



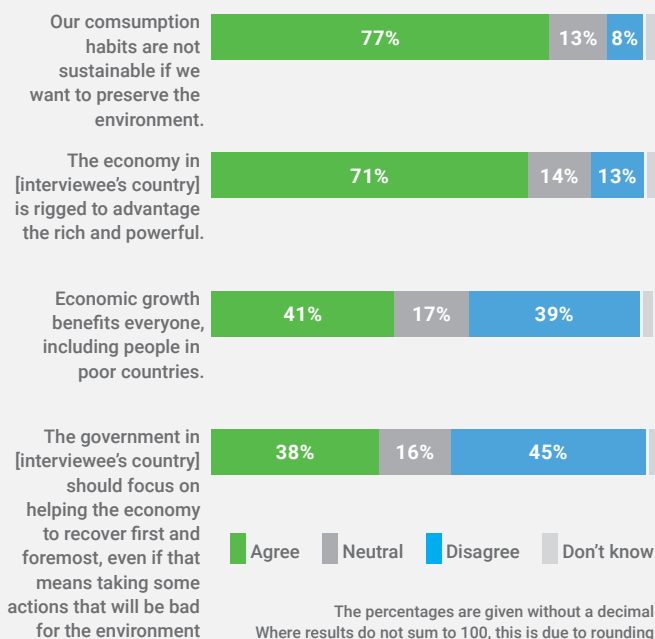
TOWARDS A WELLBEING ECONOMY

BUILDING A HUMAN ENVIRONMENT THAT IS SOCIALLY JUST AND ECOLOGICALLY SUSTAINABLE SUMMARY

It is time we as humans build an economy that truly fosters the wellbeing of all people – in Europe as well as other parts of the world. An economy that truly overcomes exploitative structures at the global scale rather than perpetuating them, empowers all people rather than concentrates power in the hand of a tiny elite, and respects rather than destroys nature.

The economy depends on people, who depend on nature and the resources taken from it. So far, decades of unfettered growth of extraction, production and trade have fuelled a cycle of large-scale destruction. This overexploitation is the result of political choices. We as civil society organisations from many parts of Europe demand political change that will steer us away from the current destructive economy towards a socially and ecologically just one.

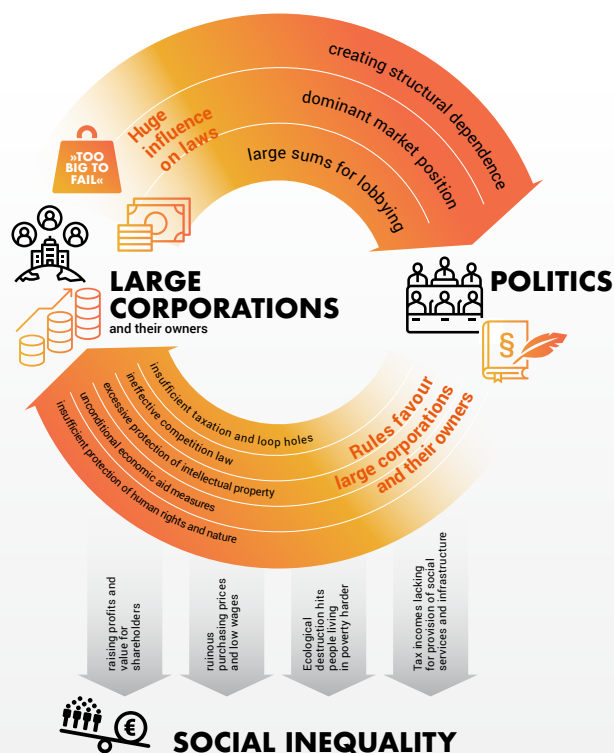
Agreement with statements



Around two thirds of young adults in Europe perceive the economy as unjust, as a representative Pan-European Survey shows. Source: Graphic adapted from "The perceptions of young Europeans on the interlinkages between climate change and migration. Pan-European Survey. Main multi-country report", climateofchange.info/ipsosmainreport.pdf.

