

Chapter 5

The European Green Deal: from growth strategy to social-ecological transition?

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Introduction: Europe beyond growth, 50 years later

In a bold and visionary letter dated 14 February 1972 and addressed to the then President of the European Commission Franco-Maria Malfatti, the European Commissioner for Agriculture Sicco Mansholt – alarmed by the scope of the environmental crises revealed by the ‘Limits to Growth’ Report from the Massachusetts Institute of Technology (Meadows *et al.* 1972) – wrote, ‘It is clear that tomorrow’s society cannot be concentrated on growth, at least not as far as material goods are concerned’ (Mansholt 1972: 5). He went on to argue that the ten Member States of the European Economic Community (EEC) should stop directing their ‘economic system to the search for maximum growth and to constant increase in the gross national product’. ‘We would do well’, he added, ‘to examine how we could help in establishing an economic system which is no longer based on maximum growth per inhabitant’ (*ibid.*). Almost fifty years later, in the face of accelerating environmental crises directly threatening humanity’s journey on Planet Earth, the European Green Deal (EGD) was presented by the European Commission as a ‘new growth strategy’ on 11 December 2019.

Some two weeks later, on 29 December 2019, China started to officially track cases of what would soon be identified as Covid-19 in the city of Wuhan, triggering a global chain reaction that led to the lockdown of half of the world’s population on 7 April 2020 and an almost complete stop of the global economy. The European and global context has thus changed dramatically since December 2019, highlighting even more the need for a deep reflection on the shortcomings of the objectives pursued by the EGD with respect to the new world of the 2020s, where growth-based economic systems appear fundamentally unsustainable and where social and ecological emergencies seem to feed one another. To be effectively mitigated, both aspects need to be addressed jointly by policymakers. Yet the conclusions of the extraordinary European Council meeting of 17–21 July 2020, convened in response to the Covid-19 crisis fall-out, fell short of this reappraisal: while calling for a ‘an innovative approach, fostering convergence, resilience and transformation in the European Union’ (European Council 2020: 1), the measures decided will actually, according to the European Parliament resolution of 23 July, lead to spending cuts for health (Brooks *et al.*, this volume) and climate transition programmes (European Parliament 2020).

This chapter starts by presenting the main features of the EGD as it stands, highlighting its commitment to economic efficiency to the detriment of social justice and environmental sustainability (Section 1). It then makes the case for a reappraisal of the EGD, calling for a European commitment to robust social-ecological policies embedded

in a 'just transition' framework (Section 2). This commitment should be carried out by building a European 'social-ecological' state calibrated for the 21st century, able to address current needs without compromising the future of the European Union (EU) and its citizens (Section 3).

1. The EU Green Deal: growth versus sustainability and justice

In March 1933, newly elected US President Franklin Delano Roosevelt unleashed an unprecedented programme of economic regulation, social protection and public investment in response to the Great Depression. In this 'first New Deal', Roosevelt was mindful of the need to adjust the imperative of social progress to the emerging challenge of environmental protection: the creation of the Civilian Conservation Corps (CCC), which would provide 'green jobs' (in forestry, dam-building, etc.) to a total of three million unemployed between 1933 and 1942, was one of the very first measures introduced by the new administration.

This social and ecological nexus was also the core of the bill for a 'Green New Deal' presented in February 2019 by Alexandria Ocasio-Cortez and her Democratic Party colleagues to the US House of Representatives (Ocasio-Cortez *et al.* 2019). Rejected by the Republican Senate without examination but widely influential in the political scene inside and outside the US, the 'Green New Deal' identifies as a fundamental cause of the American democratic malaise 'systemic injustices' (social and ecological). It assigns to the federal government the 'duty' (ibid: 1) to implement a transition promoting 'justice and equity' and prioritising the needs of 'frontline and vulnerable communities' (ibid: 6).

The European Commission Communication published on 11 December 2019 takes a different approach (European Commission 2019), defining the EGD from the outset as a 'new growth strategy' (ibid: 2) for the continent. To give it flesh, the EGD uses concepts and instruments targeting economic efficiency at its core and social justice at its margins¹ while attempting to create the credible overall goal of becoming the world's first 'climate-neutral' continent by 2050.

