis which measures should we adopt to accomplish a just and sustainable income distribution?

What we need is more than a few policy changes; it is a profound transformation of our development model which tackles the roots of the problems. The Green New Deal proposes a comprehensive process of transformation. While not being a ready-to-use model, it provides a set of values, ideas and measures that will enable well-being and prosperity for all to be developed in a sustainable framework and in the context of an ageing society and growing exclusion of young and elderly people alike, that needs concepts of intergenerational solidarity. It aims to provide a credible roadmap for our societies to respond to the challenges of the 21st century, where dominant political models, whether capitalist or socialist, neoliberal or populist, have failed.

¹ See the Policy Paper "A green vision for social Europe", adopted in Montreuil EGP Council, October 2008.

The social dimension of the Green New Deal is one of its central pieces. On the one hand, the GND puts human beings at the centre of its objectives. Ultimately, what we want is to ensure quality of life for all, in a way that is sustainable over time and for the planet. This requires audacious measures to ensure fairer redistribution of wealth and better inclusion of all in society. Social elements are intrinsically part of the transformation process. The promotion of gender equality is an integral part of the Green New Deal and must therefore be taken into consideration in all policy proposals, including social policy. On the other hand, to answer the environmental challenges, our economic system - the way we produce, consume, and exchange, has to be fundamentally revisited.² This will have an impact on employment and social policies, and requires innovation in the way we conceive and implement them. This paper is therefore not meant to present a complete catalogue of all the social policies that we Greens are defending.³ The idea is rather to make explicit the links between the social dimension of the transformation and the economic and environmental ones. In the first part, we will show how the GND provides answers for work and participation in a society that is changing demographically, re-thinking the concept of working, creating new green jobs, eliminating precarious jobs in the labour market and enlarging the modalities of participation in society, the modalities of participation in society. In the second part, we will present the guidelines we want to follow in order to reduce inequalities and tackle poverty: two structural features of the GND.

Part I Jobs and participation in a sustainable economy

In December 2010, more than 23 million men and women in the European Union (EU) were unemployed, which is about 9,7% of the population. The youth unemployment rate (under-25s) was 21%, twice as high as the overall unemployment rate⁴, whilst the senior unemployment rate (55 to 64 years) was 20% higher. At the same time, we are facing steep environmental challenges: climate change and the imperative of 80 to 90% reduction in CO2 emissions by 2050 for industrialised nations⁵, but also resource depletion, and the dramatic, often irreversible, loss of biodiversity. These challenges require a clear rethinking of our priorities but also provide opportunities to create a sustainable economy that allows quality green jobs⁶ and enhanced quality of life for all through innovative forms of participation in society.

Creating jobs in a sustainable economy

Green jobs as an answer to the crisis

The transformation process proposed by the GND will develop new activities in sectors as diverse as energy, transport, construction, agriculture, education, health and social care. Similarly, the existing activities must be redesigned in order to optimize their resource and energy efficiency. There is

² The EGP has developed this in depth in its Policy Paper "The macroeconomic and financial framework of the GND", adopted in Tallinn EGP Council, November 2010. The present paper should be seen as complementary to this one.

³ This has been done already in the Policy Paper "A green vision for social Europe", adopted in Montreuil EGP Council, October 2008. The proposals made in this paper are still valid in the current context and will not be repeated. Additionally, for specific EU policies, the Greens/EFA group in the European Parliament is producing regularly statements and resolutions on social matters. Note in particular that the very important issue of pensions will not be dealt with in the present paper.

⁴ Eurostat

⁵ Scenarios of the IPCC Fourth Assessment Report: Climate Change 2007

⁶ Green jobs are "positions in agriculture, industry, services, and administration which contribute to preserving, restoring and enhancing environmental quality" (ILO handbook on green jobs).

potential to create new jobs at all stages of the value chain, from R&D to production, distribution and servicing, and to transform existing ones into quality green jobs across the economy. Greening jobs can start happening now in all sectors. According to the study "Low Carbon Jobs for Europe: Current opportunities and future prospects" done by the WWF, investments in energy efficiency could create up to 1 million direct and indirect jobs, and the development of renewables could create 1.7 million net jobs by 2010 and 2.5 million by 2020 in the EU.

We Greens think that employment policies can only function if they are elaborated in cooperation with all the stakeholders. In particular, social partners at all levels should pursue their discussion on the greening of labour markets and be encouraged to do so. In countries where the system exists and functions, the importance of sectoral social dialogue has to be stressed. Moreover, trade unions are not always present in small companies. This means that one in three workers are not covered by the directives on information and protection of workers. Therefore, social dialogue is not sufficient, and social legislation is absolutely necessary in order to maintain or create high labour standards, and to supply special help for certain sectors and for SME's, while avoiding red tape and other types of excessive burden.

Transforming the economy to create green jobs

In a long-term perspective, structural changes in all sectors need to be anticipated and managed wisely so to make the transformation a chosen and successful path that allows for a socially just transition offering chances and unalienable rights for everyone. Transforming the economy into a sustainable one will increase the potential to create quality green jobs. Yet to shift economic activity in the right direction, there is a need to combine fiscal incentives, prices that reflect real environmental impact, resource efficiency and investments.

Moving towards a generalised greening of the economy, and hence of jobs, cannot happen without a massive shift in taxation policies. In our view, taxation has three main functions in the economy: taxes generate revenues for publicly supplied goods and services; they are a means to redistribute income and wealth among individuals and regions; and they are a method to adjust economic activities to stimulate those activities that are beneficial to the common good and reduce undesired effects. Specifically, taxes, charges and subsidies are all instruments that can foster an efficient allocation of resources for tackling environmental challenges. As they internalise externalities, they also ensure that prices better reflect societal costs, such as environmental impacts, and make sure the burden is not supported collectively by society. Taxes and subsidies must be transparent, equitable and easy to administer. The Green socio-ecological tax reform shifts the balance away from labour and onto the use of finite natural resources and a greater taxation of capital. It is not acceptable that labour as a production factor is taxed higher than capital.

However, since market prices will never account entirely for resources depletion, the use of resources also needs to be reduced on the one hand and optimized according to environmental standards on the other. Indeed, the costs of raw materials (whether imported or not) now represent an increasing share of total costs, sometimes weighing more than wages, or at least increasing at a higher pace. If companies don't adopt ambitious strategies on resource efficiency, the first factors to be adjusted will be jobs and wages, in line with the current austerity plans. Yet, there is a positive correlation between efficient use of resources and competitiveness of the countries. Using energy and resources more efficiently can reduce costs massively, which could benefit everyone: producers, when necessary transformation can be financed; workers, when jobs are saved and fair wages paid; and consumers, when cost reduction is followed by price reduction.

For this change to happen, discussions, information and consultation processes with specialists have to be put in place at company and sectoral levels.

The combination of these measures will bring in new money that can be invested in infrastructure, technology, education, innovation and in job creation. It is important that these investments happen at both public and private levels, which are complementary.⁷ Investments should target "green" sectors, focusing on industry, technology and innovation but also in sectors that improve quality of life for all, such as education, care and services, where more and better jobs should be provided.

Finally, our economic system, and hence our jobs, cannot be completely green if the hegemony of the finance industry is not tackled properly. At the workplace, especially in large transnational companies, the domination of financial logic has been expressed by a growing focus on short-term shareholder profit, which replaced medium or long-term goals of improvements in competitiveness. The aim of short term high return on equity in real terms (from 10 to 20% depending on the sector) implies that growth in profits is much higher than GDP growth, and has led to a shift in the distribution of created value in favour of the capital-owners⁸. A strong regulation of the financial and banking system and a fairer redistribution of profit constitute therefore essential elements of the transformation.⁹

Therefore, we Greens propose:

- fiscal incentives to help companies move towards green employment policies and green innovation in production processes, and start-up support to social enterprises, which employ people disadvantaged at the so labour market, like long-term unemployed, disabled or people after leaving institutional care or low skilled people;
- the involvement of employees' representatives, as defined by european social charter, in charge of greening the workplace according to national practices, and making workplaces, companies and industries more sustainable;
- training in methods of sustainable production and in the challenges of climate change, adapted to the sectors and functions;
- to support consumer organisations and environmental groups disseminating good practices and inform consumer choices in order to include all parts of society in the transformation process;
- to invite governments and social partners to include essential environmental issues in the social dialogue, at all levels of consultation, with emphasis on sectoral negotiations; emphasising that, in order for transition to be socially just, workers should have a participative partnership role to play in the process;
- the creation of green jobs must guarantee increased participation of women in the labour market. Moreover, social dialogue must include gender equality issues.

⁷ A study has been ordered by the Greens/EFA group in the European Parliament to explore further tools and measures for financing the GND. The final report will be available in April 2011.

⁸ According to data from the European Commission, the OECD and the International Settlements Bank, the share of salaries in the EU GDP has been reduced from 71.5% in the 1980s to 66.7% in 2004 with a symmetrical rise in capital returns (profit).