IDENTIFYING ROOT CAUSES

There are three root causes of the current crisis: past and present injustices between and within countries, the spiralling social, economic and political inequality and associated concentration of power, and a fixation and structural dependency on economic growth. Here, the focus lies on the European economy and its role and responsibilities, both globally and locally. As one of the largest economic blocs in the world, the European economy and associated economic policy has significant implications for the global economy and therefore for the wellbeing and life chances of many people around the globe.



One of the root causes of inequality is the so-called Medici vicious cycle: a situation where the already rich and powerful can disproportionately influence political rules, which due to their influence, are designed in a way as to ensure that they benefit even more in financial terms. As most of the world's richest individuals have attained their position through the ownership of large corporations, corporate wealth and individual wealth – and influence – are intimately linked.

THE ROLE OF THE EUROPEAN ECONOMY

The safe and just space for humanity has a just social foundation and a hard ecological ceiling. To understand how we can arrive there, we need to see the bigger picture. Our interconnectedness today is unprecedented, but the ugliest realities are kept well out of sight and mind for most European consumers.

How we as European citizens steer our economy, and what corporations headquartered in the EU are allowed or not allowed to do, affect the lives and livelihoods of people and the integrity of nature around the world.

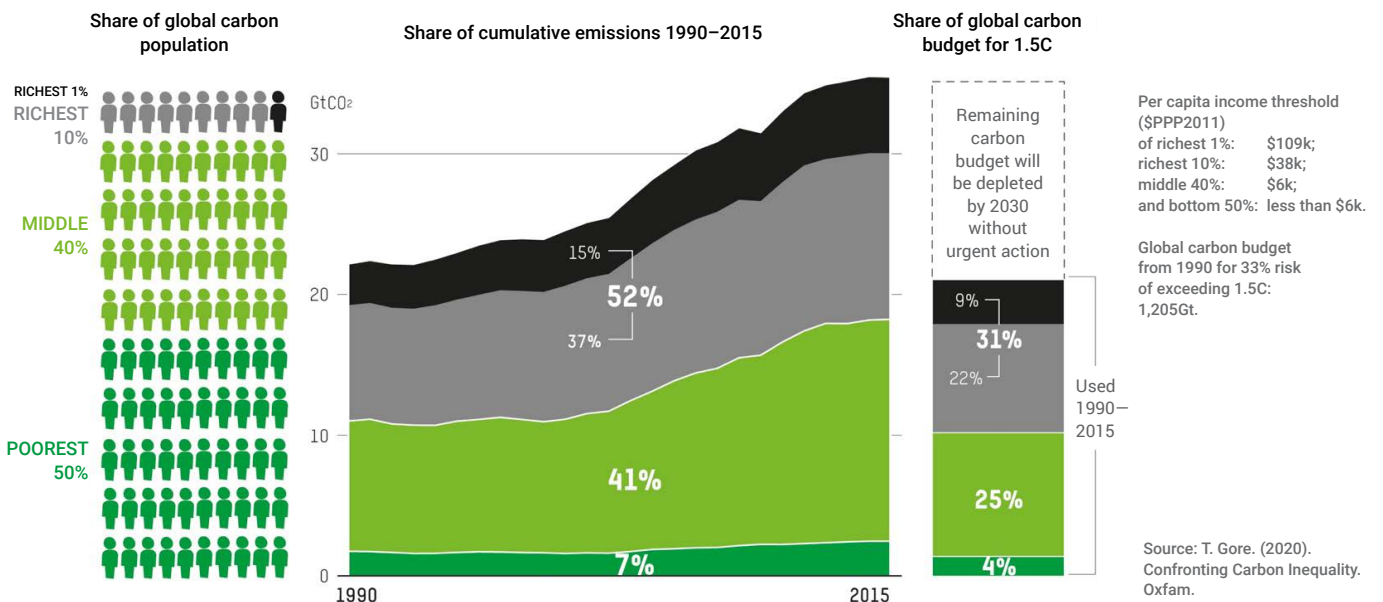
Currently, the economies of the 27 EU member states plus the UK are massively overshooting planetary boundaries, both at EU and national levels.