The early comments on the project ranged from those highlighting the ambitious nature of the objectives to those criticising the insufficient amounts of money committed to achieve them. But it is the very nature of the goal pursued by the project that needs closer examination, even more so in light of the global Covid-19 pandemic. The ambition of the new von der Leyen Commission, which has made the EGD its founding act, deserves praise for two reasons: it breaks with the ecological wait-and-see attitude of the previous European Commissions and it reaffirms the EU's environmental determination on the world stage, overlooked, if not lost, during the 2010s. But precisely because of this lost decade with its accelerating ecological crises, the situation today is more urgent and the required level of significant action greater (see Christensen and Olhoff 2019).

1. Tellingly, the word 'inequality' is absent from the text.

Not that long ago, the EU considered adopting a medium-term strategy. In 2000, the initial Lisbon Strategy aimed to make Europe ‘the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion’ (European Council 2000: §5). Two major shortcomings of this strategy largely explain, in retrospect, its failure: the inconsistency of the objectives and the inadequacy of the instruments chosen to achieve the objectives. To avoid these shortcomings, we need to closely examine the strength of the architecture of the new European strategy while it is still under construction and therefore open to change. We posit that the EGD promotes an outdated vision of a growth-driven European economy.

The EGD’s key ambition is to increase the EU’s gross domestic product (GDP) while reducing greenhouse gas (GHG) emissions. Though not explicitly stating such, the text of the Commission’s EGD Communication aims at an absolute (and even total) decoupling of greenhouse gas emissions from economic growth,² an aim not unrealistic in view of the trend observed in the recent period in certain EU Member States and in the EU as a whole (Laurent 2011). In this latter regard, the authors of the text are right to note that ‘between 1990 and 2018’ the region ‘reduced greenhouse gas emissions by 23%, while the economy grew by 61%’ (European Commission 2019: 4). However, the text avoids two important questions related to the relevance of the two decoupling indicators used (GHG emissions produced in the EU and GDP): *Is this decoupling genuine? Is it a desirable decoupling?*

The first question relates to the accounting of emissions. The EGD accounting, faithful to norms in force at the United Nations since the Kyoto Protocol, is based on GHG emissions actually produced within EU borders. But this is only part of the problem (see Malliet 2020). While the text returns several times to the global dimension of the fight against climate change, the Commission fails to point out that the region contributes indirectly to climate change through its consumption emissions (emissions figuring in final consumption regardless of where they are produced). A simple calculation enables us to grasp the size of this contribution. Available data shows that when the transfer of emissions is added to production emissions, the reduction in EU emissions between 1990 and 2017 is no longer 21% (the figure based solely on production emissions) but rather 5% (according to data by Global Carbon Project³). To put it differently, if we take consumption emissions into account, 75% of the proclaimed EU climate performance vanishes into thin air.

The second question refers to the desirability of decoupling, i.e. *is GDP the right indicator of what should be decoupled from greenhouse gas emissions, given the flaws and shortcomings of GDP in measuring human well-being* (see Laurent 2019

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2. Decoupling is an old concept in environmental economics. Decoupling occurs when the growth rate of a pressure on the environment (e.g. CO₂ emissions) becomes lower than that of its driving force (e.g. GDP growth). There is absolute decoupling if the pressure on the environment (the volume of CO₂ emissions) remains stable or decreases while the variable measuring the driving force increases (GDP growth in volume). Relative decoupling occurs when the pressure on the environment increases but at a lower growth rate than that of the driving force (GDP growth rate being greater than the growth rate of emissions).
 3. See the website of The Global Carbon Project (GCP), <https://www.globalcarbonproject.org/>

and 2020a)? As already noted, the EGD is, in the eyes of the European Commission, above all a growth strategy. *But what sort of growth?* The text refers to ‘sustainable and inclusive growth’ (European Commission 2019: 2) without describing the indicators upon which this ambition could be based. If, for lack of an alternative proposal in the text, GDP is chosen as a growth indicator (a sensible choice of indicator given the choice of concept), we have known for a long time that GDP is unable – by its very design – to measure inequalities or environmental degradation (Laurent 2019). This fundamental limitation calls for alternative indicators to be defined to measure the efficacy of the EGD.

