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# D11.2 Reports on the SPES policy dialogues

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## Disclaimer

This report for the project SPES has been prepared by the University of Florence and Social Platform as a deliverable for Work Package 11 “Impact and stakeholder mobilizations for the transition” – Task 11.3 “Mobilisation of stakeholders and policy makers”. This task focused on organising four SPES Policy dialogues to share and discuss the policy implications of the SPES results and findings with relevant policy makers, EC officers, practitioners, scholars and CSOs’ representatives, engaging in effective and impactful dialogue.

This deliverable contains original unpublished work except where clearly indicated otherwise.

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# Executive Summary

The four SPES Policy dialogues – held respectively in Rome (May 2024), Budapest (November 2024), Florence (June 2025) and Brussels (January 2026) – established a consensus among researchers, policymakers, and activists that the global community faces a complex "**poly-crisis**", characterised by extreme wealth inequalities, climate change, biodiversity collapse, social exclusion, and a profound "**crisis of humanity**". The discussions emphasised that isolated solutions are insufficient, necessitating a systemic, integrated approach that moves decisively **beyond GDP** toward a holistic vision of **Sustainable Human Development (SHD)**.

Experts stressed that environmental degradation disproportionately affects vulnerable groups, and the **cost of inaction** on climate policy is massive and largely overlooked in political decisions. Moreover, countries in the Global South bear disproportionately higher costs for climate mitigation and adaptation. The core challenge identified is a systemic failure rooted in a dominant global economic structure that remains heavily focused on profit maximisation and growth, and prioritises GDP over holistic wellbeing, creating poorly aligned trade-offs between economic, social, and environmental goals.

In response, the SPES project proposes a novel framework centred on Sustainable Human Development (SHD), which reinterprets the UN's Agenda 2030 by placing Peace at the centre and promoting five synergistic pillars: Equity, Productivity, Environmental Sustainability, Participation & Empowerment, and Human Security. This vision is fully embraced also in the "Manifesto for a New Economy," a call to fundamentally reshape economic theory and practice around multidimensional wellbeing, civic engagement, and interdisciplinary, ethics-based solutions.

This systemic shift is framed not merely as a technical transition, but as an "intellectual and political adventure" that requires moving beyond the mere measurement of our decline to a fundamental redesign of our economic policies and modes of production to ensure intergenerational fairness and human flourishing.

## Key takeaways across the dialogues include:

- The Transition Must Be Just: There is an urgent need to embed social justice into the European Green Deal through robust social impact assessments, adequate funding mechanisms like the Social Climate Fund, and proactive support for vulnerable groups who are disproportionately affected by transition costs.
- Integrated Policy is Essential: Siloed thinking within institutions is a major barrier. A holistic, systems-based approach is required, breaking down barriers between economic, social, and environmental policy domains and fostering collaboration between government, business, academia, civil society, and the natural environment.
- Beyond GDP is a Necessity: Existing economic models are inadequate for capturing the complexities of a just transition. The dialogues call for a definitive shift to multidimensional metrics that measure wellbeing, resilience, and equity, such as the OECD Wellbeing Framework and the EU Resilience Dashboards.
- A Narrative Shift is Crucial: The public discourse is hampered by misinformation and a lack of a positive, compelling vision for the future. The connection between sustainability and social justice is often mishandled or polarised by media. An urgent new narrative is needed, one that positively portrays the transition as leading to a better quality of life, jobs, cheaper energy, and social justice.
- The Problem is Fundamentally Human: The crises are not merely technical but are symptoms of a deeper crisis of humanity. Solutions require integrating economics with psychology,

sociology, and the humanities, moving beyond technocratic approaches. The transformation demands shifting the dominant narrative away from efficiency and profit toward valuing love, relationships, empathy, and the deep connection to nature. Achieving a sustainable transition requires the collective commitment and "unity" of all stakeholders: governments, businesses, academia, civil society, and natural environment.

- "Green Growth" is Insufficient: While some decoupling of GDP from emissions has occurred, the pursuit of "green growth" is an illusion that fails to account for the transgression of seven of the nine planetary boundaries, including resource extraction and biodiversity loss; a true transition requires a shift toward sufficiency and resource-conscious production.
- Move from Reactive to Proactive Policy: The traditional "post-market compensatory approach" – growing the economy first and redistributing wealth later – is reaching its limits; the EU must transition to a proactive model that designs the economy for wellbeing from the outset through inclusive markets, social investment, and the strengthening of Universal Basic Services.
- Addressing the Paradox of Insecurity: Despite rising wellbeing metrics in some areas, many citizens experience a "paradox of insecurity" characterized by deep economic anxiety and a loss of agency, which fuels populist resistance; overcoming this requires material solutions like affordable housing and the systematic use of citizens' assemblies to build democratic legitimacy for a new social contract.
- Redefining Competitiveness and Innovation: Competitiveness must be redefined as "(Social) Value / Money" rather than mere cost-cutting, shifting the focus of innovation from profit-seeking and "rent-seeking" toward solving critical social and ecological challenges.
- Global Ethical and Decolonial Realignment: The "Beyond Growth" project is fundamentally a "decolonial project" that requires rebuilding North-South relationships by moving away from extractive, export-led growth models toward global partnerships rooted in debt-for-nature swaps and mutual respect.
- The "Counterproductivity" of Growth Policies: Policymakers must recognise that growth-oriented strategies, such as labour market flexibilization, have often reached a point of "counterproductivity," where they paradoxically worsen the social exclusion and precarity they were intended to solve.

# The Inadequacy of the Current Paradigm: From Flawed Policy to a Global Poly-Crisis

The dialogues trace a clear trajectory from identifying specific policy shortcomings to diagnosing a systemic global crisis. The initial focus on the European Green Deal's social failures broadens to a critique of national-level implementation challenges and culminates in a call for a fundamental overhaul of global economic thinking.

## The European Green Deal's Insufficient Social Dimension

The First SPES Policy dialogue in Rome (May 2024) established that the European Green Deal (EGD), a flagship EU initiative, has provided ambitious climate legislation but has insufficiently focused on the social dimension of the just transition. This oversight has led to backlash from groups unable to bear the costs, particularly following the cost-of-living crisis exacerbated by the pandemic and the war in Ukraine. There is a significant risk that the EGD's social component will be deprioritised in favour of competitiveness, industrial policy, and defence in the 2024-2029 EU agenda.

- Critique of Funding: Civil society representatives argued that the Just Transition Fund and Social Climate Fund are inadequate. The latter is not expected to bear all costs, requiring significant member state contributions.
- Public Perception: Despite broad public support for the green transition (90% of Europeans), a Eurobarometer survey revealed widespread uncertainty about skills and a lack of confidence, compounded by a significant increase in energy poverty.
- Stakeholder Engagement: Engagement with civil society in mechanisms like the Territorial Just Transition Fund was described as often "tokenistic or non-existent."

## National Implementation: Trade-Offs, Silos, and the Cost of Inaction

The Second SPES Policy dialogue in Budapest (November 2024) highlighted the concrete challenges of translating sustainability goals into national policy. Discussions revealed deep-seated conflicts between economic growth, social equity, and environmental protection.

- Siloed Policymaking: A recurrent theme was the need to overcome fragmented, siloed thinking in public administration, where different ministries and policy domains work without integration.
- Economic vs. Environmental Trade-Offs: In several European countries, the overdevelopment of manmade capital has occurred at the expense of natural and human capital. Examples included the conflict between forest conservation and economic interests in the energy sector. Scholars and activists noted that the "cost of inaction" on climate is massive but often overlooked, and that absolute decoupling of economic growth from environmental impact remains a "myth" without demand reduction.

- The Limits of Current Scenarios: SPES researchers presented three scenarios for Europe (market-driven, Green Deal, post-growth), arguing that only the post-growth scenario is capable of meeting the Paris Agreement's 2°C target.

## Diagnosis of a Global "Poly-Crisis"

The Third SPES Policy dialogue in Florence (June 2025) consolidated these critiques into a broader diagnosis of a global "poly-crisis" rooted in a flawed economic paradigm.

- Interconnected Crises: Scholars outlined four interconnected challenges: a failing multilateral system, the deepening poly-crisis (conflict, environment, social exclusion), profound technological inequality, and a deep crisis of ethics driven by a "logic of power and libertarianism" that is incompatible with human survival.
- Evidence of Failure: OECD data provided stark evidence supporting this diagnosis:
  - Extreme Wealth Inequality: In OECD countries, the top 10% hold half the wealth, while the bottom 40% hold less than 10%.
  - Climate Change Costs: Climate change is projected to cause a loss of almost 20% of global income, hitting the poorest countries and households hardest.
  - Mental Health Decline: A significant decline in mental health, especially among youth, is linked to loneliness.
- A Crisis of Humanity: SPES researchers concluded that the overarching issue is a "crisis of humanity." The dominant narrative structuring the economic system is based on the flawed model of *homo economicus*, which prioritises profit maximisation and efficiency over human connection, relationships, and nature.

## Decoupling isn't enough - "Beyond GDP" first calls for "Beyond Growth"

The Fourth SPES Policy dialogue in Brussels (January 2026) served as the synthesis for the series, shifting the focus from "Beyond GDP" to a comprehensive "Beyond Growth" perspective. This dialogue established that the traditional "grow, tax, and redistribute" model has reached its breaking point due to the transgression of seven of the nine planetary boundaries and the inherent "counterproductivity" of growth-centric policies. Experts argued that policies designed to stimulate growth, such as flexible labour markets and deregulated trade, have paradoxically increased precariousness and weakened local resilience. The dialogue concluded that "green growth is an illusion" because decoupling GDP from environmental impact is limited and fails to account for resource extraction and biodiversity loss. Consequently, the dialogue called for a transition from "altimeters" (metrics) to "parachutes" (transformative policies) that design the economy for sustainable and inclusive wellbeing from the outset.

