Transformation to a green and social economy after the global crisis

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Purpose of the paper

- The purpose of article is to show how the concept of green and social economy can be an empowering tool of the sustainable development in Europe and to describe a green and social economy as a new, more radical direction in creating the harmonious, balanced social and environmental development of countries.
- The concept of green and social economy is formulated as an alternative approach to the existing model of economy.

The global economy has just had a near-death experience - prof. Joseph Stiglitz (2010)

The global financial crisis in 2008-2009 became multidimensional economic, social and environmental.

- On the economic level effects of the crisis were a reduction of world GDP and volume of international trade, reducing investment and jobs creation etc. (Streeck, 2011) (Krugman, 2009) (Roubini i Mihm, 2011).
- People have lost savings, lost their jobs and, in particular, have lost confidence in the financial sector, banking and more generally to a market economy.

The global financial crisis has shown limits of current economic paradigm

- Economical
- Social
- Environmental

Negative and positive aspects of global crisis for economy

ECONOMY	
NEGATIVE	POSITIVE
• Reduction of GDP • Recession • Growing unemployment • Deficit of the national and local budgets • High public sector spending on private-sector rescue • Reducing the level of investment • Decrease of people confidence in market and financial sector • Lower supply of goods and services • Reduced public spending for social purpose • The growing role of governments in economy • The crisis of an economic model	Discussion of the limitations of GDP as a main indicator of economic activity Global Green New Deal Green Economy Eco-innovations Green investment founds Sustainable finance and banking Moving toward the renewable energy investments, and environmentally friendly technologies (new jobs)

Negative and positive aspects of global crisis for society

SOCIETY	
NEGATIVE	POSITIVE
• Unemployment • Lower income • Loss of trust, uncertainty • Less public goods and services financed by the state • Lowering the standard of living • Loss of financial liquidity in private households • The drop in household consumption	• Saving • To be not to have • The quality of life - important value • Mobilization of civil society • Increased awareness and responsibility for the crisis • Turning towards more balance life (financially, socially, emotionally and environmentally)

Negative and positive aspects of global crisis for environment

ENVIRONMENT	
NEGATIVE	**POSITIVE**
• Less public money for environmental issues	• The growing interest in sustainable development • Discussion about degrowth and steady state economy • Chance for organic market development • Green Economy • Reducing emissions of CO2 and other greenhouse • Reducing the environmental pressure from industry and transport • Reduce consumption of resources and energy • Reduced waste • Saving energy and raw materials • Eco-innovation in the industry • Eco-Investing • New jobs in green sectors of industry