Similarly, the text remains imprecise on the consistency of the indicators guiding the new European strategy and on how they would relate to the existing indicators on European economic governance. *What would be done with the Stability and Growth Pact and the European Semester? How could the EGD, the United Nations Sustainable Development Goals and the Stability Pact be made compatible* (see Sabato and Mandelli, this volume; Sabato and Fronteddu 2020)? This clarification is all the more urgent in the context of the post-Covid-19 economic recovery: *what indicators should guide it?*

The EGD Communication states in this regard that ‘The Green Deal is an integral part of this Commission’s strategy to implement the United Nations’ 2030 Agenda and the sustainable development goals’ (European Commission 2019: 3) and that it ‘will refocus the European Semester process of macroeconomic coordination to integrate the United Nations’ sustainable development goals, to put sustainability and the well-being of citizens at the centre of economic policy, and the sustainable development goals at the heart of the EU’s policymaking and action’ (ibid). These are laudable intentions, but there is still considerable uncertainty as to the method chosen to strike a balance between indicators which, as they stand, are incompatible. In addition, the European Commission does not have the political legitimacy to juggle trade-offs between the various indicators guiding the European project over the next decade. Conflicts and trade-offs exist and need to be sorted out.

In its *State and Outlook for Europe’s Environment* (SOER), published exactly one week before the EGD, the European Environmental Agency notes that the Europe will not achieve its sustainable vision of living well within the limits of our planet’s resources by ‘continuing to promote economic growth’ (European Environmental Agency 2019: 2). What is more, the EGD intends to widen this decoupling ambition by improving material or resource efficiency (or productivity) in the region (the decoupling of economic growth from the consumption of all natural resources). This additional material efficiency is to be made possible, in particular, by the development of the circular economy on the continent.

But there are also some conceptual and empirical shortcomings. Eurostat, the European statistical agency, has been working for some time on developing material efficiency indicators. The lead indicator, called ‘resource productivity’, divides GDP by domestic material consumption (DMC), which is defined as ‘the annual quantity of raw materials extracted from the domestic territory of the local economy, plus all physical

imports minus all physical exports'.⁴ It can thus be shown that, between 2000 and 2018, the DMC of the EU decreased by about 7%, while GDP increased by about 30%, meaning that resource productivity increased by around 40% according to Eurostat. While certainly encouraging, this statistic reveals that three-quarters of the increase in material efficiency is due to GDP growth and not to the fall in consumption of natural resources. Furthermore, the relatively minor decrease in DMC was almost entirely due to the great recession of 2009 (DMC increased by close to 7% from 2000 to 2008, then fell by 12% between 2008 and 2009 and barely budged from 2009 to 2018). What is more, the 'material footprint', an indicator that includes indirect flows (the natural resources incorporated into manufactured goods) in the calculation of natural resource consumption, calls into question this virtuous dynamic (Wiedmann *et al.* 2015).⁵ The European material footprint has actually grown since 1990. Since 2000, there has been no absolute decoupling of GDP from the consumption of natural resources: quite the contrary, there has been a re-coupling, with the material footprint actually growing faster than GDP since 2002.

A key recommendation that emerges from these analytical and empirical elements is the need to define, as a reference tool for measuring the decoupling promoted by the EGD, a set of indicators of human well-being that captures more than GDP alone. The European Parliament should be given responsibility for rethinking the European Semester, defining the dimensions of European well-being and the corresponding indicators, and considering how they should relate to the United Nations Sustainable Development Goals and the Stability and Growth Pact. But any such reappraisal of the EGD needs to go much further, combining social and environmental challenges under the auspices of what could become a 'just transition'.