# Solutions and Policy Recommendations

The dialogues produced a rich set of actionable recommendations aimed at overcoming the identified barriers, spanning governance, finance, measurement, and public engagement.

## Governance and Institutional Reforms

- Appoint an Executive Vice-President for Wellbeing and Future Generations in the EU Commission.
- Reform the European Semester to balance economic, social, and environmental priorities.
- Establish a European Just Transition Observatory to improve the evidence base and support stakeholders.
- Strengthen civil dialogue, ensuring it is structured and continuous, not ad hoc.
- Promote inter-institutional cooperation to break down silos and facilitate integrated, systemic thinking in policymaking.
- Adopt legislative instruments for future generations, using Wales's Commissioner for Future Generations Act as a model.
- Adopt a realistic, non-ideological approach that avoids sacrificing industrial potential. Strategic investment is needed to build domestic production capacity for green technologies (e.g., photovoltaic panels) to ensure energy sovereignty.
- Systematically utilize citizens' assemblies to redefine societal goals, build democratic legitimacy, and co-create a new social contract that moves "beyond GDP".
- Support "place-based, community-led solutions" and niche innovations from civil society to ensure the transition is shaped by local needs rather than top-down bureaucracy.

## Economic and Financial Instruments

- Steer capital investments towards SHD, filling investment gaps and strengthening Multiannual Financial Framework funding.
- Advocate for 100% of carbon revenue to go to the Social Climate Fund to ensure sufficient resources reach those in need.
- Internalise environmental costs into corporate and policy decisions to provide correct incentives.
- Develop an EU methodology for tracking social investment returns.
- Invest in resilience before shocks occur, building adaptive and transformative capacity.
- Reframe inclusion as activation, ensuring people have quality jobs, defined by fair wages and social protection.
- Adopt the concept of "Industry 5.0," built on three pillars: sustainability, human centricity, and resilience
- Adopt a three-pillar "parachute" strategy for the welfare state: maintain critical post-market compensation, build inclusive markets (valuing the care and social economies), and champion proactive social investment in foundational services like the European Child Guarantee.

- Implement aggressive taxes on economic "ills", including corporates windfall profits, financial speculation, and carbon emissions, to finance the transition.
- Redirect the \$900 billion in annual fossil fuel subsidies toward ecological transformation and sustainable infrastructure.
- Leverage central banks and Modern Monetary Theory (MMT) to finance crucial social and ecological investments at low cost.
- Prioritise expanding Universal Basic Services, including affordable housing, energy, food, and transport, to provide security and de-commodify essential needs

## Measurement, Data, and Research

- Work to achieve four types of consensuses – i.e., Theoretical, Technical, Public, and Political - regarding new measurement systems.
- Go Beyond GDP by converging towards a definitive measurement system for Sustainable Inclusive Wellbeing.
- Utilise Integrated Measurement Tools like the EU's Resilience Dashboards and the OECD Wellbeing Framework.
- Make Research & Innovation (R&I) Policy Transformative, steering all R&I towards social and environmental missions.
- Bridge the gap between academia and policymaking by translating scientific knowledge into actionable advice.
- Adopt new macroeconomic models for policy forecasting that integrate planetary boundaries and social thresholds to ensure realistic assessments of policy impacts.
- Institutionalise wellbeing indicators directly into the European Semester to guide all core EU policy decisions.

## Narrative, Engagement, and Education

- Create a new narrative portraying the transition as a path to a better life, jobs, cheaper energy, and social justice.
- Transformation requires changing the narrative away from efficiency toward valuing love, relationships, and the deep connection to nature.
- Promote critical, creative, and caring citizenship by strengthening EU funding for active citizenship initiatives.
- Engage experts in new media to counter misinformation and communicate effectively.
- Promote dialogue across cultures and civilizations based on mutual respect.
- Invest in upskilling and reskilling with a focus on both technical skills and foundational character skills like resilience and cooperation.
- Integrate the Humanities (i.e., history, philosophy, etc.) into policy dialogue to address the fundamentally "human problems" at the core of the crises.
- Actively build and promote new narratives based on sufficiency and solidarity to counter the dominant growth-centric discourse and address "deep economic anxiety".
- Fundamentally reform curricula in schools and universities to educate for a sustainable future, moving away from purely technical training.
- Protect funding for independent culture as a vital space for citizen involvement and imagining new futures.

# Conclusions: A Call for Systemic and Ethical Transformation

The SPES Policy dialogues collectively issue an urgent call for a fundamental reset in humanity's approach to development. The consensus is clear: incremental adjustments and technological fixes are insufficient to address a "poly-crisis" that is, at its heart, a "crisis of humanity."

The path forward requires a systemic transformation grounded in a new economic paradigm, one that replaces the narrow pursuit of profit with a holistic commitment to sustainable and inclusive wellbeing. This involves operationalising integrated frameworks (like SPES framework and the Manifesto for a New Economy), which champion synergy between equity, productivity, sustainability, participation, and security.

Achieving this vision depends on overcoming deep-seated barriers through integrated governance, just financial mechanisms, and robust systems of measurement that value what truly matters. However, the most profound challenge lies in shifting the dominant societal narrative from one of efficiency and individualism to one of unity, care, and collective responsibility. As articulated in the dialogues, this requires moving beyond technocratic solutions to embrace the complexity of human nature by integrating ethics, psychology, and the humanities into the core of policymaking.

The transition demands a collective commitment from all actors, governments, businesses, civil society, and individuals, to work in unison. The work is not to tweak the existing system, but to co-create a new one where the economy serves society and both are rooted in a thriving natural world.

Ultimately, this transition is framed as an "intellectual and political adventure" that requires the courage to move beyond the narrow goal of GDP growth to finally unite the social justice and environmental movements under a shared aspiration for human and planetary wellbeing.

# First SPES Policy dialogue - Rome, 20 May 2024

## Social impacts of the sustainability transition: Evidence and policies for a Social Green Deal

### Description

The First SPES Policy dialogue took place at the “Festival dello Sviluppo Sostenibile 2024”, held at the “Palazzo delle Esposizioni” in Rome. The event brought attention to the European Green Deal (EGD) - one of the flagship initiatives of the 2019-2024 EU mandate that has provided ambitious legislation to move Europe towards a carbon neutral society. However, climate solutions – and, more broadly, sustainability transitions – need to be embedded within social justice to ensure no one is left behind during this transition. The focus on the social dimension of the just transition has been insufficient in the last EU mandate. This is leading to a backlash from groups unable to shoulder the cost of the EGD or concerned about its impact on their standard of living, following a cost-of-living crisis fuelled by the COVID-19 pandemic and Russia’s invasion of Ukraine. At the same time, discussions around the next EU strategic agenda for 2024-2029 increasingly focused on competitiveness, productivity, industrial policies, enlargement and defence. It was already foreseen a significant risk that the EGD – and even more so its social dimension – will be deprioritised. In this challenging political climate, the role of research in informing policy decisions based on evidence and ensuring a just transition for all is more crucial than ever.

## SPES POLICY DIALOGUE

# SOCIAL IMPACTS OF THE SUSTAINABILITY TRANSITION

## Evidence and policies for a Social Green Deal



11.15 Palazzo delle Esposizioni  
13.00 via Nazionale, 194 - ROMA

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The European Green Deal (EGD) - one of the flagship initiatives of the 2019-2024 EU mandate - has provided ambitious legislation to move Europe towards a carbon neutral society. However, climate solutions – and, more broadly, sustainability transitions – need to be embedded within social justice to ensure no one is left behind during this transition.

The focus on the social dimension of the just transition has been insufficient in the last EU mandate. This is leading to a backlash from groups unable to shoulder the cost of the EGD or concerned about its impact on their standard of living, following a cost-of-living crisis fuelled by the COVID-19 pandemic and Russia's invasion of Ukraine.

At the same time, discussions around the next EU strategic agenda for 2024-2029 increasingly focus on competitiveness, productivity, industrial policies, enlargement and defence. There is a significant risk that the EGD – and even more so its social dimension – will be put on the back burner.

In this political context, research is crucial to provide evidence and support good policymaking.

### OPENING PRESENTATION OF SPES ARGUMENTS

**Mario Biggeri**, SPES project - University of Florence

### SPEAKERS

**Elisabetta Ambrosi**, Journalist for "Il Fatto Quotidiano"

**Peter Benczur**, European Commission JRC

**Romina Boarini**, OECD WISE

**Laura de Bonfils**, Social Platform

**Lars De Nul**, European Commission DG RTD

**Enrico Giovannini**, ASVIS

**Linda Laura Sabbadini**, Women20

**Frank Siebern-Thomas**, European Commission DG EMPL

**Heriberto Tapia**, UNDP HDRO

### MODERATION

**Andrea Ferrannini**, SPES project - University of Florence

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## 1. Summary

The policy dialogue addressed the insufficient focus on the social dimension of the just transition within the European Green Deal (EGD). Concerns include the EGD's cost burden on groups affected by economic crises and the risk of the EGD's social dimension being side-lined in future EU agendas. Research is deemed crucial to provide evidence for good policymaking in this context.

### **Mario Biggeri, SPES Project Scientific Coordinator, University of Florence**

Mario Biggeri welcomed attendees and introduced the SPES project (Sustainability Performances, Evidence and Scenarios), which also means "hope". The project's overall objective is to develop a novel integrated framework for sustainability transition, moving beyond GDP growth towards sustainable and inclusive wellbeing. SPES focuses on the pillars of Sustainable Human Development (SHD) and aims to reconcile productivity, equity, environmental sustainability, participation and empowerment, and human security, seeking synergies rather than trade-offs.

The SPES framework starts from the 5 Ps of the 2030 Agenda, placing Peace at the centre, reinterpreting them as SHD pillars: Equity (for People), Productivity (for Prosperity), Environmental Sustainability (for Planet), Participation & Empowerment (for Partnership), and Human Security (for Peace). It introduces the Quintuple Helix model, including civil society and the natural environment as key actors.