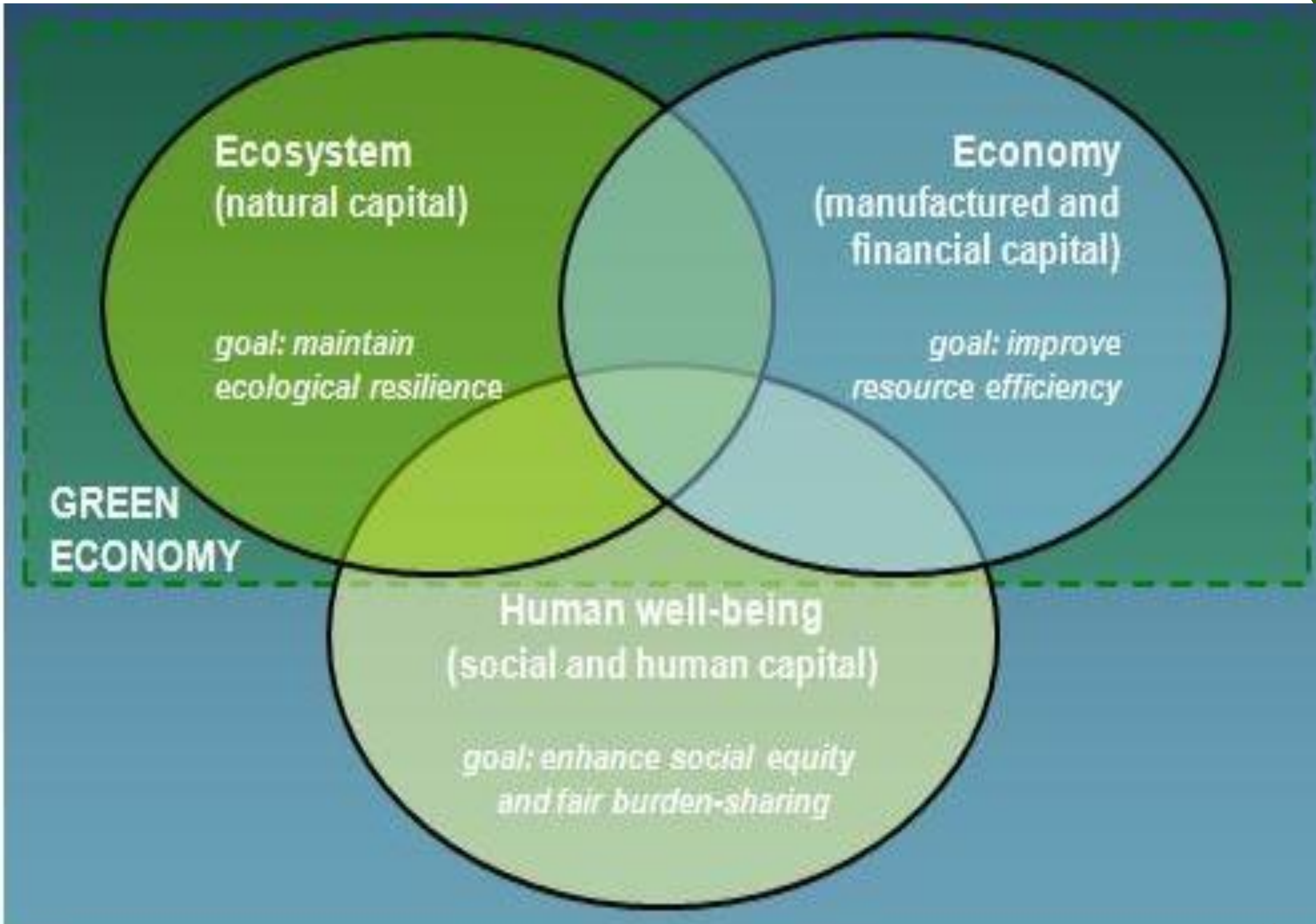
- What should be the new purpose of economic strategy after the crisis.
- Which objectives and values are important to build a new model of the economy?

The new strategy Europe 2020

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

(Europe 2020. A strategy for smart, sustainable and inclusive growth, 2010, p.6)

From 'brown economy' to 'green and social economy'


Ecosystem
(natural capital)
goal: maintain ecological resilience
Economy
(manufactured and financial capital)
goal: improve resource efficiency
GREEN ECONOMY
Human well-being
(social and human capital)
goal: enhance social equity and fair burden-sharing

Greening the economy: mainstreaming the environment into economic development

A green economy is one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities

Green economy literature review:

- Transformation of economy but also complex system economy-environment-society(social and environmental responsibility) [Jackson 2009],
- Process of civilization changes , planetary boundaries [Zovanyi 2013; Rockström 2009],
- Key element and aim of strategies and recovery programs after the crisis, engine of growth [Frérot 2011]
- The tool of sustainable development (in tree dimensions: economic, social, environmental [Kosoy i in. 2012],
- Priority of environmental policy and ecological modernization [Jänicke 2011; Rao 2010],

Definitions of green economy

- **A green economy is one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities**[UNEP,2011],
- A system of economic activities related to the production, distribution and consumption of goods and services that result in improved human well-being over the long term, while not exposing future generations to significant environmental risks or ecological scarcities. (UNEP, 2009).
- Green economy is a resilient economy that provides **a better quality of life for all** within the ecological limits of the planet. [Green Economy Coalition,2012]
- "Green Economy" is described as an economy in which economic growth and environmental responsibility work together in a mutually reinforcing fashion while supporting progress on **social development** [International Chamber of Commerce, 2011].
- Inclusive green economy generates **more inclusive** and sustainable growth by increasing the economic and social returns from investing in environmental improvement and low-carbon, climate-resilient development [Poverty Environment Partnership, 2012],
- The Green Economy is not a state but a process of transformation and a constant dynamic progression. The Green Economy does away with the systemic distortions and disfunctionalities of the current mainstream economy and results in **human well-being and equitable access to opportunity for all people**, while safeguarding environmental and economic integrity in order to remain within the planet's finite carrying capacity. The Economy cannot be Green without being Equitable (Danish 92 Group, 2012).