2. Toward a just transition in Europe

Relegating the goal of sustainability to second place behind the pursuit of economic growth, the EGD as it stands also sidesteps the ambition of social justice. Its key feature in this respect is to create a 'mechanism for a just transition', intended to help companies adapt to greener production methods. On 14 January 2020, the European Commission (2020a) announced that the Just Transition Mechanism (JTM) will provide targeted support to help mobilise at least €100 billion over the period 2021–2027 in the most affected regions to alleviate the socio-economic impact of the transition. On 27 May 2020, as part of the Covid-19 recovery plan (see Vanhercke *et al.*, this volume), the Commission proposed to increase the Just Transition Fund budget – a key instrument of the JTM – to €40 billion (European Commission 2020b). But the reality behind this figure is sobering. First, the European Council slashed the increase proposed by the Commission to €10 billion (European Council 2020). Second, financial aid systems for the reconversion of fossil industries already exist, and this package is very small

4. See Eurostat web page on resource productivity, <https://bit.ly/31Sx3wT>

5. Eurostat itself acknowledges that 'DMC does not include upstream flows related to imports and exports of raw materials and products originating outside of the local economy'. See Eurostat web page on resource productivity provided in footnote 4.

given the existing fossil fuel subsidies working in the opposite direction (which range from 75% to 120% of the initial amounts). But above all, the project lacks a substantial definition of a just transition for people (and not companies).

The idea of a ‘just transition’ was promoted in the early 1990s by US labour leader Tony Mazzocchi to resolve ‘the conflict between jobs and the environment’ (Mazzocchi 1993: 40). It has been echoed in recent climate summits, with heads of state endorsing the need for a ‘just transition of the workforce’ in fossil-fuel industries (COP24 2018). But the notion of a just transition goes far beyond the ‘helping hand to make a new start in life for fossil-fuel workers and their families’ that Mazzocchi advocated (ibid: 40). US economist Jim Boyce estimates that the cost of guaranteeing re-employment for workers, meeting pension commitments and assisting communities for the whole US fossil fuel industry, one of the largest in the world, amounts to less than 1% of the investment needed in the country for low-carbon energy (see Boyce 2020).

This all points to at least three colossal social-ecological policy tasks: recognizing and mitigating environmental inequality; accelerating transition policies by rendering them fair, i.e. building a social-ecological state to sustain the transition (see Section 3); and finally aiming to improve present and future human well-being rather than increasing economic growth.

Regarding the first task, it is increasingly clear that inequality and unsustainability go hand in hand (Laurent 2020a). The outsourcing of environmental damage of all kinds is enabled by the gap between the rich and poor among and within countries; the poor become ill and die because of the damage inflicted on their well-being via the degradation of their environment. Environmental inequality—access to clean air, drinkable water, energy, food, protection from climate change and so on—is an inescapable challenge of our times. The different types of existing European environmental inequalities, a typology of which is given in Table 1, suggest a whole field of public policies for the EU in the next decade, with a view to reconciling the EU’s two essential vocations in the 21st century: sustainability and social justice.

Indeed, as environmental awareness in the population increases and the ecological crises in the world worsen, the issue of environmental inequalities becomes more and more salient. The European Environment Agency thus proposed, for the first time in 2018 (European Environmental Agency 2018), an inventory of these inequalities, emphasizing that better harmonization of social and environmental policies and better local action are necessary to successfully address environmental justice issues.

Table 1 Mapping environmental inequality

Philosophical approach	Generative fact	Inequality vector	Inequality criterion	Example of environmental inequality
Procedural justice	Impact of individuals and groups on environmental policies	Exclusion from public decision-making procedures	Age, gender, socio-economic level (income, health, education, etc.), spatial location, nationality, ethnic characteristics, etc.	No opportunity to influence a decision of environmental concern (e.g. the construction of a new chemical plant) in one's city of residence
Recognitive justice*	Impact of environmental policies on individuals and groups	Taxation, regulatory policies, information and awareness		Vertical and horizontal income inequalities caused by carbon taxation
Distributive justice	Exposure or vulnerability to damage and limited access to resources Nuisance or damage impact of higher social echelons on lower ones	Pollution, access to natural resources and environmental amenities Local and global polluting emissions, consumption of natural resources		Unequal exposure and sensitivity to fine particle pollution in urban areas Carbon footprint of households in the top income deciles

Note: *This is a process model of social justice that includes a positive regard for social difference and the centrality of socially democratic processes.

Source: author's own compilation.