⁹ Concrete measures for such a regulation have been developed in the paper "The macroeconomic and financial framework of the GND".

Green jobs are quality jobs

The main goal of the GND is to improve people's well-being in a sustainable manner. Green jobs need therefore to be quality jobs, i.e. which ensure gender equality, fair wage, good health and safety conditions, equal treatment, career prospects, other possibilities for personal development, rewarding work and attention for the well being of the employee, and job security and workers' rights.

Yet currently one can observe a steady growth in the number of precarious jobs, involuntary part-time, bad salaries, scarce training or mobility opportunities, etc. In Europe, although the risk of poverty for the unemployed is more than five times higher than for those who have a job (44% against 8%), employment does not protect totally from precariousness. Low pay, low skills, and under-employment can lead to in-work poverty. Additionally, the ageing of society, in several countries of the EU, the question of gender equality, intergenerational solidarity and of migrant rights makes the labour market more complex than before. If the GND is about making everyone's life better, it needs to answer these interlinked challenges as well and provide the conditions for quality jobs. Action has to be taken at least on five complementary dimensions: education and training, working conditions, social security, gender-balance, and migrants rights.

Training, re-skilling and lifelong learning

First and foremost, ensuring a smooth and successful transition to green jobs requires that great emphasis be put on investments in education and the development of new skills. Training and lifelong learning should be a right of each worker. A precondition is education is a right that should be provided and accessible for everyone. In the current economy, particularly in the present crisis situation, the trend is to hire and fire, rather than to invest in people's qualification and training. Training and, in particular, lifelong learning strategies should be considered as investments rather than costs. They are key in promoting a transformation of the labour market and ensuring that people are able to adapt to the changing demands of a green economy.

Apart from universal access to general education¹⁰, specific re-training and re-skilling is essential. Flexible formulas should be developed depending on the situation (new job, substitution, adaptation, etc.) and be completed by innovation at technological, social and management level. Training and lifelong learning cannot be the responsibility of the state or job centres alone, neither can it be left to the individual. It should be a shared responsibility of the state, companies and the individual. There is a potential for creation and greening of jobs in all skill segments. However investment in adaptation and in skills for all is required, with specific attention to low-skill labour.

Finally, training must also be envisaged in the context of an ageing society and of the inclusion of young people in the job market. Intergenerational solidarity is a key for the transformation. Creative solutions can be implemented in order to soften the end of the career and allow people to stay in the labour market, whilst at the same time helping young people to enter it - reconciling education, experience, and knowledge sharing.

Because Green jobs require learning from experience, a Green policy shows the relevance of intergenerational solidarity in different policy frameworks and the Greens provide recommendations on how greater solidarity between generations can be promoted in various

¹⁰ A more complete set of specific recommendations on education have been adopted by the EGP in the paper "A green vision for social Europe", October 2008. The present text focuses on training in the context of green jobs but these recommendations remain valid in the present context.

policy areas to help provide an environment where the contribution of everyone is valued and everyone is empowered to play a part.

Therefore, we Greens propose:

- to promote training, comprehensive lifelong learning schemes, including vocational training and professional training, and clear benchmarks for investment in education;
- to guarantee the right for all to take part in training during their working time and between working contracts;
- to make sure that enterprises set up plans proactively for a smart and concerted shift of staff, and the adaptation of equipment and process to older workers, where needed;
- to make sure that enterprises set up plans for the long-term renewal of their work force and the training of newcomers, in order to promote the inclusion of young people in the job market;
- to promote the timely retraining of workers in physically demanding labour in order to enable older workers to stay on the labour market through a career switch;
- to enable students to gain practical work experience with more experienced workers in such ways that it is possible to balance study and work life. We will promote a life-cycle approach to employment that addresses school drop-out, successful integration of young people in the labour market but also enables “active ageing” allowing older workers to remain in employment and combine part-time work with retirement for those who wish to remain active for longer.

At EU level,

- to strengthen the Lifelong learning strategy of the EU, including equal access for everyone, with a special focus on training in skills that allow people to move towards greener jobs;
- to invite the Member States to proceed to a prospective analysis of their future skills and needs;
- to revise the European Employment Guidelines, in order to include a guideline on greening of jobs, including the call for the right to training and lifelong learning;
- to tackle age discrimination by fully implementing Directive 2000/78/EC and imposing sanctions on non-compliant EU Member States.

Better working conditions

There is a risk that some new jobs in sustainable production could entail bad working conditions. To avoid this trap, strong cooperation amongst all social and environmental stakeholders, including civil society and trade unions is indispensable. Institutionalised social dialogue needs to set the rules and instruments of the labour market, such as contractual conditions, wages, benefits, training and education measures etc, that need to be implemented in all countries. Strengthening social protection and minimum standards ensuring decent work for all should be pursued.

Therefore, we Greens propose:

- to push for the improvement of labour rights in all types of contracts;
- to ratify and implement all up-to-date ILO Conventions;
- to strengthen the environmental dimension of health and safety at the workplace and to improve health and safety legislation.

At EU level,

- a strong coordination between Member States enforcement agencies, labour inspection, social partners, social security administration and tax authorities to ensure the protection of all workers, and to fight undeclared and unprotected work;
- to introduce or improve EU minimum standards for working conditions so as to create a level playing field and prevent a race to the bottom by companies competing on the basis of working conditions;
- that the Commission and the Member States ensure that binding social and environmental standards apply to all the stakeholders, including investment funds, which have an influence on the companies which they are involved with, and sometimes manage. In this perspective, the Commission should guarantee the application of the directive on information and consultation of workers to holding companies and, if they are not covered by this directive, ask that it be reviewed;
- to bring to an end labour law reforms which lead to the creation of precarious contracts, especially for young people.

Security during and beyond the transition

The GND transformation process will imply a period of necessary shifts of production sectors and workforce, which may cause insecurity and friction costs on the labour market. It is crucial that social security legislations respond to these necessary changes to support people in their transition to green jobs and that social clauses are part of the reconversion of industries and companies. Conditions have to be provided for people to dare moving into new jobs and taking up the challenges of new labour markets demands.

Transition security is meant to support people during the period between jobs, especially when unemployment arises from restructuring or relocation. It should enable them to move into a new job, whilst maintaining their living standards by providing immediate help and support. Experience shows that transition security is most effective where workers have the backing of robust labour law and/or strong trade unions.¹¹ Implementation will differ depending on national contexts but all social security systems should develop and offer measures for transition security.

Beyond the period of transition, the GND needs to ensure efficient labour market. Recently, the

¹¹ In Sweden for example collective agreements at industry level have set up 'career transition' funds financed from the business sector and jointly managed by social partners. These funds provide notified workers with training, job search assistance, or paid internships in other firms, even while they are still formally employed by the company that is firing them. This of course, presupposes that firms are obliged to provide a period of advance notification during which this kind of active support is offered.

concept of flexicurity has been acclaimed in Europe as the answer to increasingly globalised labour markets. However, the flexicurity model promoted on EU level currently promotes an increase of flexibility without offering the necessary security. Only a balanced combination of security and flexibility can offer the answer for changing labour markets and the changing needs of society, allowing for faster job transition, more flexible work arrangements and for a better gender distribution combining work and care obligations. However, it works only if all elements of the original flexicurity approach are in place: a strong social security system including transition security, strong social partners and a well established social dialogue, and strong investment in lifelong learning and training.¹² Job opportunities for older workers need special attention; at this moment it is in some countries virtually impossible for unemployed beyond a certain age to find a new job.

Therefore, we Greens propose:

- the development and implementation of measures for transition security;
- flexible but reliable contractual arrangements both for employers and workers;
- an effective labour market policy based on improving labour market supply - enabling all persons to participate in the labour market with individual and targeted measures regarding education and training, workplaces adapted to the employees needs, and infrastructure for families, as well as labour market demand - by improving matching, facilitating job creation (especially for SMEs) and removing structural and normative discrimination on the labour market;
- a reform of the social security systems based on a life-cycle approach to social security, which would flexibly take into account different phases of working time, give transitional security and keep people out of poverty;
- access to affordable child care facilities to ease employment transitions for people with children.

Gender equality

Despite huge improvements in gender equality over the last decades, women are still discriminated at various levels in the context of work. First and foremost, despite the principle of equal pay for work of equal value, women continue to earn less than men. In 2007, the average gender pay gap was estimated in Europe at 17,4%, with peaks at 33% in some countries, this gap being greater in the private than in the public sector.¹³ Closing the gender pay gap is on the top of the GND agenda. Second, there is a persistence of precarious contracts and involuntary part-time among women which reveals gender discrimination. For example, the employment rate of women falls by 12,4% when they have children but rises by 7,3% for men with children¹⁴. This disadvantaged labour

¹² Denmark is always mentioned as a best practice example of the positive effects of the flexicurity model. But the Danish Model only works because these three core elements are in place.