Mario Biggeri also highlighted that the current economic system is heavily focused on growth and profit maximisation. He called for a shift toward a more inclusive system that values equity, sustainability, and human security in synergy, rather than treating these elements as competing priorities. He emphasised that "transformative governance, research, and investment" are needed to achieve this vision. Transformative elements include inner transformation towards unity, reflexivity, and social learning, supported by good governance, transformative research & innovation, and targeted investments.

Policy mapping revealed a growing focus on climate policies but limited synergies with the social dimension, tighter policy integration since the EGD, awareness of transition costs on people's lives, but limitations in the EU's ability to implement a progressive agenda, and a dominance of soft laws with weak enforcement in social policy.

The SPES policy brief, "The winds of change", advocates for SHD with its five pillars as the cornerstone of future European policy frameworks, requiring a dynamic transition centred on collaborative governance and collective human action. Key recommendations include:

Ensuring appropriate governance mechanisms: Appointing an Executive Vice-President for Wellbeing and Future Generations, reforming the European Semester to balance priorities, revising the EU Social Scoreboard, and changing monitoring methodology.

Steering capital investments towards SHD: Filling investment gaps, strengthening Multiannual Financial Framework funding for SHD, and finalizing an EU methodology for tracking social investment returns.

Going beyond GDP: Converging towards a definitive beyond-GDP measurement system.

Making Research & Innovation policy transformative: Steering all R&I policies towards social and environmental missions.

Promoting critical, creative, and caring citizenship: Strengthening EU funding for active citizenship initiatives.

Mario Biggeri concluded by emphasising that the overarching goal of European policies should be a fundamental transformation promoting sustainable and inclusive wellbeing, requiring productivity and value-added processes to stand on equal terms with reducing inequalities, vulnerabilities, and protecting the environment. He underscored the need for unity and collective commitment from all stakeholders.

### **Andrea Ferrannini, SPES Project Manager, University of Florence, ARCO**

Andrea Ferrannini, SPES Project Manager, served as the moderator for the dialogue round table. He introduced each speaker and posed insightful questions guiding the discussion on the social impacts of the sustainability transition. His questions prompted speakers to elaborate on topics such as the role of social investments, measurement tools for wellbeing and sustainability, strategies for supporting vulnerable groups, the importance of civil society, integrated policymaking, industrial policy's social dimension, impacts on the Global South, and the media's role in public support.

### **Enrico Giovannini, Co-founder and Scientific Director, ASVIS**

Enrico Giovannini discussed the importance of social investments for a just transition and a transformative resilience approach for Europe to prepare for shocks. He highlighted that the work on transformative resilience, which emphasises investing before shocks occur to build adaptive and transformative capacity, was initially met with resistance but gained traction after the COVID-19 pandemic.

A significant challenge, according to Giovannini, lies in the limitations of existing economic and econometric models. These models, often built on the assumption of a return to equilibrium, struggle to capture the impact of social investments and their contribution to resilience. This poses a problem for evaluating initiatives like the Recovery and Resilience Facility. He concluded by stressing the need for the new fiscal rules, set to be implemented in 2025, to better reflect these dimensions of resilience.

### **Romina Boarini, Director, OECD WISE**

Romina Boarini focused on strengthening the measurement of wellbeing, inclusion, sustainability, and equal opportunities, as well as identifying evidence gaps. She advocated for systemic and integrated policy frameworks that support aligned sustainability goals, provide assurance to those most affected by climate change, and are backed by clear, resolute government commitments.

Boarini presented evidence that environmental degradation disproportionately affects vulnerable groups, such as children and the elderly due to air pollution, and socio-economically vulnerable populations in coping with heatwaves or accessing healthcare. She noted that carbon taxation can be regressive. She called for "triple dividend" policy solutions that benefit the economy, environment, and people simultaneously, such as retrofitting housing for energy savings and making clean energy accessible to low-income individuals, financed through fiscal recycling.

OECD WISE is developing an integrated assessment model to determine optimal fiscal recycling levels for specific countries. She highlighted crucial evidence gaps, particularly the need for

comprehensive data on the impact of environmental assets on human and mental health. Boarini also pointed out a significant statistical and data gap in the finance sector, where many corporate board members lack understanding of sustainability data, and investment decisions often fail to embed sustainability impacts. She concluded that financial and "informational" materiality often go hand-in-hand, with investments in employee wellbeing leading to higher productivity and financial success.

In response to audience questions, Boarini discussed the ESG paradigm, emphasising the need for robust metrics and drawing parallels with "beyond GDP" efforts in measuring what truly matters. Regarding Universal Basic Income (UBI), she preferred to emphasise the importance of paying equitable salaries and wages that reflect the purpose and value jobs provide to societal wellbeing, rather than disconnecting salary from work.

### **Frank Siebern-Thomas, European Commission DG EMPL**

Frank Siebern-Thomas addressed fair transition policies and the social dimension of climate transition, acknowledging that while much has happened at the EU level, there's a need for further development. He noted the EU's legislative efforts, the transformation agenda, and the growing recognition of systemic change, including the development of a "beyond GDP" dashboard.

He highlighted breakthroughs in the European Pillar of Social Rights, such as directives on minimum wages and working conditions, which must be integrated into climate transition discussions. Fairness, he stated, has been a key objective of the Green Deal from the outset, aiming for an "inclusive by design" transition to avoid negative consequences. He emphasised the potential for "triple dividends" from climate and energy policies: reducing emissions, creating high-quality jobs, and improving people's wellbeing.

Despite broad public support for the green transition (90% of Europeans), a Eurobarometer survey revealed uncertainties about skills and a lack of confidence in the transition, compounded by a significant increase in energy poverty. To ensure a fair transition, he pointed to the need for huge investments in reskilling and upskilling for new jobs in clean tech, and the importance of addressing new health risks and "triple injustices" where the most vulnerable bear the highest costs.

Regarding the Social Climate Fund, Siebern-Thomas noted that while the Commission supported member states in drafting plans, the fund should not be expected to bear all costs, requiring member state contributions. He stressed the importance of engaging all stakeholders (member states, social partners, civil society) and improving the evidence base, announcing the establishment of a European Just Transition Observatory to support these efforts.

### **Laura de Bonfils, Secretary General, Social Platform**

Laura de Bonfils underscored the crucial role of civil society in advocacy, mapping people's needs, and translating them into evidence-based just transition policies. She warned that the current Green Deal is at risk, emphasising the urgent need for a "Green Deal with a social heart" that proactively addresses social dimensions as a priority, without slowing down climate action.

de Bonfils critiqued the current Green Deal for its lack of focus on social mitigation policies for vulnerable people and insufficient consultation with civil society. She argued that the Just Transition Fund and Social Climate Fund are currently inadequate.

For the next EU mandate, her priorities included:

1. Conducting appropriate social impact assessments on policies, prioritising social aspects within climate policies, and establishing robust methodologies linked to a renewed social scoreboard.
2. Advocating for 100% of carbon revenue to go to the Social Climate Fund to ensure sufficient resources reach those in need.
3. Improving stakeholder engagement, learning from past "tokenistic or non-existent" practices in funds like the Territorial Just Transition Fund.
4. Integrating social, climate, and economic policies by addressing the governance framework.
5. Strengthening civil dialogue, which is currently ad hoc in certain policy areas, to ensure policies truly address people's needs.
6. Exploring a permanent investment facility to support member states and reform economic governance.

### **Lars De Nul, European Commission DG RTD**

Lars De Nul introduced the concept of Industry 5.0, developed by the European Commission, as a necessary evolution beyond Industry 4.0. This paradigm is built on three pillars: sustainability, human centricity, and resilience.

He explained that Industry 5.0 aims to reposition European industry as an agent for the twin (digital and green) transition.

- Sustainability involves adopting a circular economy approach and addressing raw material scarcity, as Europe lacks many necessary resources.
- Human centricity focuses on attracting skilled workers by improving industry's often negative image and using technology to support human input rather than just replacing it.
- Resilience requires industry to adapt to rapidly changing geopolitical and environmental situations, moving away from long-term, static production models.

De Nul mentioned a community of practice with 100 companies piloting Industry 5.0, demonstrating a growing industry motivation for a broader, holistic view of competitiveness. He cited Schneider Electric as an example, stating that companies failing to adopt Industry 5.0 objectives might not be viable in Europe within five to ten years, as societal problems become internalized as industry needs for competitiveness.

### **Peter Benczur, European Commission JRC**

Peter Benczur, who leads the inter-service working group on sustainable and inclusive wellbeing, stressed the need to rethink how social and societal issues are addressed, not just within the transition context, but also due to rising inequalities and polarisation. He emphasised that the social dimension should extend beyond the most vulnerable to include the broad middle class, whose buy-in is crucial for a successful green transition.

He recalled the JRC's work with Enrico Giovannini on resilience, advocating for a system perspective and integrated approaches. The COVID-19 crisis reinforced the importance of resilience, leading to greater collaboration within the Commission and the NextGenerationEU package. To support this, the Resilience Dashboards were developed as an integrated measurement tool across social/economic, green, digital, and geopolitical dimensions. This tool was developed through highly participatory inter-service working groups and extensive consultations, resulting in a broad consensus rather than a "perfect scientific tool".

Benczur affirmed that such an open, participatory process is critical for complex societal issues and is being applied to the Sustainable and Inclusive Wellbeing initiative, building linkages with academia and NGOs. He acknowledged the challenges: it's complex, slow, and requires perseverance, making "beyond GDP" issues difficult to penetrate. He noted that "deep transformations" might sometimes require "bold jumps" rather than full consensus upfront, but continuous conversation is crucial to build trust. Benczur highlighted the immense potential for the Commission to be a "learning institution," actively channelling and posing policy questions to external knowledge, with the JRC playing a facilitating role. He concluded by emphasising the importance of internalizing the costs of environmental damage into corporate and policy decisions to provide the right incentives.