For instance, while air quality is a major determinant of quality of life in the eyes of Europeans (Eurobarometer 2017), air pollution is the greatest risk they face in terms of environmental health, with major inequalities in exposure and vulnerability reigning between European localities. The same goes for access to energy, nutritious and healthy food or exposure to so-called 'natural' risks such as climate change. Yet the major issue of energy poverty, affecting up to 125 million Europeans according to certain accounts, and its link to carbon taxation that the EGD promotes, are the subject of just a few weak lines⁶ in the Commission Communication.

As these pressing issues need to be addressed by a new form of policy, the chapter now turns to the definition of a European social-ecological state capable of carrying out the necessary transition.

6. The Commission Communication merely states that the risk of energy poverty 'must be addressed' and that, in 2020, the Commission will produce guidance to assist Member States in addressing the issue (European Commission 2019: 6).

3. Building a European social-ecological state freed from growth

How can we begin the metamorphosis of our welfare state, designed in the 19th century to overcome the conflict between work and capital, into a social-ecological state calibrated for the 21st century and designed to reconcile social demands and environmental challenges? How can we build institutions capable of guaranteeing social-ecological progress, i.e. the progress of human development in a democratic framework in the Anthropocene age? We can take two different paths towards establishing a philosophical continuity between the welfare state and the social-ecological state: that of social risk and that of individual and collective well-being.

If we retain the risk approach, it appears that social risk now includes a major environmental dimension (floods, heatwaves, storms, etc.). Citizens are therefore entitled to expect public authorities to develop new forms of risk-sharing. The other option relates to the Anglo-Saxon way of referring to social protection, the ‘welfare state’ – the ‘state of well-being’ or, more exactly, the ‘state for well-being’. For this second option, we consider not the risk facing the individual but the sources of his or her well-being (and ill-being), considering income, family life and health from a welfare state perspective, but adding an ecological perspective: it is recognized that an individual’s or group’s well-being is partly determined by environmental conditions (climate, air pollution, water quality, access to energy, etc.). It is therefore legitimate for social policy to include the environmental dimension.

Though seemingly in its infancy, this inclusive approach can actually be traced back to the 14th century. In fact, the social-ecological state preceded the welfare state in Europe. While the first social welfare law dates back to 1883 (in Bismarck’s Germany), the first social-ecological decree can be traced back to 1306 when King Edward I of England tried to ban the use of coal in London for health reasons (his own mother having fallen sick from the thick sulphur poisoning the air of the city). In this respect, it is very interesting to note that this law was never respected by Londoners despite the heavy penalties attached to it (in its most extreme version, the law foresaw the death penalty for offenders). It was not until 1956, 650 years later, that the British Parliament voted the Clean Air Act, approved in the aftermath of the 1952 ‘Great Smog’ that killed at least 4,000 Londoners through air poisoning.⁷

At the same time, and still in the United Kingdom where the welfare state was taking off, researchers rediscovered the importance of environmental factors for the state of health of populations, a factor already taken up by the hygienist studies in the 19th century.

Developed as an academic discipline by Richard Titmuss, ‘social policy’ was extended in 1958 to the environmental question. It was François Lafitte, Titmuss’ little-known co-author, who first conceptualized social-ecological policy (Lafitte 1962), defining social policy as a policy of the local environment. Such a policy refers not only to the social conditions of life (family, work, leisure), but also to access to environmental amenities,

7. Data from the Met Office, the UK’s national weather service, <https://www.metoffice.gov.uk/weather/learn-about/weather/case-studies/great-smog>

the control of urban pollution and all the environmental factors likely to influence human health and thus the well-being of individuals. Social policy, thanks to Lafitte, became the policy of ‘social space’, i.e. a policy encompassing environmental issues.

There is indeed no fundamental difference between the aims of social and environmental policy: both are aimed at correcting the shortcomings of the market economy in situations of imperfect information, incomplete markets, externalities and the like, which fully justify public intervention. The cornerstone and purpose of the social-ecological state are thus to spread risk in order to mitigate social inequality (see Koch 2018).