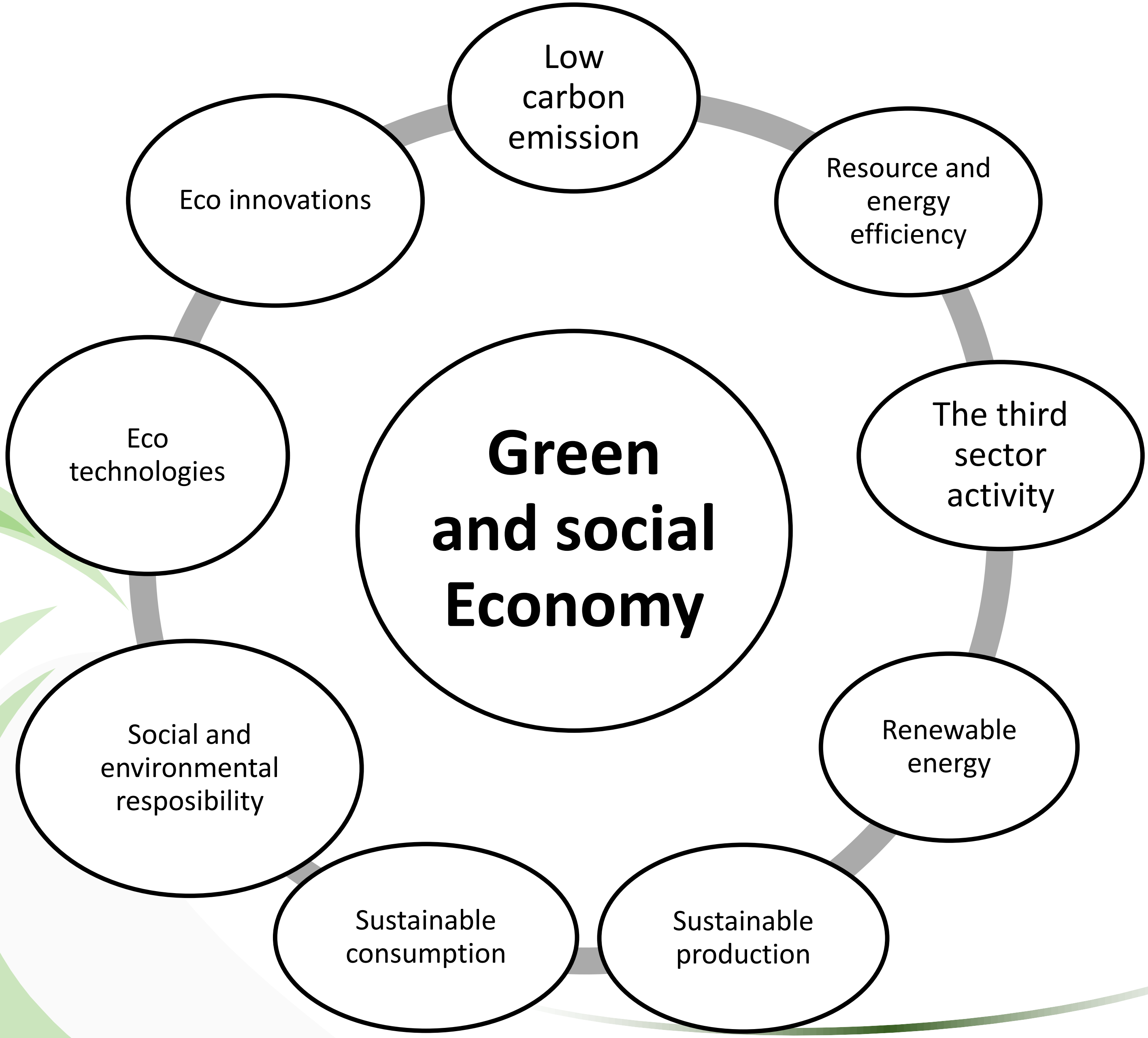
The social economy

- The social economy is a sector which makes a significant contribution to employment creation, sustainable growth and to a fairer income and wealth distribution .
- It is a sector which has weathered the economic crisis much better that others