### **Heriberto Tapia, UNDP HDRO**

Heriberto Tapia discussed the unintended consequences of transition actions, highlighting the need for humility in understanding them. He pointed out that developing countries face disproportionately higher costs from climate mitigation needs (lacking resources), indirect costs from developed countries' mitigation, and adaptation costs.

He proposed using the lens of global public goods to navigate these challenges:

- Summation public goods (e.g., mitigation) require contributions from all players, necessitating strengthened collaboration with developing countries that lack resources.
- Critical public goods (e.g., adaptation) mean that the non-performance of certain players can affect the entire system, emphasising the urgency of addressing crises in vulnerable countries like small island developing states.
- Best shot of common goods involves actions by better-positioned players benefiting the whole planet (e.g., developing countries preserving the Amazon), requiring strengthened ability and protection for these actors, such as human rights defenders covered by the ESCASU agreement in Latin America.

Tapia concluded by stressing the importance of new narratives that expand capabilities and highlight the unique contributions of all segments of society, particularly those often overlooked, such as indigenous groups, in contributing to the transition. He also noted the need to pay attention to how the US and European Union behave regarding global public goods.

### **Elisabetta Ambrosi, Journalist for "Il Fatto Quotidiano"**

Elisabetta Ambrosi, a journalist, provided a critical perspective on how Italian and European media mishandle the connection between sustainability and social justice, hindering the transition. She argued that the close ties between politics and media lead to polarised information, creating confusion and adverse feelings among the public.

She explained that right-wing narratives have effectively understood the link between ecological transition and people's lives but have reversed it into a negative, easy-to-communicate "NO to everything". This narrative frames green decisions as "cold ideological ecologism," "green totalitarianism," "eco-bullshit," or economically detrimental.

Ambrosi asserted that a new narrative is urgently needed, one that portrays the transition as leading to a better life, jobs, cheaper energy, more common goods, participation, democracy, equality, and social justice. She lamented that no political party is currently effectively communicating this vision. She also critiqued mainstream left-wing information, which often focuses on "economic growth,

green capitalism, elitist ecologism" without challenging power dynamics or truly addressing social and cultural changes.

She concluded that both "right fossil capitalism" and "falsely green 'left' capitalism" are at an impasse regarding transition and social justice. Quoting Rebecca Solnit, Ambrosi stated, "climatic crisis is a narrative crisis," emphasising the urgent need to address this information problem. She reinforced the idea that new narratives must expand capabilities and include contributions from all parts of society, including indigenous groups, who are often not well-represented.

### **Mario Biggeri, SPES Project Scientific Coordinator, University of Florence**

The final remarks reinforced the need for a holistic approach involving diverse actors. Heriberto Tapia reiterated the importance of new narratives that expand capabilities and highlight the unique contributions of all societal segments, especially indigenous groups, who are often not well-portrayed. Mario Biggeri thanked all speakers, noting their ability to highlight the different roles of actors, including journalism, in changing narratives. He stressed that achieving change requires more than just technological advancements or good policymaking; it needs the commitment of civil society, businesses, and individuals. Mario Biggeri emphasised the "Unity" concept of the SPES program, highlighting that collective action in the same direction is essential for a sustainable and inclusive future, acknowledging the EU's intensive work in this area.

## 2. Challenges and opportunities

The policy dialogue revolved around how the European Union's Green Deal and climate transition efforts must be just, inclusive, and mindful of their social impacts. Key challenges include ensuring that vulnerable populations, particularly low-income and marginalised groups, are not disproportionately impacted by the green transition. There was an emphasis on integrating the social dimension into the transition agenda. Indeed, the discussions underscored that despite the EGD establishing ambitious carbon neutrality legislation, its social dimension has been insufficient, leading to potential public backlash and a risk of de-prioritisation. The dialogue aimed to develop an integrated framework for sustainable and inclusive wellbeing, moving beyond mere GDP growth, by focusing on the pillars of Sustainable Human Development (SHD): productivity, equity, environmental sustainability, participation & empowerment, and human security. Policymakers, civil society, and the research community were all highlighted as crucial actors.

Theme	Challenges	Solutions / Policy implication
<p><b>Sustainable and Inclusive Transition</b></p> <p><b>(Equity &amp; Agency)</b></p>	<p>The current funding mechanisms of the Social Climate Fund is considered insufficient.</p> <p>The costs of transition are high and will disproportionately impact lower-income households and vulnerable groups.</p> <p>More investment is required to reskill workers and create quality green jobs.</p> <p>Higher costs of mitigation and adaptation faced by developing countries in the global south:</p> <p>EU policy decisions (e.g., increased mineral mining for electric vehicles) have negative impacts on human rights and the environment in the Global South.</p>	<p>Advocate for 100% of carbon revenue to go to the Social Climate Fund, as the current allocation is insufficient.</p> <p>The importance of integrating climate policies with social considerations, particularly for vulnerable groups.</p> <p>Whole-system approach to ensure that climate action doesn't leave people behind.</p> <p>Stronger civil society involvement in climate and social policy development and implementation.</p> <p>The EU's transition should not harm the rights and environments of countries in the global south.</p>
<p><b>Collaborative and Integrated Policy-Making</b></p>	<p>The EU Commission's Social Climate Fund aims helps low-income households, but is not sufficient.</p> <p>Interdisciplinary challenges like just transition require integrated policymaking.</p> <p>"Deep transformations" may be difficult to achieve by full consensus, and slow processes can hinder penetration of "beyond growth".</p>	<p>Avoiding work in silos within institutions and promote collaborations across different policy domains.</p> <p>Fill investment gaps through new resources, such as an EU just transformation fund with earmarking for social investment and new progressive taxes.</p> <p>Strengthen Multiannual Financial Framework funding dedicated to SHD, including its social dimension.</p> <p>Invest in building resilience before shocks occur, not only after.</p> <p>More integrated, holistic policymaking is needed at all levels that involves various stakeholders and looks at transitions from multiple angles (social, economic, environmental)</p> <p>Use open, highly participatory processes (e.g., inter-service working groups, foresight networks, public consultations) to build broad consensus for complex societal issues.</p>

<p><b>Industrial Policy and Business Role</b></p>	<p>Business is often more focused on short-term profits rather than long-term contributions to societal challenges.</p> <p>The paradigm of Industry 4.0 (technological, traditional innovation-oriented) was not keeping up with global changes.</p> <p>Industry in Europe is declining and has a negative image, especially among younger people, making it difficult to attract talent.</p> <p>Raw material scarcity in Europe and increasing difficulty to find resources elsewhere.</p> <p>Industry needs to be ready to adapt to fast-changing geopolitical situations and cannot assume long-term stability for production.</p>	<p>Shift from mainstream economics focused solely on growth and productivity towards a novel framework that includes equity, sustainability, empowerment, and human security in synergy.</p> <p>Develop and adopt the concept of "Industry 5.0," built on three pillars: sustainability, human centricity, and resilience.</p> <p>Focus on human centricity in industry: technologies should better support the human element and input, rather than just replacing humans.</p> <p>Embrace the circular economy to address raw material scarcity.</p> <p>Develop resilience within industry to adapt to fast-changing situations.</p>
<p><b>Civil Dialogue and Participation</b></p>	<p>Civil dialogue and the social focus of the just transition are insufficient to support people's needs and ensure proper fund usage.</p> <p>Stakeholder engagement in the Territorial Just Transition Fund was often "tokenistic or non-existent".</p> <p>Need for more coordination, better involvement of stakeholders, and a better evidence base.</p>	<p>Reinforce civil dialogue and ensure civil society is engaged in policy discussions, not just ad hoc.</p> <p>Ensure national climate plans and the Social Climate Fund are developed in a supportive way, including social enterprises.</p>
<p><b>Media's Role in Public Perception</b></p>	<p>Increasing misinformation and concerted efforts to misrepresent developments for political gain.</p> <p>The connection between sustainability and social justice is "badly declined by Media" in Italy and Europe, and information is not helping the transition.</p> <p>Politics and media are often intertwined, polarising information and creating confusion and adverse feelings.</p> <p>Current narratives (both right and left) are in an impasse regarding transition and social justice; where right-wing outlets or stakeholders often frame green policies as harmful</p>	<p>New narrative around the green transition, focusing on the positive aspects - better quality of life, more jobs, and affordable energy - while also addressing social justice and equity.</p> <p>Avoid simplifying narratives, such as "green totalitarianism" or an exclusive focus on economic growth without social and cultural changes.</p> <p>The need for change goes beyond just technological change and good policymaking; it requires "unity" and the help of everybody.</p>

	<p>or costly, while left-wing outlets or stakeholders sometimes focus on elitist ecologism, without addressing social issues.</p>	
<p><b>Global Governance</b></p>	<p>Funding should be directed more effectively to those most in need, ensuring that the transition is inclusive and doesn't leave vulnerable groups behind.</p> <p>Countries in the Global South are disproportionately affected by climate change and experience uneven development, intensifying inequality, and escalating political polarisation.</p>	<p>System-wide transformation in the way societies approach sustainability and social justice.</p> <p>Addressing global public goods with the need to internalize environmental externalities into decision-making processes.</p>

### 3. Conclusions

The First SPES Policy dialogue outlined discussions from a May 2024 event in Rome, focusing on the social impacts of sustainability transitions and advocating for a "Social Green Deal" within the European Union. Speakers from various organisations, including the European Commission, OECD, and UNDP, emphasised the need to move beyond GDP-centric approaches to embrace a holistic view of sustainable human development. The dialogue highlighted that while the European Green Deal provides ambitious climate legislation, its social dimension has been insufficient, leading to public backlash and a call for integrated policymaking, increased social investment, and robust measurement systems that incorporate wellbeing and equity. The discussions also explored how to ensure that industrial policies are human-centric, resilient, and sustainable, and how media can contribute to a new narrative supporting a socially just transition while avoiding negative global impacts.