Unlike a simplistic economic vision assuming an opposition between efficiency and equality, the core principles of the welfare state have not become obsolete. From this point of view the televised address by French president Emmanuel Macron on 12 March 2020, amid the shock of the Covid-19 health crisis, seemed to be a radical but late epiphany: this pandemic reveals that ‘free health care, with no conditions of income, career or profession, and our welfare state, are not costs or burdens, but precious goods. They are indispensable assets when fate strikes’ (Euractiv 2020a). In another context, Macron added that ‘what this pandemic reveals is that ‘there are goods and services which must be placed outside the laws of the market. Delegating our food, our protection, our ability to look after our living environment to others is madness’ (Euractiv 2020b). All of this is true. It is also diametrically opposed to the policy implemented in France since the 2017 presidential election and during the previous mandate, when Macron exerted considerable influence on the ill-fared presidency of François Hollande. It is also not precise enough. If ‘fate’ strikes humanity today, it does not fall from heaven: humans, in the age of anthropocene environmental crises, have become the source of their own destiny.

The decade that is now beginning is indeed that of ecological challenges: faced with climate change, the destruction of biodiversity and the degradation of ecosystems – visible and tangible everywhere on the planet – human communities must initiate a profound transformation of attitudes and behaviours to prevent the 21st century being one of self-destruction of human wellbeing. The first months of the first year of this decisive decade leave little doubt about the urgency of this collective effort.

First, Australia was ravaged by a succession of giant fires, finally only extinguished by rain. Then the Covid-19 pandemic put almost half of humanity into lockdown, and, with them, the global economy. Yet the worldwide health crisis is, at its origin, ecological: this virus – like SARS, MERS, Ebola and to some extent HIV-AIDS before it – stems from the human-animal frontier (a so-called ‘zoonosis’⁸). Humans have gone too far in the destruction of ecosystems, the conquest of biodiversity and the commodification of life, leading to them now being affected, panicked and paralysed – in other words, they have been conquered in turn. This destruction of biodiversity is of course an existential

8. Zoonoses are diseases or infections that are transmitted from vertebrate animals to humans and vice versa. The pathogens involved can be bacteria, viruses or parasites. The transmission of these diseases occurs either directly, during contact between an animal and a human being, or indirectly, through food or through a vector (insects, arachnids). According to the World Organization for Animal Health, 60% of human infectious diseases are zoonotic (The Lancet 2012).

problem for humans themselves. By a causal chain identified two decades ago during an evaluation of ecosystems for the millennium, biodiversity underpins the proper functioning of ecosystems, providing humans with ‘ecosystem services’ that support their well-being (recent literature, in a broader and less instrumental way, refers to ‘the contributions of Nature’ – see, for example, Diaz *et al.* 2018). This logic naturally also holds true in reverse: when humans destroy biodiversity, as we are doing today on a vast scale through our agricultural systems, we degrade ecosystem services and, at the end of the chain, undermine our own living conditions. The case of mangroves⁹ is one of the most telling: these maritime ecosystems that promote animal reproduction, store carbon and constitute powerful natural barriers against tidal waves are being destroyed, with the result that human communities are becoming poorer and weaker.

In other words, destroying nature is living beyond our means. The most intuitive definition of the unsustainability of current economic systems can therefore be summed up in just a few words: human well-being destroys human well-being.

This is where the social-ecological state should come in (the concept of the social-ecological state was first proposed in Laurent 2014). An extension of the genius of the welfare state, its guiding principle is denaturalisation – or, put positively, socialisation. This entails transforming ecological uncertainty into social risk, by means of public guarantees and insurance, to make the social consequences of the environmental crises of the 21st century as fair as possible and therefore, in principle, to mitigate their natural strength.

What should be the functions of the social-ecological state? Let us recall the three functions of public finance proposed by Richard Musgrave sixty years ago. As is well-known, Musgrave (1959) identifies three ‘branches’ of public finance.

The first, allocation, involves the supply of public goods (or the demarcation of the border between public goods and private goods by the state); the second, distribution (and not just redistribution), aims to use public finances to serve the collective preferences of citizens in matters of justice; the third, known as stabilization, uses public finance as an instrument to maximize the ‘magic square’ (economic growth, external balance, inflation, unemployment).