¹³ The gender pay gap is defined as the difference between men's and women's average gross hourly earnings as a percentage of men's average gross hourly earnings. Figures from European Commission, Equality between women and men 2008, COM (2009) 077.

¹⁴ European Commission, Equality between women and men 2008, COM (2009) 077.

market position implies that they accumulate fewer individual rights to pensions and other social welfare payments. Third, many jobs in green industries are very much male-dominated and women are strongly under-represented in the renewable sector and especially in science and technology-intensive jobs¹⁵. An equitable GND cannot afford women's exclusion from the transition to the green economy. Without a focused effort, namely on training, women will be chronically under-represented in or even excluded from the green economy and green collar jobs.

Therefore, we Greens propose:

- gender equality regarding career possibilities including measures to reduce the gender pay gap, the gender care gap and access to employment and training, facilitation of the re-entry of parents to employment and parental leave for each parent;
- the right to affordable child care facilities; to implement without further delay the Barcelona-objectives to provide childcare for at least 90% of children between three years old and the mandatory school age and at least 33% of children under three years old;
- setting a 40% minimum requirement of each sex on boards of companies registered at the stock exchange (Norwegian Model);
- to implement the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation;
- measures to achieve progress on work/life balance must be assured for all, in order to boost female employment and to combat poverty among single earner families, as well as elderly poverty and the increased feminisation of poverty. These should also encompass the most vulnerable and those furthest from the labour market.

At EU level,

- an adoption by the Council of the pregnant workers directive granting mothers and fathers with longer paid maternity and paternity leave;
- closing the gender pay gap through a revision of Directive 75/117/EEC relating to the application on the principle of equal pay for men and women;
- proper implementation of Directive 2002/73 on the principle of equal treatment between women and men with real sanctions, measures to reduce the gender gap and to improve the inclusion of women in the labour market.

Migrants rights and the right to free movement

Migration has an important role to play in relation to demographic and economic challenges in Europe. In the context of an ageing society, skills and labour shortages are becoming a real issue. However, too often migration is still seen as a threat and the focus is predominantly on border control, and control of 'illegal' immigration. Such a vision is in contradiction with an approach that allows for mutual benefits of migrant and host communities, one which views migrants as

¹⁵ Renner, Michael; Sweeney, Sean; Kubit, Jill (2008): Green Jobs towards decent work in a sustainable, low-carbon world, Nairobi, page 309.

individuals with equal rights that have to be valued and protected. We Greens want to adopt a strategy that will be built on a strong social pillar that places the human dimension, equality, anti-discrimination, social cohesion and intergenerational solidarity at its heart.

In Europe, it is estimated that today 20 million people are living without legal status, facing questions of employment, social security, access to basic services etc.¹⁶ It is important to ensure that all are represented and protected, including undocumented migrants. This is not only a question of human rights, but also an important aspect of a broader strategy against social dumping.

Free movement is a right of EU citizens. This implies that they should have equal access to the entire EU job market regardless of their nationality. Much remains to be done in order to ensure that people enjoy a solid social coverage when they live, study, work, or simply visit another Member State. Beyond the focus on competitiveness, it is time to once again raise our voices for a social framework of the EU internal market. We need EU wide rules and controls in order to ensure that social standards are not undermined and the protection of all workers, including migrant workers, are guaranteed.

Therefore, we Green propose ¹⁷

- to implement an International convention on the Protection of the Rights of All Migrant Workers and Members of their families, ensuring equal rights as a necessary basis for equal opportunities;
- guaranteed all rights for migrant workers, including the mutual recognition of social security rights and also possibility to preserve and transfer their rights, and a good protection in posting of workers directive regardless of the periods of time they have been undocumented;
- acknowledge and harmonise qualifications and competencies from different countries in a fair and structured manner;
- the mainstreaming of integration of ethnic minorities and promotion of diversity in all relevant social and employment policies.

At EU level:

- effective free movement of all citizens in Europe, including ending or refraining from transitional arrangements that restrict the right of workers from the countries that joined the EU and direct access to basic services such as education and health;;
- a common migration policy which goes beyond Frontex and ensures migrants have total freedom of movement within the EU;
- full political rights for migrants must be guaranteed. EU citizens must also have the right to vote in both regional and national elections in their country of abode.

¹⁶ Eurostat

¹⁷ A broader perspective and a more complete set of recommendations of the EGP on migration is to be found in the paper "Europe is a continent of migration", adopted in Ljubljana 8th Council Meeting, 11-13 April 2008.

Part II: Fighting against poverty and inequalities

The GND is about the construction of inclusive societies, where everybody has the means and opportunities to emancipate themselves and develop an autonomous life, regardless of their social class, origin, religion, sexual orientation, gender, disability or age. However, the persistence of poverty, inequalities and deprivation in Europe and across the world¹⁸ prevents this objective from becoming a reality. In all European countries, part of the population is subject to exclusion and deprivation, often facing limited access to basic services and/or living in deprived neighborhoods. This represents a threat to the European social model, which needs to be tackled.

Poverty is more than the lack of financial resources and income; it encompasses vulnerability, precariousness, lack of opportunities, and denial of rights, such as access to education and health, culture, housing, heating, employment, services and infrastructure, as well as access to information, social, cultural and political participation. Forcing poor people to survive in a deprived environment drives them and above all, their children, to reproduce poverty across generations. Poverty also disproportionately affects women, which further highlights the importance of gender as a transversal issue.

In times of crises, the most vulnerable need, even more, to be supported and that should first happen through a redistribution of wealth in society. Whilst we believe that the welfare state should be sustainable and effective, we don't believe that fiscal discipline alone can be the answer, especially when governmental austerity plans are socially and environmentally blind, and often hit the most vulnerable groups in society hardest, thereby widening the inequalities gap even further. Moreover, decision-making processes around austerity plans very often ignore basic principles of democratic participation.

The persistence of poverty and inequalities in affluent societies, like ours, is not inevitable but rather the result of political choices and priorities. We want to tackle poverty and inequalities through employment policies (described in the first part), but also through specific measures involving redistribution of wealth, access to goods and services and sharing resources. Finally, at the heart of the GND vision is the idea that resolving the environmental crisis is not antagonistic to resolving the social crisis, since they are increasingly interlinked.

Redistributing wealth and resources

Reducing inequalities

The financial, economic and social crises have proven, that the neoliberal market system, left to itself, leads to growing inequality. Even its most fervent defenders do not continue to contest that more regulation is needed. Rising inequality is a parameter to take into account, as it leads to societal cost increases that are neither affordable nor a solution to social and economic problems. When certain groups of people start earning incomes more than 400 times higher than the

¹⁸ When one considers all the progress and wealth accumulated over the last decades, the fact that two billion people still live on less than 2 dollars a day, half of them suffering from hunger is unacceptable. Huge disparities exist also within "developed" and "transition" countries, where inequalities and the poverty level keep rising. The central issue of global inequalities and extreme poverty around the world will however not be covered here, since the international dimension of the GND in all its aspects will be the focus of a different paper.

effective minimum income, this puts a strain on society. This is unacceptable and should be countered as far as possible. The exorbitant pay and incentives granted to top managers in industry and the banking sector are particularly reprehensible. While the burden of the losses from their sectors falls on the shoulders of tax payers, and many people are being marginalised and losing their jobs, managers are continuing to receive excessive remuneration. These causes of inequality are profoundly unjust. We as Greens strongly criticise these practices. However, we do acknowledge that the concentration of wealth and capital are a typical outcome of our current economic system and thus need to be criticised and fought against on a structural level.

People in societies with smaller levels of inequality are generally happier and have a better quality of life than people in more unequal societies. Not only do the poorest people benefit from these lower levels of inequality, but even the richest groups of people do better in more equal societies.¹⁹ An equitable distribution of wealth is an important structural element in safeguarding opportunities for increased quality of life for all segments of society. Sustainability and long-term responsibility in the economic and social fields are as necessary as in the environmental one.

Fighting inequalities is also central to dismantling the perverse incentives for destructive status competition in our rich societies. To a great extent, once people have been provided with basic necessities for life, it is relative rather than absolute income that matters.²⁰ Consumerism is largely driven by status competition, social appearance and position. It is not surprising that countries with lower levels of inequality also tend to have lower levels of poverty.²¹ In general, governments in these countries tend to prioritize adequate minimum income and good access to services, most often through social protection systems, guaranteed minimum wage levels and by providing a wide range of affordable public services.

In recent decades, the EU-wide rise in income inequality and poverty has gone hand in hand with a marked increase in the number of millionaires. In order to develop effective measures for redistributing wealth, one should also look at the very top of the income scale. We denounce the excessive incomes of a small minority, coupled with the existence of unfair taxation schemes. These elements, along with ethical and budgetary considerations, stress the importance of a fundamental fiscal reform towards more equitable and purposeful forms of taxation, which includes closing a multitude of fiscal and regulatory loopholes. Since the GND strives to become an important move towards more equality while increasing incentives for innovation and progress, a core element of the GND reforms is a fundamental revision of the traditional approach to taxation. This new approach leverages the positive effects of a fiscal shift, away from labour, towards resources, externalities²² and capital. Inequality can also be tackled by other measures aimed at reducing the pay gap, which is widened considerably over the last 30 years²³.