The policy dialogue underscored that the Green Deal and climate transition must go beyond reducing emissions; it must also ensure that people - especially the most vulnerable - are not left behind. Key themes included social justice, inclusive policies, public engagement, and "global collaboration". Participants emphasised the importance of integrated policymaking, involving all sectors in decision-making, and reframing the narrative to highlight the broader benefits of the transition. There was also a strong call for better funding mechanisms, more comprehensive stakeholder engagement, and stronger media coverage to build public support for the green transition.

Mario Biggeri emphasised that achieving a sustainable transition requires collective action from all sectors of society - governments, businesses, civil society, and media. He noted that the future will only be sustainable if we work together, and youth voices must play a critical role in driving this change. He acknowledged the EU's significant efforts in policy and research to drive the transition and stressed the need for cooperation to make the change possible, noting that the EU's policies and research are crucial to achieving a fair and sustainable transition. Finally, Mario Biggeri reiterated the importance of collaboration and the need for everyone to contribute to the green transition. The focus should not just be on technological advancements or policy changes but also on shifting people's behaviours and engaging society at large.

# Second SPES Policy dialogue - Budapest, 29 November 2024

## Synergies and trade-offs of the sustainability transitions

### Description

The Second SPES Policy dialogue focused on the complexities of achieving sustainable development. The dialogue featured multiple speakers and two roundtables discussing how to increase synergies and address trade-offs between social, economic, and environmental goals at national and regional levels. Presentations from experts like Prof. Mario Biggeri and Pierre Funalot established the need for a holistic approach beyond the Sustainable Development Goals (SDGs), noting that achieving sustainability often involves navigating conflicts, such as those between economic growth and environmental protection. Discussions among European Sustainable Development Network (ESDN) members and Hungarian policy advisors highlighted specific challenges in implementation, including financing the green transition, overcoming siloed thinking in policy-making, and ensuring social fairness in climate action.

## SPES POLICY DIALOGUE

# SYNERGIES AND TRADE-OFFS OF THE SUSTAINABLE TRANSITION

08.30 Delegation Hall Hungarian Parliament  
13.30 1051 Kossuth Lajos tér 1-3 - BUDAPEST

29 | 11 | 24

### FULL PROGRAMME

#### 8.30-9.00

Meeting at Gate XXVIII for entrance and registration. The gate is accessible from the Danube side, via the Visitor Centre hall

#### 9.00-9.05

**WELCOME**  
**István György Tóth**  
Director  
TÁRKI

#### 9.05-9.15

**SPES PROJECT INTRODUCTION**  
**Prof. Mario Biggeri**  
Scientific coordinator  
University of Florence

#### 9.15-9.30

**NATIONAL LEVEL POLICY MAKING AND STAKEHOLDER INVOLVEMENT IN THE FIELD OF SUSTAINABLE DEVELOPMENT**  
**Gábor Bartus**  
Secretary of the National Council of Sustainable Development Office, Hungary

#### 9.30-9.50

#### SETTING THE SCENE PRESENTATION: SYNERGIES AND TRADE-OFFS OF THE SUSTAINABLE TRANSITION

Synergies and trade-offs involved by the socio-technological transition to sustainability

**Pierre Funalot**  
University of Bordeaux

#### ROUNDTABLE I 9.50 - 10.35

**NATIONAL LEVEL PRACTICES SUPPORTING INTEGRATED DECISION-MAKING PROCESS TO INCREASE SYNERGIES AND TACKLE TRADE-OFFS BETWEEN THE SOCIAL, ECONOMIC AND ENVIRONMENTAL DIMENSIONS OF THE SUSTAINABLE TRANSITION**

Chair: **Andrea Ferrannini**  
SPES project manager, University of Florence

#### Participants:

**Mr László Borbély**  
Chair of the European Sustainable Development Network and State Counsellor, Coordinator of the Sustainable Development Department, Prime minister's Chancellery, Romanian Government

#### **Fabrice Dehoux**

Member of the Secretariat of the Belgian Federal Council FRDO-CFDD

#### **Katalin Sipos**

Vice-Chair of the EEAC network, member of NFFT, CEO of Hungarian WWF

#### 10.35-10.50

Q&A session

#### 10.50-11.10

COFFEE BREAK

#### 12.25-12.30

CLOSING REMARKS

**Mario Biggeri**  
University of Florence

#### 12.30-13.30 13.30-14.30

LUNCH + VISIT OF THE PARLIAMENT

SPES participants and invited guests

#### ROUNDTABLE II 11.10-12.10

**SYNERGIES AND CHALLENGES FOR THE HUNGARIAN SUSTAINABLE TRANSITION PROCESS**

Chair: **István György Tóth**  
Director, TÁRKI

#### Participants:

**Csaba Gondola**  
Managing Director of the Institute for Energy Strategy, Chief Adviser to the Minister of Energy

#### **Ada Ámon**

Director of Budapest Climate Agency

#### **András Huszár**

Director of the Green Policy Centre

#### **Szilárd Lantos**

Programme Leader of Catching-up Settlements Program, Hungarian Charity Service of the Order of Malta

#### 12.10-12.25

Q&A session



Funded by European Union's Horizon Europe Programme under Grant Agreement No. 1011094551

Due to security reasons, the registration is **MANDATORY** for the event. Please fill out the registration form in the QR code, **no later than the noon of 25th November 2024.**



## 1. Summary

The dialogue emphasised the critical need for science-based policy advice, robust inter-institutional cooperation, and a redefinition of economic success that prioritises socio-ecological efficiency and human wellbeing. Also through two roundtables discussions; the first on: “National level practices supporting the decision-making process to increase synergies and tackle trade-offs between the social, economic and environmental dimensions of the sustainable transition”; while the second on: “Synergies and challenges for the Hungarian sustainable transition process”; this comprehensive discussion highlights the multifaceted challenges and opportunities in advancing sustainable development, particularly within Hungary’s environmental, social, and economic contexts. It underscores the critical need for systemic, integrated approaches that transcend traditional siloes, involving diverse stakeholders, including governments at multiple levels, civil society, academia, and the private sector.

### **István György Tóth, Director of TÁRKI**

Provided a brief introduction of the SPES project.

### **Mario Biggeri, SPES Project Scientific Coordinator, University of Florence**

Prof. Mario Biggeri presented on “National level policy making and stakeholder involvement in the field of sustainable development”. Prof. Biggeri emphasised the essential need to reset humanity's approach and rethink how we act, asserting that if we do not, the environment will force that reset upon us. He urged a re-evaluation of our priorities, asking whether efficiency is serving the economy or the wellbeing of people, concluding that true productivity involves creating supportive environments.

### **Gábor Bartus, Secretary of the Hungarian Council of Sustainable Development Office**

Summarized the role of the European Sustainable Development Network (ESDN) in collecting scientific results and translating them into policy advice for national governments. He highlighted that achieving Agenda 2030 depends on humanity’s ability to navigate the complex balance between synergies and trade-offs, noting particular challenges related to environmental capital and institutions. He pointed out that in Hungary, the overdevelopment of manmade capital has occurred at the expense of natural and human capital, resulting in poorly aligned trade-offs.

### **Pierre Funalot, Researcher at University of Bordeaux**

Gave a presentation focusing on turning current trade-offs into synergies during the socio-technological transition to sustainability. He highlighted escalating climate risks and political decisions that exacerbate the situation, noting that current policies likely will not meet the Net Zero by 2050 goal. Funalot discussed three potential futures for Europe (market-driven, Green Deal, and post-growth), suggesting that the post-growth scenario is the only model capable of achieving the Paris Agreement’s 2°C target. He argued that financing these goals requires collective action, and he advocated for a holistic approach to measuring economic success, mentioning the donut model as a framework focusing on sustainable and inclusive wellbeing. By focusing on sustainable welfare states and green investments, policies can create synergies between economic, social, and environmental goals, leading to more acceptable and impactful solutions for the future.

Subsequently, Andrea Ferrannini, SPES Project Manager, from University of Florence, moderated a roundtable on national level practices supporting the decision-making process to increase synergies and tackle trade-offs between the social, economic and environmental dimensions of the sustainable transition. The roundtable was set to discuss on three main questions:

The work you are doing, why it is so relevant for sustainable development debate? Please discuss synergies and trade-offs

What are the main synergies and trade-offs that effect integrated policy-making? How to leverage synergies, how to address trade-offs? How can we deal with them at national level?

Mentioned the importance of bridging the gap to academia, science and knowledge: how to do this better to collaborate better between research and policy-making?

Key insights include the complex trade-offs in areas such as circular economy, mobility, and energy transition, where social equity and environmental goals often conflict. Examples such as the management of forests, energy consumption patterns, and urban renovation illustrate the intricate balance required between economic realities and environmental imperatives. A recurrent theme is the importance of fostering cooperation and dialogue among stakeholders with differing priorities to develop socially just and ecologically sound policies. The role of data-driven, science-based policymaking is emphasised, alongside the challenge of communicating complex climate issues effectively in an era dominated by misinformation and shifting media landscapes. The necessity of creating public awareness and leveraging public opinion to influence political will is a strategic priority.

#### **László Borbély, Chair of the European Sustainable Development Network, Romanian Government**

Provided a summary of his work in sustainable development, including chairing the ESDN and establishing an interinstitutional system in Romania to guide ministries. He stressed the importance of scientific evidence, a multistakeholder approach, and robust policy monitoring. Despite progress, he noted challenges in deepening politicians' understanding of sustainability and the risk posed by far-right politics. He used the metaphor of a Rubik's cube to illustrate that misalignment hinders progress toward sustainability.