3.1 Allocation: a sober social-ecological state freed from growth

We must begin here by emphasizing the main defect in Musgrave’s typology: the separation of issues of social justice from issues of economic efficiency. Ecological crises, such as the Covid-19 pandemic, show how these issues are in fact intertwined, inseparable, inextricable. The allocation function therefore obviously has powerful distributive effects that must be the subject of social compensation (via redistribution), as in the case of regulating polluting vehicles in urban centres.

9. According to the US National Ocean Service mangroves are a ‘group of trees and shrubs that live in the coastal intertidal zone’.

In this regard, while Musgrave takes care to specify that regulatory policies of this type are not included in the allocation function, they must, on the contrary, be integrated into it: in a social-ecological approach, regulatory policies are in fact the key component of the allocation function and the central reason for its economic and social impact. *But how should such policies be financed, if not through economic growth?*

The idea that economic growth is necessary to finance social policies is an archaic way of conceiving these policies in the age of environmental challenges: it is important today, in social and energy matters, to move from a logic of spending to a logic of sobriety. Indeed, the ecological extension of the welfare state – imposed by the social risks engendered by environmental crises – is based on a logic of savings and no spending (financed by taxes themselves levied on income). The social-ecological state can thus be financed by colossal savings in social expenditure enabled by the mitigation of ecological crises.

Think of the savings made possible by a rational – i.e. non-self-destructive – treatment of ecosystems and biodiversity, which would have allowed the epidemics of AIDS, Ebola, MERS, SARS and of course Covid-19 to be avoided. Consider the savings in social spending made possible by the gradual alleviation of the damage to the ozone layer, which has started to regenerate due to effective global governance, thus preventing tens of millions of skin cancer cases on the planet. Consider the savings in social spending that could be made by mitigating climate change or air pollution, not to mention the health and therefore financial consequences of improved eating habits, sports practice or urban physical mobility (walking, cycling, etc.).

The social-ecological state is thus essentially financed by savings, not by taxes. Even when new taxes have to be introduced, such as carbon taxation, this can easily lead, if properly calibrated, to twin savings in terms of quality of life and income for the majority of the population (see Berry and Laurent (2019) on the French case). To measure these benefits, there is no need to resort to fragile and ethically questionable methods of monetization of human life, or growth points gained or lost by environmental policies. There are many reliable environmental health indicators. We thus should move from a logic of cost-benefit analysis to a logic of co-benefit (health-environment) analysis.

3.2 Redistribution: a social-ecological state that pools risk to reduce inequality

Faced with our ecological crises (climate destabilization, biodiversity destruction, ecosystem degradation), we need to rediscover the equalizing power of the welfare state, which alone can transform uncertainty into risk, hazard into protection, chance into justice. In short, we must pool social risks in order to reduce them in the name of human wellbeing – starting with health, the key interface between people and ecosystems.

This could involve, in Member States, the creation of a new ‘social-ecological’ branch of social security, or the integration, within each of the existing branches, of environmental risks.

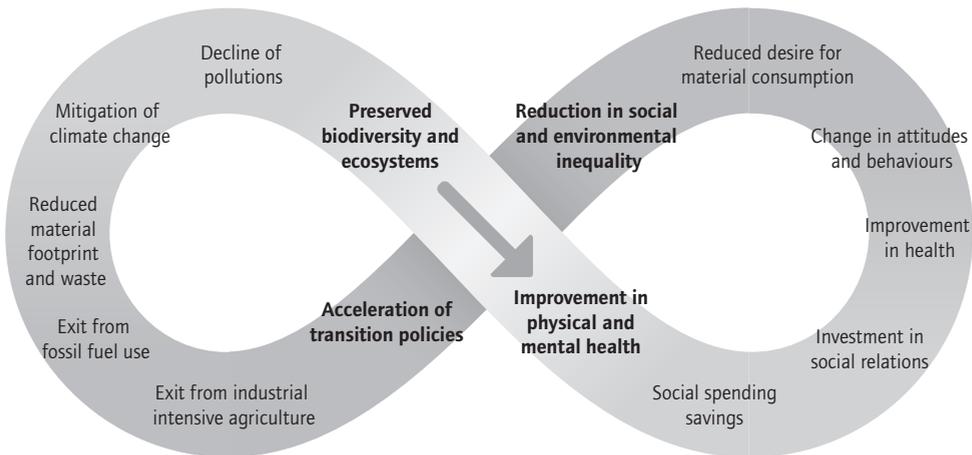
3.3 Stabilization: a social-ecological state that preserves essential well-being

The macroeconomic objectives justifying Musgrave's stabilizing function of the welfare state are clearly outdated and need also to be updated (for example, the central banks' inflation target is gradually becoming obsolete). Fundamental well-being must now be stabilized, in particular protecting it from environmental shocks (pandemics, heatwaves, etc.).