- the social economy can and will contribute to implementation of the "Europe 2020 Strategy"

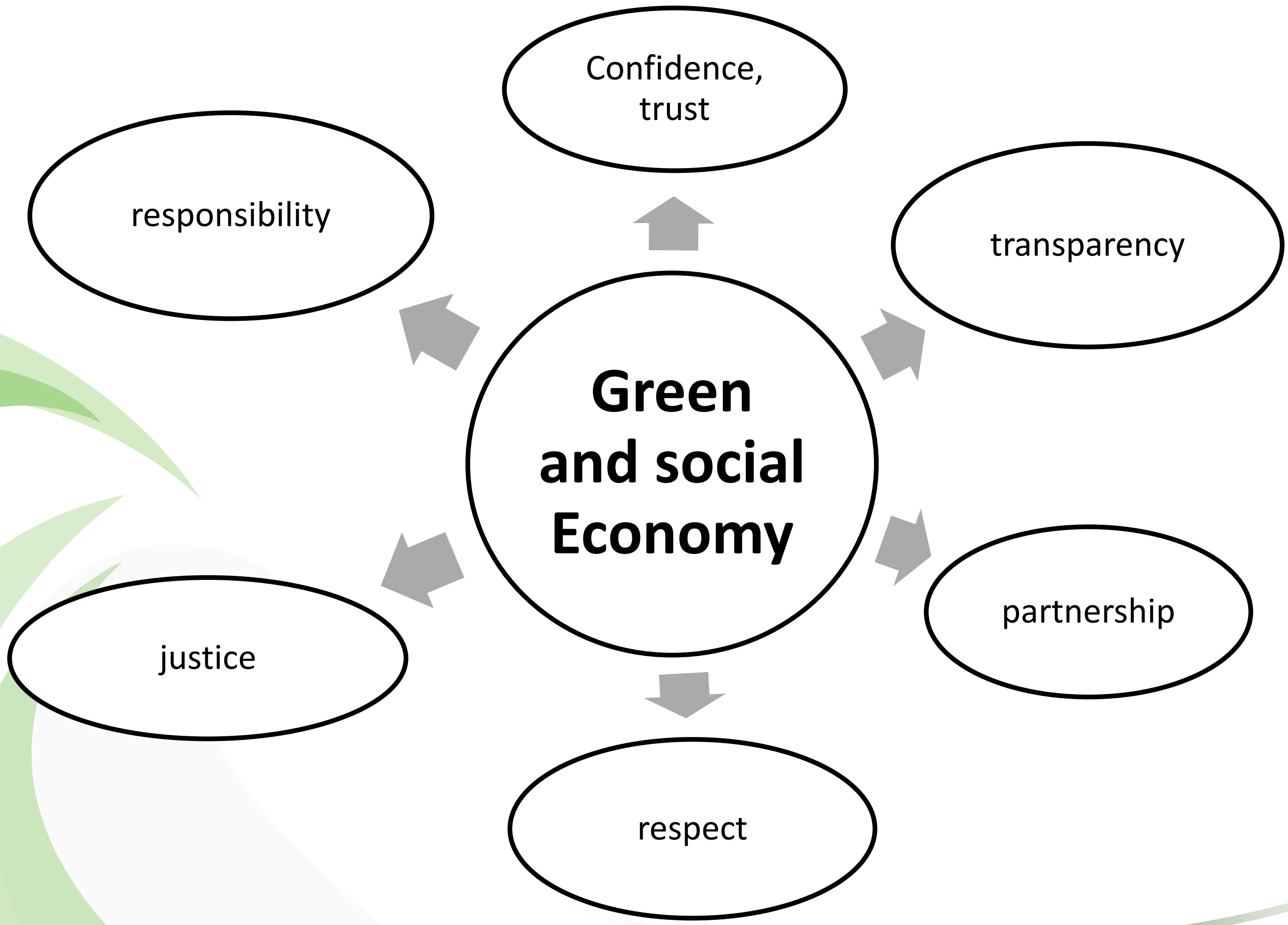
- Monzón J. L ., Chaves R., The Social Economy In The European Union, http://www.eesc.europa.eu/resources/docs/qe-30-12-790-en-c--2.pdf. 15.11.2013