#### **Fabrice Dehoux, Member of the Secretariat of the Belgian Federal Council FRDO-CFDD**

Discussed the challenges of achieving synergies within the EEAC, noting that stakeholders often take defensive stances when discussing complex issues like mobility and the circular economy. He emphasised that addressing trade-offs, especially concerning car mobility and social equity for lower-income groups, requires activating multiple policy levers simultaneously. He stressed the crucial need for better communication and collaboration between the scientific and political spheres, ensuring that policies are both feasible and grounded in scientific evidence.

#### **Katalin Sipos, CEO of Hungarian WWF and Vice-Chair of the EEAC network**

Discussed the necessity of a systemic approach to complex, interwoven environmental issues, drawing on her experience representing green NGOs. She used the management of forests in Hungary as an example of a trade-off, where conservation is at odds with strong economic interests from residential and biomass energy sectors. She argued that policy design must be grounded in

solid scientific evidence, and experts must actively engage in the conversation, including using new media platforms like TikTok, instead of remaining neutral.

After a Q&A session, István György Tóth (Director of TÁRKI), moderated the second roundtable on synergies and challenges for the Hungarian sustainable transition process. The roundtable was set to discuss on three main questions:

According to the scenarios presented earlier (market-based scenario, Green Deal scenario and post-growth strategy) can you discuss on these scenarios, how do they translate in Hungarian context?

In the current context, what are the synergies, the trade-offs, and the challenges?

Hungary is one of the least wealthy in the EU, aiming to catch up to the most developed European countries, with permanent discussion of convergence towards economically more advanced economies. At the same time, climate pressure sometimes is in conflict with this. How do you see it?

Key insights include that financial considerations are crucial, with clear recognition that sustainable transitions require significant investments from governmental, EU, and private sources. Hungary's climate policies are shaped heavily by EU regulations and global market forces, highlighting the limits of national action alone and the need for coordinated international efforts. On the ground, innovative programs such as the Catching Up Settlements initiative demonstrate practical approaches to combining social, economic, and environmental sustainability by targeting disadvantaged communities with integrated services spanning from early childhood to energy access. These efforts aim to break cycles of poverty and environmental degradation through community engagement and clean energy adoption.

### **Csaba Gondola, Managing Director of the Institute for Energy Strategy, and Chief Adviser to the Minister of Energy**

Addressed the costly green transition, noting that action in Hungary is heavily shaped by broader international and European policy frameworks. He cited Hungary's significant reduction in gas consumption and rapid expansion of solar panels as evidence of progress, despite a conservative public environmental discourse. Gondola stressed the need for a realistic approach, cautioning against sacrificing industrial potential to meet EU targets. He expressed concern that Europe risks outsourcing emissions-intensive industries while claiming climate success at home, arguing that domestic production capacity for green technologies is essential for energy sovereignty.

### **Ada Ámon, Director of Budapest Climate Agency**

Addressed the limitations faced by cities in meeting climate goals due to restricted national funding and policy direction. She highlighted that energy efficiency, particularly increasing the annual building renovation rate, is central to achieving climate neutrality targets. Ámon criticized Hungary's pricing mechanism for incentivizing energy consumption rather than efficiency. She pointed to the absence of a strong green industry or corporate champions in Hungary, which leads to a lack of political pressure and will to prioritise complex necessary discussions, such as wind energy regulation. She concluded that social fairness must be at the heart of the transition, as poorly managed changes risk disproportionately burdening vulnerable populations.

### **András Huszár, Director of the Green Policy Centre**

Focused on the massive yet overlooked “cost of inaction” in climate policy. He asserted that absolute decoupling between economic growth and environmental impact remains a myth without significant demand reduction, as improved efficiency alone often increases consumption. He suggested that economic decisions should be guided by climate goals, rather than climate policy reacting to economic performance. Huszár emphasised that the real economy must be rooted in the environment and serve society, urging for a positive, inclusive narrative to counter growing climate fatigue and evolve the debate on competitiveness.

### **Szilárd Lantos, Program Leader of Catching-up Settlements Program**

Described his initiative, a holistic, long-term charity service targeting 300,000 residents in Hungary’s most disadvantaged settlements. He noted that for those in poverty, basic survival takes precedence over environmental sustainability, leading them to use unsafe heating methods. The program addresses this by focusing on mindset change and providing access to clean energy, citing the establishment of 22 solar power plants to facilitate partnerships with families committed to clean energy use. He concluded that future progress requires bringing economic, social, and environmental development together in a coordinated and equitable way.

### **Mario Biggeri, SPES Project Scientific Coordinator, University of Florence**

Finally, after a second Q&A session, Prof. Mario Biggeri, SPES scientific coordinator, made a conclusive intervention: Meeting these challenges is undeniably difficult, yet essential. We must reset humanity’s approach, rethinking how each of us acts and aligning our efforts toward a shared goal, because if we don’t, the environment will force that reset upon us. It starts with deciding what vision of sustainable development we want and how we measure it. Efficiency, often taught as the best use of resources, begs the question: efficiency for what? The economy, or the wellbeing of people? This conflict lies at the heart of the matter. True productivity isn’t about pushing harder for a short burst but about creating supportive environments where people feel happy and conflict-free. Resetting our mindset is simpler than it seems; we must rethink our priorities. Governments, companies, civil society, and nature itself are all interconnected actors in this process. Without change, nothing will improve. While this effort may seem utopian, it represents the better world we all want to live in.

Therefore, the dialogue concluded with a call for a fundamental “reset” in how humanity views productivity, efficiency, and progress, shifting from narrowly economic measures toward holistic wellbeing and ecological stewardship. The dialogue also reveals tensions between economic competitiveness and green policy ambitions. Concerns about industrial capacity, employment, and social fairness must be addressed to avoid disproportionate impacts on vulnerable groups, ensuring a just transition. This ambitious transformation, while challenging, is necessary to create the sustainable, equitable future envisioned.

## 2. Challenges and opportunities

Theme	Challenges	Solutions / Policy implication
<b>Sustainable and Inclusive Transition</b>	<ul style="list-style-type: none"> <li>• Achieving Agenda 2030 requires navigating the delicate balance between synergies and trade-offs. The transition to sustainability demands a broader, more holistic approach than simply "ticking boxes".</li> <li>• Trade-offs between environmental and social goals.</li> <li>• Limited access to clean energy and insulation in deprived areas.</li> <li>• Current policies, including market-driven and Green Deal scenarios, fall short of meeting the Paris Agreement's 2°C target.</li> <li>• Concern that Europe risks outsourcing emissions-intensive industries while claiming climate success at home.</li> </ul>	<ul style="list-style-type: none"> <li>• Policy design must be grounded in solid scientific evidence.</li> <li>• Promote synergies through inclusive policy design: combining climate policies with social support like free transport for low-income groups.</li> <li>• Implement programs like the Catching Up Settlements Programme; build solar plants, offer incentives to families in exchange for clean energy usage.</li> <li>• The post-growth scenario is proposed as the only model capable of achieving the 2°C target by dramatically cutting emissions in a short time.</li> <li>• Adopt a realistic, non-ideological approach that avoids sacrificing industrial potential. Strategic investment is needed to build domestic production capacity for green technologies (e.g., photovoltaic panels) to ensure energy sovereignty.</li> </ul>
<b>Collaborative and Integrated Policy-Making</b>	<p>Siloed policymaking and fragmented knowledge: the need to bridge the gap between academia, science, and knowledge and policy-making.</p> <p>The world is increasingly saturated with misinformation, necessitating reliable data.</p> <p>Need to shift mentalities and build knowledge, particularly in public administration.</p> <p>Lack of investment in adaptation and local infrastructure.</p>	<p>Advocate for a more holistic, coherent approach to sustainability across various directorates to break down silos and promote cross-border collaboration.</p> <p>Encourage systemic thinking and inter-ministerial cooperation; facilitate multistakeholder dialogue; integrate science into policymaking, ensuring research is understandable, actionable, and aligned with sustainable development goals.</p> <p>Allocate EU and national funding for resilience (e.g., housing renovation, energy efficiency); prioritise long-term savings over short-term political wins.</p>

	<p>Inadequate climate governance structures at national/local level.</p> <p>Experts need to engage more directly with new media platforms to ensure accurate information reaches the public.</p>	<p>Establish centres of excellence in public administration; enhance coordination among institutions; involve local authorities in long-term sustainability planning.</p>
<p><b>Media's Role in Public Perception</b></p>	<p>Public and political resistance to ambitious climate policies.</p> <p>Climate fatigue and lack of vision for positive futures.</p>	<p>Invest in communication, raise public awareness, highlight co-benefits; create shared narratives and align policies with citizens' wellbeing and everyday needs.</p> <p>Communicate future-oriented, hopeful narratives; emphasise the quality-of-life improvements linked to sustainable transitions.</p>
<p><b>Global Governance</b></p> <p><b>Social Equity and Vulnerability</b></p>	<p>Weak green industrial base and lack of local incentives.</p> <p>Global emissions rising despite EU reductions.</p> <p>Disconnection between academia and policymaking.</p> <p>No strong interest group pushing green policies.</p> <p>Dominance of GDP over wellbeing in policy measurement.</p> <p>Poorly managed transitions risk disproportionately burdening vulnerable populations, especially as infrastructure costs shift</p>	<p>Map and strengthen green industries (e.g., through political economy assessments); develop public-private partnerships; support domestic photovoltaic and renewable manufacturing.</p> <p>Promote mechanisms to strengthen international cooperation and diplomatic engagement.</p> <p>Build partnerships between universities and decision-makers; improve the translation of scientific knowledge into actionable policy advice.</p> <p>Support civil society, green businesses, and community-led initiatives; provide incentives to encourage market demand for sustainable practices.</p> <p>Develop alternative indicators (e.g., socio-ecological efficiency); reframe the economy as a provisioning system serving human and planetary wellbeing.</p> <p>Implement programs that address basic needs and provide access to clean energy for disadvantaged groups.</p>

**Economics,  
Finance, and  
Measurement**

Tension between economic growth and environmental protection.