Not only do we believe in the societal benefits of letting stronger shoulders carry more weight, we also believe it is important that people and institutions are held accountable for their actions. If they benefit society, they should be supported, if they are detrimental to society, they should

¹⁹ This argument has been famously developed and proven, based on many facts and figures by R. Wilkinson and K. Pickett (2009) *The Spirit Level. Why More Equal Societies Almost Always Do Better*, London, Allen Lane.

²⁰ See also R. Wilkinson and K. Pickett (2009) *The Spirit Level. Why More Equal Societies Almost Always Do Better*, London, Allen Lane.

²¹ This is particularly important when the debate at EU level focuses generally on relative poverty, and where the poverty levels are calculated in relation to average incomes.

²² An externality is a consequence of an economic activity that is experienced by unrelated third parties who did not have a choice and whose interests were not taken into account. It can be a benefit for the third party (positive externality) or a cost (negative externality or external cost).

²³ <http://www.oecd.org/dataoecd/40/12/49499779.pdf>

compensate for the damages they cause. If we want our markets to work efficiently, we need to incorporate positive and negative externalities in the cost of goods and services. Therefore it is unacceptable that, in the current economic system, those who reap great rewards by employing strategies that inevitably cause severe economic crises (i.e. excessive risk-seeking and over-leveraging in the pursuit of untenable gains) are ultimately not the ones who bear the brunt of these very crises. If we want to stem the ceaseless tide of financial crises, we will have to correct this fundamental systemic flaw through regulatory and institutional reforms that: improve the ability to track down and adequately punish fraud; disincentivise excessive risk-taking; and ensure that risk-takers make equitable contributions to compensate for the externalities related to their behaviour²⁴.

Therefore we Greens propose:

- that all organisations and companies in all sectors (public, private, third) having more than 50 employees publish the pay ratio between their highest and lowest paid employee;
- to end the pay gap between men and women. In large companies, equal pay audits should be made compulsory;
- to end any other forms of pay discrimination;
- that a pay ratio be implemented in each company and organisation of all sectors according to their particularities, provided that they don't exceed a maximum ratio determined at national level;
- legal changes to make it easier to take equal pay cases to court, to take such cases as a group;
- to move towards more equitable and progressive forms of taxation through:
 - a shift from taxing labour to taxing resources and capital;
 - making taxation of incomes, above a minimum threshold, more progressive (with an adequately high top marginal rate) ensuring that the tax base tackles all types of income;
 - tax relief, but only insofar as it is socially and environmentally just and, if possible, also encourage sustainable investment;
 - removing tax loopholes, and establishing a European strategy to fight against tax evasion and tax fraud;
- to use the GINI coefficient as a benchmark for policy-making (see paper “The macroeconomic and financial framework of the GND”);
- reaching solidity, in particular in crisis countries, by increasing the taxes for the rich, cutting military spending and refraining from measures that hit the most vulnerable in society or that erode workers' rights;
- to add to the Stability and Growth Pact, and in any forthcoming macroeconomic policy agreement, binding social criteria that Member States have to meet in order to balance austerity measures without reducing the EU's role to one of budget cutting.

²⁴ A set of comprehensive measures have been developed in this sense in the paper "The macroeconomic and financial framework of the GND": against tax fraud and tax evasion, shutting down tax heavens, harmonisation of corporate tax, financial transaction tax, golden parachutes, etc.

Social and environmental justice go together

In our changing world, social and environmental factors are becoming increasingly interlinked and the inequalities they induce tend to reinforce each other. There are at least four strong links between social and environmental inequalities that the GND wants to tackle.

First, individuals and social groups don't have equal access and are not equally exposed to the environmental "goods" and "bads". The most deprived tend to live in poor environmental conditions that they haven't chosen (in terms of housing, transport, pollution, health, access to services, etc.). Their lack of resources fundamentally undermines their ability to address environmental challenges, to protect environmental public goods and common-pool resources and to create a high quality living environment in general. Natural disasters, for example, tend to hit poorer communities harder and more often, an injustice that is compounded even further by their weaker capacity to deal with these types of challenges. Furthermore, people without capital are less likely to invest in a solar panel on top of their roof, or in thermal insulation of their house. Even eating healthy and organic food or buying fair trade products can be a challenge if one's minimum income is measured by the cheapest products in the store, which are not normally the most sustainable ones.

Second, the impact of individuals and social groups on the environment tends to be inversely proportional to their ability to protect themselves against negative environmental impacts. Even when environmentally conscious, those who earn more, and therefore most likely consume more, tend to exert a higher pressure on the environment than those who do not have the money for several overseas holidays, or more than one car. There is thus a coherent link between the fight against social and environmental inequalities. Environmental justice implies the questioning of our current economic model based on infinite material growth and driven by materialism, consumerism and excessive individualism.

A third element of inequality is that usually environmental policies have a different impact on different social groups. Whether through taxation, land use management, or consumption, environmental policies can easily affect the poorest households in a disproportionate manner, whilst at the same time being disproportionately advantageous for wealthy people. Because of this risk, environmental policies and GND proposals in general should actively avoid such effects.

Finally, the most vulnerable are usually those with the least decision-making power when it comes to the management of their environment, directly or indirectly. This exclusion dynamic is even more the case for women, young people, disabled, elderly and ethnic minorities. Moreover, the growing impact of climate change, of the depletion of natural resources and biodiversity will most likely continue to deepen the gap between rich and poor, between vulnerable and resilient.

Faced with this four-fold inequality, the GND proposes to conceive and implement policies that are social and environmental by nature. Our objective is to design measures with a simultaneous double purpose: ensuring an equal social redistribution and decreasing the global pressure on the environment.

Therefore, we Greens, propose:

- Supportive measures for energy conversion, directed in priority towards the most deprived (for example, public investments in the insulation of social housing and rented accommodation);

- Income-adjusted support mechanisms for households which engage in long-term investments in energy efficiency;
- Democratic and equal access for grassroots movements and individuals to the decision-making process in the field of environment; participation should happen at all levels (from local to global) but should be implemented at the lowest effective level;
- ensuring that proportional representation and gender balance is introduced immediately for all elections in order to guarantee that women will be represented at all decision making levels;
- Integrating the question of sustainability in all education programmes and campaigns;
- Policies that institutionalise the calculation of risk provisions (economic, social, environmental and “equality risk assessment”);
- A requirement for the public sector to undertake detailed equalities impact assessments when changes to service provision are proposed, in order to identify their potential negative impact on vulnerable groups and individuals before decisions are made;
- Fighting against the ‘non-take up phenomenon’ i.e. the fact that poor people don't benefit from some social policies linked to environmental matters (financial aid for house insulation, trainings, lower energy bills, etc)²⁵;
- Urban and rural planning policies designed with the participation of the local populations and which would favour an equal access for all to public services, e.g. through the use of socially corrective measures in order to reduce mobility costs for certain vulnerable groups;
- At the European level, a systematic inclusion of the concept of environmental justice in economic, social and environmental policies, as well as in the Sustainable Development Strategy and the EU 2020 Strategy.

Environmental inequalities are all the more dramatic when one looks at them from a global perspective, and all the more worrying when future generations are taken into account. Many pressing issues such as ecological debt, technology transfer, trade policy, resource extraction, migrants rights, climate refugees, agriculture, etc. must also be considered.²⁶

Towards an inclusive society

Promoting social inclusion is key for the well-being of all in our societies. Inclusion is about enabling people to participate in society, eradicating poverty, as well as about ensuring equal access

²⁵ This phenomenon occurs because people are not well-enough informed about these benefits, they are intimidated or discouraged by too many; due to the lack of financial means to make use of these benefits or overly complex administrative hurdles, they do not have the social network to accommodate such initiatives, or they are unwilling or afraid to ask help or just lack the emotional stamina to instigate big changes. These many hurdles, some people need to overcome, strengthen the case for the use of opt-out policies, especially for the most deprived groups in our society. Such policies include everyone by default, while leaving the option to opt out for those, who do not want to make use of the benefits.

²⁶ GND provides a whole framework to deal with these issues. However, because of the importance and complexity of the matters, they will be discussed in a forthcoming paper on the international dimension of the GND.

to basic goods, employment, and high-quality services for all, without discrimination. The creation of green jobs and a fairer distribution of wealth must go hand in hand with social inclusion, for the GND to be a success.