How can we represent the mutually beneficial social-ecological interactions that sustain the functions of the social-ecological state? Since the key feature of social-ecological policies is to dovetail social issues and ecological challenges, the circles in, for instance, Kate Raworth's 'doughnut' vision, with an ecological ceiling and a social floor, must be connected (Raworth 2012).

The concentric circles already show the embedding of economic and social systems in the biosphere. But we can go further, sketching a social-ecological feedback loop (Figure 1, see below) that reproduces the mathematical symbol of infinity but also evokes a Möbius strip¹⁰ (the shape which has inspired the recycling logo since the early 1970s, and by extension the circular economy).

Figure 1 **The social-ecological loop**



Source: Laurent (2021b).

This image depicting dynamic social-ecological synergies clarifies the background to the circular and cumulative social-ecological loop argument by emphasizing two essential nodes: the link between inequalities and ecological crises and the link between ecosystem health and human health. This is an essential change compared to 20th century welfare states: the transition from full employment to full health – to human health understood in all its ramifications and implications: physical health, mental

¹⁰. A Möbius strip is a surface with only one side and only one boundary curve.

health, social links, happiness, health inequalities, environmental health, social and environmental inequalities.

Health, then, rather than employment, appears as the key indicator of human development in a situation of ecological constraints, since it is the interface between human systems and ecosystems. This is the whole point of the environmental health work done since the early 1990s by the World Health Organization (WHO 1992), as witnessed by the WHO's 'One health'¹¹ approach launched in the mid-2000s and the notion of 'planetary health' coined by the Rockefeller Foundation in the mid-2010s (Whitmee *et al.* 2015). We are therefore called on to participate in a twofold revolution: to place health at the heart of our public policies, and to place the environment at the heart of our health policies. This is the fundamental mission of the social-ecological state in the years to come.

Conclusion: a new institution for a new century

The European Green Deal is a welcome attempt to widen and strengthen the European Union's social and ecological ambition. But it aims to increase economic growth to the detriment of sustainability and social justice and thus appears today not just inconsistent but outdated. Actually, it looks like a strategy for a century past: its objective should be the well-being of all Europeans (Laurent 2021a).

It could indeed be said that the 21st century began on 7 April 2020, just like the 20th century really started on 28 July 1914 with the outbreak of the First World War. If 7 April 2020 defines history, it is because half of the planet's governments that day chose to give preference to the health of their populations over the growth of their economies, after having long neglected the vitality of their ecosystems. The beginning of the 21st century lies in this triptych: life, health, the economy, in that order of priority. The bottom line is that the strength of the biosphere conditions human capacities, in turn allowing economic activity. On 7 April 2020, the economy as a social organization and economics as a system of thought were therefore finally put back in their rightful, subordinate place, where they must henceforth remain in order to stop harming human health and life on the planet. Increasing economic growth while degrading ecosystems and therefore, in turn, harming human health, is – to put it simply – a counterproductive and irrational development strategy in the 21st century.

Under the effect of the meteoric acceleration of our ecological crises – visible everywhere on our planet from Siberia to California – two agendas of reflection and reform have gained momentum in the associative, academic and political spheres over the past ten years. The first aims to link social issues to environmental challenges. The second aims to go beyond economic growth as a collective horizon. Two needs are now before us regarding these agendas that this chapter has tried to contribute to: first, fostering the convergence of social-ecology and the well-being transition; second, inventing institutions likely to bring them to fruition. This is the essential meaning of a social-

11. See <https://www.who.int/news-room/q-a-detail/one-health>

ecological state freed from the shackles of growth and with the goal of full health. The EU could and should start building it.

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