Absolute decoupling between economic growth and environmental impact remains a myth without significant demand reduction; improved efficiency alone is insufficient.

The green transition is undeniably a costly endeavour, yet the "cost of inaction" is massive and largely overlooked in political decisions.

Current climate policy is often reactive to economic performance.

Policies must go beyond GDP growth as the sole metric of success.

Adopt a holistic approach to assessing economic success, measuring socio-ecological efficiency and fairness. The donut model can provide a framework focusing on sustainable and inclusive wellbeing.

Consider potential financing solutions such as utilizing the European Central Bank (ECB), wealth taxation, and public investment models.

Economic decisions should ideally be guided by climate goals, reversing the traditional structure.

### 3. Conclusions

The Second SPES Policy dialogue in Budapest highlighted the critical and urgent necessity for humanity to reset its approach to sustainable development, emphasising that without voluntary systemic change, the environment will ultimately force that reset. Tackling the complex challenges of climate change, social inequality, and sustainable economic development requires a profound transformation in how societies operate and collaborate. The interconnected nature of these issues means that isolated solutions are insufficient; instead, systemic, multi-stakeholder approaches are essential to create meaningful and lasting impact. Governments, industries, civil society, and citizens must work in unison, aligning their efforts around a shared vision that balances environmental protection with social inclusion and economic viability. This transition demands not only technological innovation and financial investment but also a reset in our values, redefining efficiency and productivity in terms of human wellbeing rather than mere economic output. Indeed, a central theme was the difficulty of navigating the complex balance between synergies and trade-offs required for Agenda 2030, which demands a holistic approach beyond merely "ticking boxes". Participants stressed that the concept of efficiency must be redefined to serve the wellbeing of people, not just the economy, recognising that current trade-offs must be converted into synergies, particularly during the socio-technological transition. Achieving this transition necessitates policies that are grounded in solid scientific evidence and supported by improved communication and collaboration between the scientific and political spheres. It is crucial to acknowledge and address the trade-offs involved, ensuring that vulnerable communities are supported so they are not left behind in the shift toward clean energy, circular economies, and resilient infrastructure. Transparent, science-based communication and inclusive policymaking will foster trust and mobilize public support, which are indispensable for sustained progress. While the path ahead is challenging and requires significant political will, cooperation, and long-term commitment, the opportunity to build a healthier, fairer, and more sustainable future is within reach. By embracing this collective responsibility and vision, we can transform these challenges into catalysts for positive change, ensuring that both people and the planet can thrive for generations to come.

Ultimately, progress depends on coordinating economic, social, and environmental development equitably to achieve a resilient and desired future.

# Third SPES Policy dialogue - Florence, 5 June 2025

## RENAISSANCE IN ECONOMICS: Discussion of the international version of “Manifesto” for the new economy

### Description

The Third SPES Policy dialogue conference in Florence, centered on the "Manifesto for a New Economy," that promotes economic thinking that goes beyond mere profit and GDP to embrace holistic concepts like human wellbeing, social equity, and environmental sustainability. This Manifesto is championed by the "Renaissance in Economics" movement and aims to radically shift economic thinking beyond traditional models focused solely on profit maximisation and GDP growth. The core objectives discussed include moving beyond profit maximisation to integrate social and environmental impacts, shifting focus to multidimensional wellbeing (incorporating social, environmental, and individual factors), promoting civic engagement, and fostering interdisciplinarity across fields like sociology, ethics, and environmental science. The manifesto is a key part of the "Renaissance in Economics" movement, which is associated with the Festival Nazionale dell'Economia Civile, that in 2025 has been organised for the second time. The event brought together researchers, academics, policymakers, and business leaders to discuss and contribute to the ongoing development of the manifesto. The manifesto is also intended to be a living document, with ongoing discussions and updates based on feedback and new ideas. Speakers from the OECD, various universities, the UN Development Programme, and the EU Commission discuss the urgent need for a paradigm shift in global economics, citing pervasive issues such as climate change, rising inequalities, and social crises. The dialogue established a consensus that the current era is defined by a complex "poly-crisis", rooted in issues such as extreme wealth inequality, climate change, and a fundamental crisis of ethics and humanity, making the urgent advancement of the Manifesto's principles a necessary and "due" act.

# Morning Session

## Institutional greetings

9.30 – 9.50 | University of Florence

**Paola Galgani**, Deputy Mayor of Municipality of Florence

**Alessandra Petrucci**, Rector University of Florence

## Plenary session – Discussion of Manifesto

9.50 – 11.30 | University of Florence

### **Presentation of the international version of the Manifesto for a New Economy**

In collaboration with the SPES project

**Chair:** Michele Cagiano, Deputy Director of Skytg24

#### **Keynote speakers:**

**Romina Boarini**, Director of the OECD Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE)

**Mario Nava**, Director-General – Directorate General “Employment, Social Affairs and Inclusion” (EMPL), European Commission

**Phoebe Koundouri**, Professor of Economics and Business of Athens University

**Jeffrey Sachs**, Professor of Columbia University

#### **Conclusions:**

**Mario Biggeri**, Professor of University of Florence

and **Pedro Conceição**, Director of the Human Development Report Office of United Nations Development Programme (UNDP)

# 1. Summary

The event, moderated by Michele Cagiano, Deputy Director of SkyTG 24, featured insights from leading experts, including Romina Boarini (OECD), Phoebe Koundouri (University of Athens/Cambridge), Jeffrey Sachs (Columbia University), Mario Nava (EU Commission), Pedro Conceição (UNDP), and Mario Biggeri (SPES Scientific Coordinator). Key themes include the necessity of interdisciplinary, systems-based approaches and the development of multi-dimensional metrics (beyond GDP) to inform policy, ensuring decisions are made with intergenerational fairness and a focus on the common good. Ultimately, the dialogue emphasises that solutions require not just new technical tools and policies but also a fundamental change in human values and collective action to address a "crisis of humanity."

The manifesto's core ideas are five. (i) Moving beyond profit maximisation, where companies and organisations should consider social and environmental impacts alongside financial gains. (ii) Shifting focus from GDP to multidimensional wellbeing, which should be measured beyond economic output, incorporating social, environmental, and individual factors. (iii) Promoting civic engagement and participation, because economic policies and models should be developed with the input and participation of citizens. (iv) Fostering interdisciplinarity, because economic models should integrate insights from various fields, such as sociology, environmental science, and ethics, to create more comprehensive and sustainable solutions.

## **Romina Boarini, Director of WISE Center – OECD**

Presented evidence gathered over 15 years by the OECD that supports the vision of the Manifesto for a New Economy. She highlighted three central problems: extreme wealth inequalities in OECD countries (the top 10% holding half the wealth, while the bottom 40% hold less than 10%); climate change, which exacerbates these inequalities and leads to significant economic costs (estimated loss of almost 20% of global income), primarily hitting the poorest countries and households; and a decline in mental health, particularly among youth, linked to loneliness. She emphasised the OECD's commitment to shifting policy Beyond GDP through its multidimensional Wellbeing Framework and the WISE Centre, which actively works to translate these metrics into policy actions, such as implementing compensatory measures to ensure a "just transition" from carbon taxes. In a follow-up, she stressed that the biggest challenge is the skills crisis, advocating for building character and fundamental abilities alongside technical skills. She cited concrete policy tools like Wales's Commissioner for Future Generations Act and a new OECD instrument aimed at promoting children's wellbeing, concluding that the core barrier is a lack of political incentives, urging youth to develop mechanisms to pressure decision-makers.

## **Phoebe Koundouri, Professor at University of Athens and University of Cambridge**

Described her work as a mathematical economist dedicated to modelling the interaction between nature and society within interdisciplinary frameworks, aligning perfectly with the Manifesto. She addressed the current "poly-crises," including financial problems, climate change, biodiversity collapse, and increasing inequality. She presented the Sustainable Development Goals (SDGs) as the global blueprint for solutions, noting that her framework, developed under the UN Sustainable Development Solutions Network, uses 300 Key Performance Indicators (KPIs) to measure performance. Her methodology, employed by AE4RIA, co-designs solution pathways that identify the optimal mixture of technologies, fiscal, and financial policies to move from the current state toward sustainability targets, such as those set by the European Green Deal. She noted that solutions must be profitable to businesses, citing that efficiency gains from circularity and renewables make ESG

compatibility economically viable. Koundouri emphasised the crucial need for upskilling and re-skilling, noting that 85% of the workforce needed to implement the European Green Deal is missing. Her modeling approach integrates physical, social, and economic systems, embedding the valuation of natural and cultural capital into general equilibrium analysis to inform investment and policy decisions.

### **Jeffrey Sachs, Director of the Centre for Sustainable Development at Columbia University**

Discussed the need to reshape global economics, outlining four interconnected challenges: 1) the transition from a multi-polar world to a truly multilateral world operating under law and ethics, ideally the UN Charter; 2) the deepening poly-crisis, including violent conflicts, environmental crises (climate, biodiversity, pollution), and massive social exclusion; 3) profound global inequality, specifically the highly concentrated ownership and control of cutting-edge technologies (like AI and biotechnology) which grants unprecedented and dangerous power to a few actors; and 4) a deep crisis of ethics stemming from a dominant "Anglo-Saxon logic of power and libertarianism" incompatible with human survival. He proposed six elements for a new global manifesto, emphasising a holistic and interdisciplinary systems approach, grounding economics in actual Human Nature rather than "homo economicus", focusing on collective action and the common good (aligned with SDGs), and promoting dialogue across cultures and civilizations, citing the UN Alliance of Civilizations and Pope Francis's "Fratelli tutti" as models for mutual respect and global encounter.