In 2008, 81 million EU citizens (16.5% of the population) lived below the poverty line. In addition, 42 million EU citizens (8.5% of the population) were experiencing severe material deprivation, being unable to pay their bills, heat their homes properly or buy a telephone. A total of nearly 116 million EU citizens (23.6% of the population) were at risk of poverty. This situation has, of course, worsened with the crisis. The last three decades have seen a significant increase in child poverty rates, which are higher than among the population as a whole (20 million children and youngsters under 18 are at risk of poverty). While in general, the situation of old people has improved in recent decades, 19% are still at risk of poverty.

High levels of poverty persist in the EU, but different levels of poverty can be found in different countries with similar economies. This demonstrates clearly that different approaches to allocating resources and opportunities lead to different outcomes. The way society is organised, and resources are allocated, i.e. income but also access to housing, health and social services, education and other economic, social and cultural services, plays an important role.

Tackling poverty

Everyone has an equal right to participate in society and develop his or her abilities to the fullest possible extent. For those who cannot participate, minimum income schemes should be developed to protect against poverty, enabling a decent life. Adequate minimum income schemes are crucial to ensure the dignified life of people of working age, families, or retired people. In the countries which have them, benefit levels still make little attempt to reflect real needs, and there are serious issues of accessibility, eligibility and non-take-up. Most governments conditionalise benefits by restricting eligibility and forcing people into employment, which is precarious; in these circumstances people can also fall into poverty traps. This situation fuels the increasing stigmatization of people in poverty. Steps must be taken to tackle “poverty traps”, where people moving from minimum income into low-paid jobs lose additional benefits (e.g. free transport and other services).

The adequacy of pensions plays a key role in alleviating poverty among the elderly. Adequate income and paid leave schemes are lifelines for those unable to work, temporarily or permanently, often because of care responsibilities towards children or elderly family members. It is most often women, and particularly single mothers, who find themselves in these circumstances. Additionally, in response to our ageing society, intergenerational solidarity should be reinforced, preventive measures should be adopted to improve quality of life and reduce the burden of chronic disease.

Third, universal social security systems are collective insurance systems for all, guarding against all social risks throughout the life cycle (maternity, retirement, unemployment, illness). They play a crucial role in preventing poverty. People experiencing poverty cannot afford or access decent housing or health-care, and are often being driven into debt without the support of fair banking or credit services. Effective social protection systems provide an essential springboard for social inclusion and cohesion. Universal social security, child care and health systems benefit everybody, prevent poverty and stigmatisation, and encourage take-up. We want these vital universal services to be actively safeguarded and made affordable and accessible.

Furthermore, poverty has a particularly profound impact on children. Child poverty in the European Union is usually connected to poverty among those adults who care for them. Single

parent families, and families with parents without employment, are the most affected and vulnerable. Today in the EU 9.4% of all children live in families without work-related income.²⁷ Living in poor households affects children on the long term, because it limits their access to health care and education. Children themselves can do little to improve their situation. Tackling the social exclusion of children is a crucial task to end the poverty cycle.

Finally, homelessness is a very severe form of poverty and social exclusion. The right to housing is enshrined in the European Social Charter of 1966, and the right to housing assistance recognised by the Charter of Fundamental Rights. A European strategy against homelessness cannot just build or renovate emergency shelters. We want to fight the trend to answer the issue of homelessness with emergency policies, as if it was a social problem limited to the winter season. We want a long-term and structural solution. Besides, although there are infinite types of homelessness linked locally to very specific social environments, homegrown solutions should be tested and shared in order to allow social actors helping homeless persons to try these solutions in their own municipality.

Therefore, we Greens propose:

- A short-term goal of reducing poverty by half by 2020, with a special focus on child poverty, the ultimate goal being the eradication of poverty;
- The introduction of minimum income schemes ensuring that everyone has the right and effective access to a guaranteed minimum income which must be at least 60% of the median income, including responding to the problems of non-take-up, discrimination in access to these systems related to age, minority status, the criteria of residence or nationality, ensuring that access will not be impeded by red tape, excessive social control or stigma of the beneficiaries, but also ensuring adequate social support for those most disadvantaged in finding a place in society and a dignified life;
- Decent minimum wages and fair remuneration for work: In order to protect workers, especially those with the most basic skills, from exploitation by employers and to tackle poverty Greens propose that minimum wages are implemented in each country. The way to set those minimum wages – law, collective labour agreements at various levels - must be left at the discretion of each country. They must allow for differences, e.g. on a sector or geographical basis. If this is to contribute to a higher level of equality within and between the European countries, the level of that minimum wage has to be related to the average level of wages in each country;
- Transition security: that all workers moving to greener jobs are ensured decent income whilst being trained and/or if temporarily unemployed;
- That all social security allowances be indexed so as to ensure at least a stable replacement rate between social benefits and other incomes;
- Compensations to insufficient or dotted careers, especially of women, while determining their retirement pension rights;
- More support for informal/family carers;
- European minimum schemes for social and unemployment benefits in order to guarantee

²⁷ Source Eurostat

the socio-cultural minimum subsistence level

- Taking into account all other standards and measures, pertaining minimum wage and income schemes, to ensure that the difference between unemployment benefits and minimum wages is sufficient to avoid the poverty trap;
- The creation of “homeless houses” where citizens would be allowed to escape from emergency;
- Enforcement of all existing legislation on the matter by the relevant authority.

Access to public services ²⁸

Access to public services, also known as services of general interest (SGI) in European Union law, is one of the key elements to achieve a high level of cohesion and social inclusion based on the idea of universality, sustainable economic development, true respect of the environment and high quality of life. Public services are also a pillar of the social contract, i.e. the feeling that people within the society share a common destiny and obey a common and legitimate set of rules. Quality of life of citizens is fashioned greatly by the public policies responsible for maintaining vital infrastructure and providing major social services such as housing, health and education.

Thanks to the continuity they embody, services of general interest also play a role of automatic stabilizers in periods of crisis. They ensure that whatever the conjunctural difficulties, people benefit from basic services. Indeed, they soften social and economic inequalities, which represent heavy hidden costs for the society. We therefore consider public services as investments rather than costs. Besides, one must bear in mind that the SGI account for a major share of the economy, representing 26% of the EU GDP and 30% of employment.²⁹ They can therefore have a positive dynamic effect on the rest of the economy.

Finally, public services can be major public investment tools in the economy. The GND means investing in the public sector, its means of intervention, and its asset base. This is why it is essential to ensure as well as promote access to high quality, affordable and universal public services in the framework of the Green New Deal, while ensuring the inclusion of the social and environmental dimensions. Whenever possible, public services should be free when they concern access to basic human rights.

Depending on the situation in every country, the SGI can be delivered either by public authorities at the national, regional and local level, by non-profit organizations and other social economy actors. In the fields of education, health, water and public transport, the public sector must remain the principal actor, as the market dynamic tends to exclude the poorest, thereby strengthening inequalities and ignoring environmental externalities.

We should thus find alternatives to the liberalisation agenda, in the case that the latter is incompatible with the universal provision of services, unsustainable or socially detrimental in the longer term. In general terms, the general interest must always prevail, hence ensuring the realisation of social and environmental objectives.

We also want the preservation of high quality jobs. In this perspective, the liberalisation and

²⁸ By "public services" we refer to the provision of goods and services to citizens, whose access is universally guaranteed either by the public or by the private sector at national, regional and local level.

²⁹ Source Eurostat

privatisation of public services in several European countries have questioned some particular characteristics of the public employment sector, such as the level of trade unionisation, the broad scope covered by collective negotiations, and the homogeneity of working and employment conditions. Moreover, sectors such as education, health, and care services in general, are very labour intensive, therefore very rich in employment opportunities. Provided that working conditions, wages and gender equality significantly improve, these sectors could offer a true social added value in line with the objectives of the GND.

Last but not least, access to life-long training and education must be a priority if we wish to succeed in the transition of our productivity-based economic model towards a low-carbon and innovative economy. We therefore want to stimulate the social services which reveal the skills of everyone in order to couple personal flourishing and sustainability in the development of our societies.