SOCIAL INEQUALITY AND ECOLOGICAL JUSTICE

The ecological crises we are facing cannot be separated from economic, social and political inequality – they are inextricably interlinked: Those who have gained income and wealth, and have thus been privileged economically, have a much bigger ecological footprint.

This is very visible in the climate emergency: it was the world's richest 10% (around 630 million people) who were responsible for 52% of cumulative carbon emissions between 1990 and 2015. Within this group, the richest 1% (around 63 million people) were responsible for 15% of cumulative emissions, and 9% of the carbon budget – twice as much as the poorest half of the world's population (some 3.1 billion people).

Who has been driving the rise in emissions?



UNIVERSITY OF LEEDS

Source: O'Neill et al. (2018).

Graphic: Andrew Fanning. The EU28 doughnut was calculated when the United Kingdom was still a member of the European Union.

EU countries and planetary boundaries, 2018

Using the doughnut concept, we can see clearly that the economy made up of the 27 EU member states and the UK significantly transgresses planetary boundaries, while not meeting its own social aims, as indicated by the EU's Social Scoreboard – for example, in terms of unmet healthcare needs or the gender gap in employment.

The world has a problem of extreme affluence. The role of the rich from everywhere in the world in global warming is symptomatic of a broader reality: their consumption has largely caused environmental crises, and the solution lies mainly in their hand due to their political power. Meanwhile, hundreds of millions still suffer the ravages of extreme poverty.

CHANGES IN ALL SECTORS

Four sectors can exemplify the systemic problems plaguing our economies: farming, textiles, building and digitalisation. These showcase the extent and depth of the changes needed.

1 FUTURE-PROOFING FARMING: For many farming still has a rustic image, but industrial farming is fuelling global warming, polluting the environment, destroying biodiversity, hurting small farmers, damaging communities and concentrating wealth and power in the hands of large corporations. Studies and realities on the ground show that through agroecology we can feed society, provide farmers with a fair living and restore the environment.

2 TAILORING THE TEXTILE SECTOR TO THE NATURAL WORLD: Producing our clothing and footwear consumes vast amounts of raw materials, fossil fuels and water and generates enormous quantities of waste throughout the product lifecycle. Fast fashion is a major culprit. Its adverse social footprint is massive, and includes sweatshops, dangerous or unhealthy working conditions and even forced labour. But there is a way to refashion the textiles industry and cut it from a different cloth.

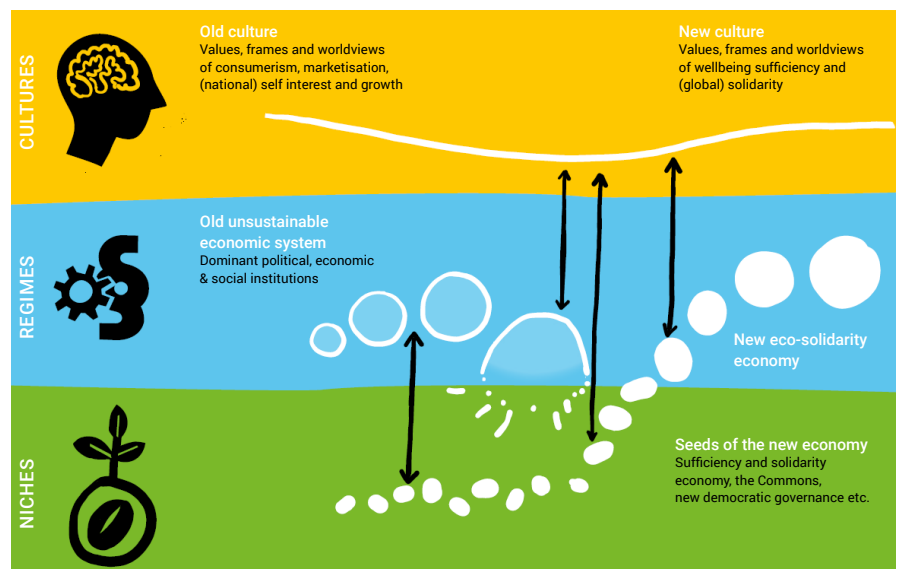
3 BUILDING BACK BETTER: Buildings swallow up massive quantities of space and resources, but lockdowns during the COVID-19 pandemic have also highlighted the serious impact of unequal access to living space, daylight and ventilation. A housing crisis, combined with speculative property markets, has forced many people into living in substandard housing or locations. The built environment and the construction sector have a profound impact on the wider environment and the climate. But there are ways to make our built habitats more compatible with our natural habitat and to build back better than before.