- The social economy is the part of the economy that is neither privately nor publicly controlled. It is sometimes referred to as the third, citizen, or plural sector.
- In seeking to leverage the efficiencies of the private sector in pursuit of traditionally public goals such as improving social wellbeing, the social economy is a pragmatic response to the economic and social challenges of globalization.

Nancy Neamtam, The Social Economy: Finding A Way Between The Market And The State, Pplicy options 2005


Green and social Economy
Low carbon emission
Resource and energy efficiency
The third sector activity
Renewable energy
Sustainable production
Sustainable consumption
Social and environmental resposibility
Eco technologies
Eco innovations

Values of green economy



Area/Indicators	Indicator	Partial weight
I. Ecosystems/biodiversity/ natural capital		**0,14**
Change in extent of forest and other wooded land	1	0,55
Common bird index), 2000 = 100	2	0,45
II. Emissions, pollutions, waste		**0,15**
Greenhouse Gas Emissions in CO2 equivalent indexed to 1990	3	0,31
Generation of hazardous waste per capita	4	0,37
Emissions of sulphur oxides (SOx), t/1000 osób	5	0,32
III. Resource consumption		**0,15**
Primary energy consumption per capita	6	0,49
Resource productivity, EUR per kg	7	0,51
IV. Poverty and social inequalities		**0,14**
People at risk of poverty or social exclusion), % of population	8	0,40
Gini coefficient of equivalised disposable income	9	0,31
Life satistaction	10	0,29
V. Economy		**0,15**
Unemployment rate, %	11	0,36
Real gross domestic product GDP per capita, %	12	0,30
Competitiveness	13	0,34
VI. Environmental strategies and policies		**0,12**
Shares of environmental taxes in total tax revenues from taxes and social contributions, %	14	0,26
Green public procurement	15	0,24
Public spending in environmentally related RD, % total public spending	16	0,26
Protected area coverage	17	0,24
VII. Green economy sectors		**0,14**
Area under organic farming, %	18	0,26
Electricity generated from renewable sources	19	0,27
Recykling of municipal waste	20	0,26
Green patents *na 1 mln inhabitants*	21	0,22

Green Economy Index

UE 27	Ranking	IZG
Szwecja	1	1,00
Holandia	2	1,00
Dania	3	0,96
Austria	4	0,96
Niemcy	5	0,88
Wielka Brytania	6	0,81
Belgia	7	0,69
Irlandia	8	0,68
Francja	9	0,66
Finlandia	10	0,66
Słowenia	11	0,53
Luksemburg	12	0,52
Łotwa	13	0,52
Malta	14	0,50
Włochy	15	0,48
Litwa	16	0,43
Węgry	17	0,40
Estonia	18	0,40
Czechy	19	0,37
Polska	20	0,36
Słowacja	21	0,34
Hiszpania	22	0,34
Rumunia	23	0,21
Cypr	24	0,20
Portugalia	25	0,16
Bułgaria	26	0,03
Grecja	27	0,00

Ryszawska B., Zielona gospodarka-podstawy teoretyczne koncepcji i pomiar jej wdrażania w Unii Europejskiej, Wydawnictwo UE we Wrocławiu

Conclusion

- Green and social economy is an alternative approach to brown economy
- Green and social economy is a challenge for bussines but also for consumers and goverments
- Important are not only environmentaly friendly production and consumption but also values

THANK YOU FOR YOUR ATTENTION