Therefore, we Greens propose:

Quality

- to promote quality, positive impact and universality of public services, and to support the development and the use of comparable quality, impact and outcomes indicators and measurement tools;
- to secure and promote the role played by associations, cooperatives, mutuals foundations and social enterprises in providing quality social and health services;
- to establish a well-functioning, efficient coordination between different actors providing public services – including different levels of public authorities, non profit organisations and social economy actors; ;
- in the case of already liberalised markets, such as gas and electricity, regulation needs to ensure that services are provided in a way to reduce the risk of social exclusion and incorporating external costs;

Democracy

- to deliver universal public services in order to ensure a sustainable positive impact: policymakers have to involve the citizens in discussing expectations and defining service levels and standards of quality of all public services; this can be achieved through regular consultations, multidimensional impact assessment, NGO and civil society participation, effective stakeholders control over the decision-making process;

Legal environment

- to acknowledge, secure and promote the role played by local, regional and national authorities in the provision of essential public services, and taking into account the specific needs of rural or urban areas;
- to set up a social impact assessment of liberalisation and privatisation policies;

- at the EU level, to implement the new social impulse provided with the Lisbon Treaty towards the creation of a genuine social Europe, through the effective implementation of the new social provisions, namely the horizontal social clause (Article 9 of the TFEU), and Article 36 of the Charter of Fundamental Rights on the access to SGEI;
- to use the new legal framework of the European Union resulting from the Lisbon Treaty, in particular Article 14 of the Treaty, the protocol No. 26 on SGI in order to protect the crucial role of public services and see that Member States' competences and responsibilities can best meet the need of their population and carry out the missions of general interest fulfilled by these services;
- that EU competition rules should not be allowed to interfere with the provision of high-quality affordable services of general interest for all (Art. 14 TFEU);

Health

- that health service be guaranteed to all people living in Europe, regardless of nationality or origin;
- that over recent decades we have witnessed the progressive stealth privatization and outsourcing of the health care system which has resulted in lower patient care standards, lower quality services generally and higher public expenditure; the public sector must ensure that universal health service is provided for all;

Employment

- to promote high quality employment and working conditions among public service providers as well as private service providers; new providers have to be covered in the collective bargaining system, and offering regular working contracts and decent income in order to prevent social dumping in recently liberalised sector.

The way forward

The challenges that we face as humanity are immense but simple: achieve prosperity and well-being for all, across the planet and the generations, while reducing inequalities within and between societies, all of this ensuring we remain within the envelope of the physical limits of the Earth. Meeting the environmental sustainability challenge can in no way happen without successfully tackling that of social cohesion. Green solutions are social solutions.

The financial crisis of 2008 transformed itself into an economic crisis, which is in turn becoming a social crisis, without suppressing the looming climate and resource crisis. The current drive for government austerity as the only cure to these crises, promoted by mainstream business and political leaders is bound to make them worse. What we need is a paradigm shift, putting human well-being in a sustainable environment at the centre of policy-making, not just as a long-term, distant objective. For us, a truly ambitious Green New Deal is a first step towards this deeper paradigm change, as it initiates a move away from the current system and its flaws, which have led us to the crises. We believe that the Green New Deal can bring us closer to a system which meets the demands for solidarity, social justice as well as sustainability.

Part III Social innovation: a key for sustainability, value creation and participation in society

Financial, social and environmental challenges call more than ever for creativity and innovation at all levels. As we know old strategies have so far not worked, we need to find solutions outside the conventional paths. We believe prosperity, well-being and participation in society are multidimensional concepts that can be realised through various means. The GND encourages the development of creative initiatives that foster solidarity and social cohesion, increase social capital, and are environmentally sustainable and economically viable. This cannot be achieved without wider stakeholder participation.

Developing social innovation

Often innovation is focused on science and technology. However, social innovation³⁰ is just as important and can bring huge benefits to everyone and to society as a whole. While the term is new, social innovation in itself is not. It refers to new strategies, concepts, services and organisations that can meet current challenges; from working conditions and education, to community development and health; and that can expand and strengthen civil society.

Social innovation takes various forms. It can happen in civil society, through formal or informal associations, NGO's and networks, or be market-based, including small and medium enterprises and social businesses.³¹ Social innovation aims at being systemic. This means transforming the way people have traditionally viewed the system, as well as creating new networks and collaborations where governments, civil society, private and social businesses work together. At its best, it can contribute to positive social transformation through systemic change, and create a more resilient and sustainable economic system, fulfilling the needs of people and society rather than the financial interest of the few.

However, by promoting social innovation, we must be aware of a risk of "greenwashing" or "socialwashing". Voluntary Corporate Social Responsibility is a good start in the right direction; however, "add-on" ecological and social labels are not enough in the long run. Strong quality criteria relating to the environment and for working conditions, pay ratio, internal democracy and transparency must be a rule rather than exception. The aim is to mainstream sustainable practices, allowing at the same time diversity of initiatives and empowerment of all stakeholders.

Therefore we Greens propose:

- to set up clear criteria to be awarded to companies on all social and environmental aspects, and not only to final products;
- that companies should be open and transparent in ways in which they fulfill and measure

³⁰ NESTA defines social innovation as "innovation that is explicitly for social and public good." The OECD's LEED Programme's definition states: Social innovation is "conceptual, process or product change, organisational change and changes in financing, and can deal with new relationships with stakeholders and territories... Seeks new answers to social problems by: identifying and delivering new services that improve quality of life of individuals and communities; identifying and implementing new labour market integration processes, new competencies, new jobs, and new forms of participation."

³¹ Social business/social enterprise is a concept that can take a range of legal forms depending on the country, and on its purpose and mission. These legal forms include social cooperatives, mutuals, economic associations, foundations, social firms; even company forms can be used, or combinations of these.

these criteria and how they disseminate this information. These criteria should in turn be a factor in public procurement procedures.

Fostering social enterprises

Enterprises of the social economy are important forms of social innovation in the context of the GND. These social businesses³² or social enterprises as they are also called, operate in the market, but their purpose extends beyond making profits. Social and/or ecological objectives are seen as more important. Social businesses need to be viable, just like any other businesses, but the majority of profits are re-invested to better serve the company's objectives or social mission. For example, instead of giving dividends to shareholders, an insurance enterprise may decide to lower premiums, a bank may offer cheaper credit, a worker cooperative may invest in better machines, a social service provider might improve the quality of services offered and a community-owned wind farm might train and finance other community wind farms. Social enterprises can also contribute to more inclusive societies by e.g. hiring people out of long term unemployment, or those who are often discriminated, such as ethnic minorities and immigrants. Many social enterprises in fact drive towards a "triple bottom line" approach whereby social, economic and environmental results are equally measured.

The social enterprise sector has grown, drawing from the cooperative principles of mutual and self-help, and often aims to tackle challenges that would otherwise remain unsolved, e.g. fair trade. There are four main different routes into the sector:

Commercial activity on the part of NGO's and the voluntary sector. To be sustainable and free from grant-dependency many NGO's have started a value-based business.

Public sector spin-offs or organisations providing public services on contract. Some countries have engaged private companies in the provision of their public services and often big multinational companies win contracts. Increasingly, social enterprise models are seen by procurement officials as a more ethical option of using tax-payers money whilst providing transparency, accountability and more democratic control.

New value-based businesses. Increasingly, interest in ethical business models is gaining ground in society, especially among young people, as opposed to business that exists purely for raising short-term shareholder profit.

Rural development. Local communities start delivering services that either the local authority or a private business no longer wish to deliver (e.g. shops, schools, pubs, post offices). Other examples include devolved and localised energy production, e.g. community-owned wind farms and biogas plants.

Social enterprise is a worldwide movement and concept. Its legal configurations are different in different countries (e.g. economic societies, co-operatives, even company forms).³³ Their ownership and governance structures are adapted to their functioning. For example, the shares of

³²More information and examples of best practices on social business or social enterprise throughout Europe can be found in the Commission's Social Business Initiative (2011).

³³To protect the social and ecological mission a social enterprise can in some countries choose a company form that locks some of the assets in the business, like Community Interest Company in the UK. See <http://www.bis.gov.uk/policies/business-law/community-interest-companies>. Also see the Bland report: http://www.tem.fi/files/26789/TEM_25_2010_netti.pdf.

cooperatives³⁴ or mutual societies³⁵ cannot be traded and remain at face value. While members own parts of the capital of such an enterprise, another part of the capital is handed over from generation to generation. It belongs to nobody, other than to the enterprise. It is up to the present members of the enterprise to decide democratically what to do with it, according to the principle of “one person, one vote.” Furthermore, regardless of the legal form, social enterprises actively seek to engage and empower their staff, customers and other stakeholder groups in the business.

Social enterprises contribute to smart economic development by making an important contribution to the creation of economic, social and environmental value within a society. Given their sustainable practices these businesses are usually more resilient to economic crises, and very few enterprises of the social economy tend to go bankrupt³⁶. At the same time, being rooted in local communities and thus unlikely to delocalise their economic activity, they are likely to create more long term employment. Where participative structures exist, they often contribute to job quality, gender equality and better decision-making processes.

In order to enhance their reach, social enterprises are currently developing ways in which they can scale up better. Smaller units in larger systems, collaboration with others and social franchising ensure local knowledge remains even when business expand. The Consortium model³⁷ is another effective way of providing collective services when scaling is required.

Nonetheless, social enterprises face barriers. The optimal business and organisational models for many countries are still unknown. The characteristic element of re-investing the majority of profits back into the social or ecological mission instead of distributing it to the investors and shareholders can hinder the enterprises’ development.

Therefore, we Greens propose:

- to create an enabling eco-system³⁸ that includes promotion of alternative businesses, organisations and governance models, for example through tax incentives³⁹, and to create appropriate legal forms that protect the social and ecological mission of the organisation;

³⁴ Some of the biggest European banks and industrial groups are cooperatives. Consider for example the Dutch Rabobank and the Basque Mondragon Group.