4 THE INVISIBLE SIDE-EFFECTS OF THE DIGITAL REVOLUTION: The green promises of the digital revolution, such as the paperless office, have been overhyped. Negative impacts include the mushrooming energy demands of digital technologies and the destruction and damage caused by extracting the minerals required for their manufacture. At the socioeconomic level, digital technologies have a tendency to widen inequalities and also to raise serious concerns about privacy. But we have it within our capacity to upload a new operating system and reboot the digital revolution.

These examples highlight the three pillars upon which a socially and ecologically just economy must be built. We need to dismantle the exploitative structures that perpetuate inequality between countries, genders and classes. We need to democratise the economy by placing greater economic and political power in the hands of the many rather than the few. We need to make the economic system independent of growth to allow for a reduction in the resources it consumes.

BRINGING ABOUT CHANGE

When thinking about change, we need to think in terms of three layers: niches, institutions and cultures. Niches are where the trailblazers operate, sowing the seeds of the new economy. Regimes are the political, economic and social structures that stabilise the economy. Cultures are the commonly shared values and worldviews that influence what we are able to imagine and what we want. Change needs to happen at all levels, and change in one layer can often lead to change in another.



Source: Smart CSOs Lab (2015).
Reimagining Activism; adapted by Oxfam Germany.

POLICY AIMS

To break up existing exploitative structures, we urge policy-makers to:

- Reverse financial flows from those countries that have benefited or are benefiting the most from these unjust structures to those that have been disadvantaged
- Allow for more just trade and associated structures of production
- Allow people to exercise their freedom of movement

To democratise the economy and reduce inequality, we urge policy-makers to:

- Ensure much more equal access to productive assets
- Ensure universal access to essential services and social security
- Guarantee human rights of workers and small producers in global value chains

To become independent of the need for continual growth and to reduce material use, we urge policy-makers to:

- Shift the political mindset from ever growing gross domestic product (GDP) and global trade to aiming directly for wellbeing within planetary limits
- Approach trade not from the perspective of a fixation with growth but one that realises commerce's potential to support the transformation towards a wellbeing economy

LET'S BE HONEST: these proposals for change are political at their core and, thus, themselves are a question of power. They touch upon questions of ownership and privilege, things that are rarely surrendered voluntarily. It is, therefore, not just about the right argument or the most plausible analysis; it is also about building a counterweight – in the political sphere, in public discourse and in everyday contexts. For this, it needs civil society, activists and citizens to rally together around this common cause: it needs organisations that can work together in alliances, strong movements that prepare the ground for change and people who support the struggle. We hence invite people to join us or similar campaigns and movements that demand those policy changes needed to build an ecologically and socially just economy.



COP 25 climate rally in Madrid, Spain, 2019.
© Pablo Tosco / Oxfam



Hundreds of women workers and activists protest in front of parliament in Cape Town and demand a ban on highly toxic pesticides. South Africa, 2019. © Chris de Beer-Procter

This is a summary of the main arguments and findings elaborated upon in the report “Towards a wellbeing economy that serves people and nature: Building a human environment that is socially just and ecologically sustainable” published by Oxfam Germany and the EEB on behalf of the ClimateOfChange consortium. The full report including all references can be found here:

climateofchange.info/wellbeingeconomyreport.pdf

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This summary is written to share research results, to contribute to public debate and to invite feedback on relevant policy and practice. Not all organisations of the consortium work on all topics covered and not all details of analysis necessarily reflect official policy positions of each participating organisation.



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