³⁵ Some of the biggest insurers in Europe are mutual societies. Consider the French health insurer MGEN, the French non-life insurer MACIF, or the Finnish Tapiola. But small mutual societies also play an important role in Europe’s economy. They are often specialised in very particular risks. However, not all of them are in line with the GND. Consider for example that German nuclear power plants are insured via mutual societies.

³⁶ ILO 2009: The Resilience of the Cooperative Business Model in Times of Crisis.

³⁷ Consortium is a partnership model that brings together several organisations to achieve common goal by pooling resources together. This is especially an effective model for social enterprises and voluntary organisations that without a consortium model would not be able to compete on public sector service markets against big multinationals. Positive examples can be found in social cooperatives in Italy, Co-operatives UK report: Time to Get Serious.

³⁸ We prefer the term ‘ecosystem’ over the more sterile ‘environment’ because we view the economy as a breathing, living system, with a lot of similarities to traditional biological ecosystems. When we refer to an economic ecosystem, we refer to far more than just the regulatory framework. An economic ecosystem is multifaceted and comprised of elements such as agglomeration effects, information flows, innovation efforts, tools for entrepreneurship, economic culture, the many effects caused by the interconnectedness between organisations, support measures offered by governments as well as by international, national, regional and local organizations.

³⁹ However, creating tax incentives in favour of social innovation, or of greening the economy should not create new opportunities for tax evasion by companies. It must go hand in hand with the simplification of the taxation system, only retaining exemptions that deliver demonstrable benefits to society.

- to increase access to finance and capacity building for social enterprises e.g. social investment funds and financial instruments that encourage “patient” capital that do not expect a quick return on investment;
- to link ethical finance more efficiently with the social enterprise sector to encourage start-ups, growth and sustainability;
- to change public procurement practices to give greater weight to quality, impact and wider social value;
- for social enterprises to raise awareness about and improve access to social and ecological impact measurements tools, including impact on the local community; and to facilitate dissemination of the results to the general public.

At the EU level:

- that the European Union fully recognises and supports enterprises of the social and solidarity economy; promotes appropriate statistical indicators that capture the added social value of these enterprises; creates a platform to promote best practice and mutual learning, similar to the Open Method of Coordination ; removes legal barriers, such as aspects of public procurement and state aid rules and promotes appropriate financial instruments for these enterprises;
- that EU policies and programmes actively promote and invest in social business models;
- that EU works with member states at national and regional level to create an ecosystem to enable growth of innovative social enterprise solutions;
- to improve the European Statute for a Cooperative Society (SCE) and to create similar statutes for Mutual Societies, Associations and Foundations.

Creating value for society

Social innovation and original forms of sustainable economic activities can also be developed outside the market-based private sector⁴⁰. Besides classical NGO's and voluntary organisations, there has recently been wider development of new networks, associations and citizens initiatives of all kinds: time banks, local exchange trading schemes, local currencies and ethical micro-credit, knowledge networks, car-pooling and sharing schemes, transition towns, permaculture practices, wwoofing, etc⁴¹. A helpful principle for many kinds of activities in the public sphere, especially in the

⁴⁰It is important to stress that when we refer to ‘outside-the-market’ activities we do not refer to black market activities. Any activity should be taxed fairly, regardless of the fact if it is part of the traditional markets or not. We are strong advocates of fiscal fairness and solidarity, and as such we will never condone the use of any system that is set up for, or geared towards, tax evasion.

⁴¹A **Time bank** is a community that practices time banking, a pattern of reciprocal service exchange that uses units of time as currency (one unit = one hour's worth of any person's labour). See <http://timebanks.org/>

Local Exchange Trading Schemes (LETS), are locally initiated, democratically organised, not-for-profit community systems that organise the exchange of goods and services between its members by using the currency of locally created LETS Credits. See <http://www.lets-linkup.com/> and <http://www.gmlets.u-net.com/>

domain of culture, research and the internet (e.g. wikipedia), could be the principle of the “commons”, as “resources that are owned in common or shared among communities”.

These initiatives are pioneers in rethinking the creation and the exchange of value in society, beyond purely financial interactions. Some of them, indeed, replace the principles of private ownership and accumulation with the ideas of sharing and renting. Others put an emphasis on re-localisation, which is environmentally sensible. Localism is also important for social cohesion since it usually implies a greater degree of participation from all stakeholders.

Following these examples, many goods and services that are nowadays exchanged for money through the private sector could, to some extent, be re-appropriated at the individual, family or community level, e.g. childcare, informal learning, food production, leisure activities, etc. This would increase the creation of non-monetarised wealth, facilitating greater autonomy from financial markets and energy prices, and through that, greater resilience to crises. Such local initiatives are also likely to correspond best to the concrete needs of the people concerned than centralised programmes imposed from the top.

However, this is not meant to substitute the production of goods and services through public services, which remain a central instrument for solidarity in society. The point is not to encourage the state to disengage from the provision of public services, but rather to support bottom-up initiatives where they arise. Indeed, civil society should be seen as an important partner in working with the public sector in creating social capital, empowerment and systemic innovation.

Therefore we, Greens, propose:

- to facilitate financing and capacity building for such initiatives;
- to support the creation and the development of bottom-up initiatives (through advertisement, sharing of best practices and enabling mechanisms, etc.);
- to support field experiments and theoretical research about these initiatives.

A **Local currency** is a currency not backed by a national government, and intended to trade in a small area as a complement to the official currency. They encompass a wide range of forms, both physically and financially, and can be an element of a Time bank or a LETS system. See <http://localcurrencycouncil.org/>

Transition towns, (also known as Transition network or Transition Movement) is a grassroots network of communities that are working to build resilience concretely in response to peak oil, climate change, and economic instability. It is founded in part upon the principles of permaculture, and encompasses a large range of initiatives for mobility, housing, agriculture, etc. See <http://www.transitionnetwork.org/>

Permaculture is a theory of ecological design which seeks to develop sustainable human settlements and agricultural systems, by attempting to model them on natural ecosystems. Permaculture draws from several other disciplines including organic farming, agroforestry, sustainable development and applied ecology. It originally refers to "permanent agriculture", but was expanded to also stand for "permanent culture" as it is now appreciated that social aspects are integral to a truly sustainable system. See <http://www.permaculture.org>

WWOOF is a worldwide network of organisations that link volunteers with organic farmers, and help people share more sustainable ways of living. In return for volunteer help, WWOOF hosts offer food, accommodation and opportunities to learn about organic lifestyles. See <http://www.woof.org/>

Part IV Towards a sustainable distribution of working time

The Green New Deal (GND) has a lot of proposals concerning systems and regulations for creating sustainable capital markets, including a more sustainable distribution of capital. Given this fact, we would be remiss not to do the same for the labour market, especially since the fiscal shift we propose in this GND will markedly increase the attractiveness of labour as a production input.⁴² In a sustainable economy, the importance of a healthy and sustainable labour distribution will be even greater than in our current economic system.

We Greens believe that increasing quality of life happens, among others, through an adequate balancing of the various “times” in our lives – work, family, friends, leisure, cultural activities, citizen participation, etc. Every person, every family, every region is different and evolves through time. The perfect balance for one person will likely be untenable for many others. That is why we believe that the current strategy of imposing one or more specific templates to the entire labour force is inadequate. Employers increasingly expect flexibility from their workers; it should be balanced by offering to those workers the same flexibility in return, without eroding their social rights or pushing them into precarious labour situations.

It is important to note that the measures we propose are rights. The general philosophy behind this paper is to offer all workers, especially those who now still work in precarious situations, a wider set of realistic options to organise a healthy balance between paid work, unpaid activities and free time, throughout their career. Reclaiming time is central to the change towards a happy, sustainable and prosperous society.

Chances for all through paid and unpaid activities

In developing our views on sustainable labour distribution, we include a dimension that is all too often forgotten in labour market policy, namely unpaid activities (the informal economy)⁴³. In almost all macro-economic analyses, the value of these is completely overlooked. This blind spot has caused a policy bias that disfavors these activities, leading to the slow erosion of them and the social networks that they maintain. The result is an informal economy that has shrunk far more than is optimal for our society.

Investing in social capital and the informal economy has important social and financial returns on investment. Voluntary work not only strengthens social cohesion and provides personal accomplishment and development. It can also be a vital supplement to standard economic activities by providing a wide range of possibilities for creating value for society and helping people acquire services they couldn't obtain otherwise. The current definition of work says that it should contribute to GDP growth, while a green vision of work presumes that it should contribute to the well-being of society and the individual in a sustainable way. Paid work is one, but not the only, way to contribute and participate in society.

Any sustainable labour market strategy will not only look at people that have jobs, it will also offer

⁴² The GND ‘fiscal shift’ lowers taxes on labour and increases taxation on externalities and capital.

⁴³ By “unpaid activities”, we mean to what is referred to in economics as “the informal economy”, in opposition to the “formal economy”. We do not mean activities on the black market but all activities which create value for the individual and the society but that are done without payment, e.g. childcare, voluntary work, household chores, etc.

a perspective to people stuck in unemployment. Indeed, next to a good education, having a job is an important element in leading a more fulfilled life, improving living conditions and self-esteem. In order to achieve this, a sensible division of labour is essential. One could, for instance, consider incentives for the reduction or redistribution of working time and also create new, easily accessible jobs for people in long-term unemployment. Creating ambitious programs of education, re-education and lifelong learning are a prerequisite for this.

Unravelling productivity

Because of the current paradigm of ever-increasing labour productivity, the remark is often made that any structural reduction in average working time, caused by a shift in labour distribution, could only be maintained as long as there is an ever-increasing GDP to offset the growth in labour productivity. If this were true, this could very well be detrimental to the goal of achieving a sustainable economy. Luckily the fiscal shift that is proposed by the Green New Deal undermines the classical paradigm that reduces productivity to labour productivity. Currently, the high cost of labour, compared to energy and resources, makes labour productivity an essential cost driver. In a green economy, resource and energy productivity will become the crucial cost drivers, resulting in more and better jobs.

Furthermore, because of the long held fixation on labour productivity, there is now far more room for improvement of resource and energy productivity than there is in in labour productivity. In a sustainable economy, the current paradigm of producing as much value as possible with as few labour costs as possible will inevitably be replaced by an economic climate where producing as much value as possible with as few resource and energy costs as possible is the easiest path to increasing competitiveness. An upside to this evolution is that this also leads to a higher demand in labour, strengthening the bargaining power of employees⁴⁴. Basically, a sustainable economy has more and better jobs than a classic economy focussed on increasing labour productivity. And this makes even more sense in many sectors, such as care, culture, education or agriculture for example, where quality and sustainability would often require more and not less labour input.

There is nothing natural or inevitable about what we consider a “normal” working week or a “normal” working life today. To fix working time a priori and forever means supporting a vision of society where working and producing always more are goals in themselves. Yet work should be a means to achieving collective and individual well-being, rather than an objective in itself.

Criteria for a fair and efficient redistribution of working time

Working time policies do not claim to solve all the problems linked to work in society. But they can be a catalyst toward a greener society, since it would reshape habits and conventions, altering the carbon-intensive consumption culture of our societies. We Greens believe that working time reform can be a powerful tool for social justice and environmental sustainability for European countries, as long as it encompasses the following objectives and characteristics:

⁴⁴ Relative to resources and energy, labour will become far more cost-effective as an input in the production process. This will lead to a substitution of current resource and energy use in the direction of labour. This increases the demand for labour.

I. Redistributing work and wealth

Over the last decades, labour productivity has been growing exponentially: we produce more with less time. However, these productivity gains have not been translated proportionally into a reduction of working time or a proportional increase of wages but into a more unequal distribution of profits between labour and capital. Currently, we are facing an unbalanced distribution of working time with far too many people working in precarious contracts (with reduced time and wage against their will), whilst others are taking overtime more than they would like to. Instead the distribution of working time, across society and throughout life, should be above all a matter of social justice. It should enhance and/or re-establish social cohesion by increasing access to jobs for everyone.

Therefore, we Greens believe that any working time policy should:

- aim at improving wages and working conditions of the less fortunate first;
- be implemented together with a substantial fiscal reform, increasing redistribution at all levels, and go hand in hand with the enhancement and affordability of public services, and the improvement of social coverage, especially for people in a precarious situation;
- include measures to make shorter working times a realistic option for everyone, whilst discouraging the employer to force their employee into overtime, part-time or precarious contracts ;
- include fiscal incentives for companies to hire new people when reducing the working time of others.
- not discriminate between workers from different ethnic or social origins by reducing precarious work for all

2. Improving equality between genders and generations

Current labour market policies do not allow to adapt working time individually to different periods in life. Gender balance and justice between generations are central aspects of the Green New Deal. Nowadays, women especially suffer significant discrimination, often being forced to choose between career and family, or to juggle with a “double day” without being recognised for it. Both adapting working time to individual needs throughout life and sharing work liberates time, which could be used for a better distribution of tasks between gender, for example household tasks, children or elderly care, etc. A reorganisation of work could also help tackling the challenges of ageing society.

Therefore, we Greens believe that any working time policy should:

- recognise gender inequalities in the distribution of paid and unpaid work and work to decrease them;
- not discriminate between gender by combining flexibility, security and equity over careers (fair conditions for maternity and care leave);

- give incentives to go beyond the classical division of roles between gender (e.g. parental and paternity leave, boardroom quotas);
- promote healthy work patterns to retain older workers and enable them to work reduced or flexible hours;
- support alliances between old and young generations in terms of training, knowledge and skills sharing;
- include measures to reduce youth-unemployment to give young people the perspectives they need

3. Strengthening education and training

A reorganisation of working time will demand creativity in the organisation of work patterns and the sharing of skills and knowledge in companies. This doesn't only mean more and better education and training, but also efficient transfer of skills at the workplace. This would also be the occasion to reinforce democratic mechanisms, re-launching internal dialogue around the reorganisation of everyone's working time. In sectors where there are currently shortages of workers, e.g. care or medical sector, it can only work if strong programmes of education and training are put in place.

Therefore, we Greens believe that any working time policy should:

- be combined with improved general education and professional training schemes;
- include creative schemes to share knowledge, in particular between old and young generations;
- establish an efficient system of vocational training in order to avoid skill shortages;
- implement structural retraining programs such as the Swedish knowledge lift⁴⁵
- promote sabbatical years as a means not only for regenerating, but also for lifelong learning

4. Recognising the diversity of situations

European workers can no longer all be put in one big category of 'Fordist'-type workers. Forms of contracts (seasonal jobs, part-time, flexible timetables, etc.) and lifestyles are nowadays very

⁴⁵During a previous economic crisis, Sweden developed a strategy to give people with basic schooling the chance to complete a secondary education that qualifies them for university studies. This 'knowledge lift' was a straightforward system: an employed worker would get the equivalent of the unemployment benefit if he or she entered an adult-education program and if the employer agreed to replace him or her with an unemployed person. The employer's cost was unchanged, and the state's cost was limited to the education itself. More than 10% of the workforce seized this opportunity between 1997 and 2002. It was mainly women who did so, and many went on to study at a university. When the business cycle turned up again, they became a very good resource on the labor market, not least in the public sector. This education scheme served a dual purpose: it eased the pain of unemployment and increased Sweden's long-term competitiveness by lifting the average competence level of the workforce.

diverse, and require nuanced treatment. Also, working conditions, schedules, a “standard working week”, working culture, etc. are not comparable in all sectors. The reality and needs of a bank worker are not the same as the ones of a teacher or a car-maker. Furthermore, we must distinguish between big and small companies, for which constraints and opportunities regarding working time arrangements are different. In different parts of Europe the population structure and therefore also the dependency ratio may differ, and this means that the situation regarding unemployment and labour shortage may be very different in the member states. Finally, migrant workers and the existence of the black economy add to the complexity of the picture.

Therefore, we Greens believe that any working time policy should:

- not be linear, in order to be consistent with the specificities of sectors and/or type of work contracts and to give workers the opportunity to have an adequate work-life balance and to integrate this life-cycle approach, in a collective form (through legislation or collective agreements), since individual measures of working time redistribution alone are likely to actually increase inequalities and the vulnerability of the workforce; allow negotiated flexibility when organising a redistribution of working time (over the week, month, year, etc.);
- in states or regions where the political will exists and where and when the increase of sustainable productivity makes it possible, the redistribution of working time may be accompanied by a reduction of working time. This reduction could be organised for example in a system of a standard working time of 30 hours a week, four days a week, one free week each month,...
- improve the conditions of workers supporting difficult working conditions and schedules (manual workers, shift work, night work, unchosen part-time, etc.);
- be combined with a reorganisation of services, in order to adapt opening hours to flexible work schedules, provided that health and safety norms are strictly respected and that sufficient daily and weekly break are given to all;
- encourage and give incentives, especially for SME's, to help resources sharing (pooling, work cooperatives), and other forms of reorganisation, such as employer groups⁴⁶;
- be combined with a shift in work culture, away from the “24/7 availability culture” to respect the separation between working hours and time off (cf. on-call work).
- offer the possibility to count voluntary and/or informal work as official work experience in the build up of social rights as soon as social security contributions are paid for periods where this work was performed, and to recognise social competence experience.
- take into account the time devoted to transportation and the environmental impact of it by promoting low-carbon solutions such as partial teleworking.

⁴⁶ The employers group system provides an opportunity for businesses to jointly hire and share certain staff members. They can share their needs and manpower on a seasonal, temporary or part-time basis while giving the employee the security of full-time employment for an indefinite period.