### **Mario Nava, Director-General of DG EMPL, European Commission**

Mario Nava addressed the question of how the EU maintains its position as a global benchmark for a social and inclusive economy using the European Semester governance instrument. He highlighted the EU's commitment to the "social market economy," which seeks to balance economic growth with solidarity and fairness by guaranteeing citizens quality health care, fair working conditions, and education. He argued that if competitiveness challenges are ignored and solidarity is omitted, the system risks "exploding". Nava pointed out the dramatic shift in the labour market away from unemployment issues toward labour shortages and skill mismatches. This tight labour market makes education essential as a public good because a low-educated workforce generates negative externalities. He linked the pursuit of competitiveness with the need to invest in skills and quality jobs (defined by fair wages, good working conditions, and social protection). He concluded that given current demographics and labour market tightness, inclusion is now an activation issue, where the best way to include citizens is to ensure they have jobs, linking inclusion to investments in skills and labour market function.

### **Pedro Conceição, Director of the Human Development Report Office – UNDP**

Expressed concern that the pace of progress is insufficient for the challenges faced, noting a recent divergence in human development between top and bottom-performing countries. He challenged the limits of the "homo economicus" model, arguing that while it might be useful for technical problems like airplane overbooking, it fails to explain complex behaviours, particularly political actions where people vote against their perceived self-interest. He emphasised the role of psychological phenomena, such as motivated reasoning and fear, in driving human motivation and political extremes. Conceição stressed that while scholarly literature has recognised these behavioural dynamics, they have not adequately permeated policy dialogue. His key suggestion was that to solve profound ethical questions about societal aims, policymakers must go beyond relying

solely on social sciences or technocratic approaches and integrate the humanities, including history and philosophy, as the problems being confronted are fundamentally "human problems".

**Mario Biggeri, SPES project Scientific coordinator - University of Florence**

Offered a synthesis, concluding that the overarching issue facing the global community is a crisis of humanity. He detailed the four essential types of consensus needed to advance the Manifesto for a New Economy: Public consensus (through engagement), Theoretical consensus (alignment between schools of thought on measuring wellbeing), Policy consensus (effective uptake of new measurement systems), and Technical consensus (advances in indicators). The SPES Framework reinterprets the 5 Ps of Agenda 2030 (People, Prosperity, Planet, Partnership, Peace) into objectives like Equity, Productivity, Environmental sustainability, Participation & empowerment, and Human security. He stressed that these pillars must be in synergy, ensuring, for example, that productivity does not compromise human security or equity. Biggeri argued that the biggest challenge is changing the dominant narrative, which currently structures the economic system toward profit maximisation based on "homo economicus". He stated that transformation requires shifting this narrative away from efficiency toward valuing love, relationships, and the deep connection to nature, asserting that this change in how "we live, how we relate each other" is essential for future progress.

## 2. Challenges and opportunities

Theme	Challenges	Solutions / Policy implication
<b>Operationalizing Sustainability &amp; Climate Justice</b>	<p>Multilateralism and Poly-crises encompassing climate change, biodiversity collapse, and financial/social problems.</p> <p>European Policy as a model for balanced growth.</p> <p>Lack of attention to addressing emotions, identity, and fear as drivers of political and economic behaviours.</p> <p>Sustainability requires investing not only in natural assets but also in education and social infrastructure.</p> <p>Climate change exacerbates inequalities and imposes significant economic costs (estimated loss of nearly 20% of global income).</p> <p>The failure to curb environmental crises (climate, biodiversity, mega pollution) despite decades of international treaties.</p>	<p>Integrated socio-economic pathways balancing short, medium, and long-term objectives.</p> <p>Quantify and internalize natural and cultural capital into policy and investment decisions.</p> <p>Policymaking must integrate emotional, cultural, and ethical dimensions to build trust, inclusiveness, and legitimacy</p> <p>Implement compensatory measures (fiscal recycling) from carbon taxes to ensure a "just transition" that aids the poorest households.</p> <p>Embed the valuation of natural capital and cultural capital into economic analyses (e.g., general equilibrium models) to inform investment decisions.</p> <p>Implementing Sustainability with Integrated Data and Policy Tools. Use the Sustainable Development Goals (SDGs) as the global blueprint, measured by KPIs, to monitor progress.</p>
<b>Economic Structure &amp; Inequality</b>	<p>Extreme wealth inequalities (top 10% hold half the wealth; bottom 40% hold less than 10%).</p>	<p>Move beyond profit maximisation to consider social and environmental impacts.</p> <p>Shift focus from GDP to multidimensional wellbeing (using frameworks like the OECD Wellbeing Framework).</p>

	<p>Profound global inequality, particularly the concentrated ownership and control of cutting-edge technologies (AI, biotechnology).</p> <p>The dominance of the homo economicus model, which fails to explain complex political and social behaviours.</p>	<p>Ground economics in actual Human Nature, psychology, and a richer anthropology.</p> <p>Focus policy on collective action and the common good (aligned with SDGs and Human Rights).</p>
<p><b>Education, Skills &amp; Intergenerational Equity</b></p>	<p>A skills crisis as a root issue of current economic and social imbalances. 85% of the workforce needed for the European Green Deal is missing.</p> <p>The mismatch between education and labour market needs threatens sustainable development and social cohesion.</p> <p>Tight labour markets turn education from a private good into a public necessity.</p> <p>The focus is on not only creating jobs but ensuring quality jobs with fair wages, good working conditions, and opportunities for upskilling.</p> <p>Policy decisions are often short-sighted and fail to protect future generations</p>	<p>Invest in upskilling and re-skilling the workforce.</p> <p>Education must focus on building character and fundamental abilities rather than just technical skills: the importance of developing non-technical and character-building skills.</p> <p><i>OECD research shows that cognitive and character skills (resilience, curiosity, cooperation) are vital to navigating complexity.</i></p> <p>Youth should develop real mechanisms to pressure policy makers.</p> <p>Encouraging countries to invest in children and youth.</p> <p><i>Surveys highlight young people's demand for governments to focus on long-term outcomes and their role as agents of change</i></p> <p>Introduce high-level legislative pieces, like the Wales Commissioner for Future Generations Act, to embed wellbeing principles into policy making.</p>
<p><b>The Need for a New Global</b></p>	<p>Human development is diverging globally; progress in some countries contrasts with stagnation or decline in others.</p>	<p>Call for a holistic, interdisciplinary, ethics-based economic model rooted in the common good and supported by collective action and global dialogue.</p>

**Economic  
Paradigm**

**(The Human  
Element in  
Economics)**

Fear and insecurity are exploited by leaders, fuelling polarisation and undermining democratic stability.

A decline in mental health and increased distress, especially among youth, linked to loneliness.

A deep crisis of ethics dominated by an "Anglo-Saxon logic of power and libertarianism" incompatible with human survival.

The existence of a strong dominant narrative that structures the economic system toward profit maximisation and efficiency.

High inequalities and weakening democracies.

The need to move from a multi-polar world to a multilateral world based on law and ethics.

The necessity of redefining global economics to address:

Multipolarity vs. Multilateralism

Environmental and social poly-crises

Technological and ethical inequality

The crisis of values driven by outdated, power-centric ideologies.

Incorporating psychology, sociology, anthropology, humanities and ethics into policy dialogue, as these are fundamentally "human problems" that cannot be solved by technocratic approaches alone.

Effective governance must transcend nationalism, requiring renewed multilateralism and international institutions rooted in cooperation, fairness, and justice.

Empowerment of younger generations and civil society is key to driving political will and systemic transformation.

Foster education systems that nurture adaptability and ethical reasoning.

Work to achieve four types of consensus: Public, Theoretical, Political, and Technical regarding new measurement systems.

Transformation requires changing the narrative away from efficiency toward valuing love, relationships, and the deep connection to nature.

Reframe inclusion as activation (ensuring people have quality jobs, defined by fair wages and social protection).

Promote dialogue across cultures and civilizations based on mutual respect.

### 3. Conclusions

The Third SPES Policy dialogue provided a consensus that the current global landscape is defined by a deepening "poly-crisis", recognised by participants as a fundamental "crisis of humanity", driven by profound wealth inequalities, unchecked environmental degradation, and a structural ethical deficit. Speakers affirmed the urgent necessity of the "Manifesto for a New Economy", arguing for a decisive shift away from solely maximising profit and GDP toward a holistic vision grounded in multidimensional wellbeing, equity, and sustainability. Achieving this transformation requires integrating interdisciplinary systems approaches and leveraging detailed metrics, such as the UN's Sustainable Development Goals (SDGs) framework and the OECD Wellbeing Framework, into concrete governance tools like the European Semester and legislative instruments that ensure "just transition" policies. However, the crucial barriers to progress were identified as a basic lack of political incentives and, most fundamentally, the need to alter the dominant societal narrative that currently prioritises efficiency over collective action, human relationships, and the common good.

One of the most profound points was about changing the dominant narrative. Current societal narratives often focus on efficiency and productivity at the expense of human connection and care. Instead, there is a call to reframe the narrative towards relationships, empathy, and collective wellbeing. This narrative shift is more difficult than technological or policy change because it involves our very ways of living and relating to one another. As a final remark, Biggeri echoed the Club of Rome's warnings, highlighting that the "elephant in the room" (the systemic crisis) is no longer hidden; what remains is the challenge of changing the story we live by. Discussants agree on emphasising that today's crises are not just technical, but deeply human challenges requiring multidimensional solutions. Solutions require integrating economics with ecology, ethics, political science, and cultural understanding.

The Manifesto offers a blueprint to realign global economics with sustainable and equitable goals. Without a fundamental change in economic theory and practice, societies risk collapse; the Manifesto lays a foundation for a new era of sustainable prosperity. The future depends on cultivating skills that prepare individuals for complex, uncertain challenges, while embedding long-term thinking into political and economic systems. Science-based, integrative tools are essential to translate the Manifesto's ideals into actionable policies that ensure long-term planetary and societal health. The European semester and related policies offer a pragmatic pathway toward the Manifesto's vision within the EU and potentially beyond. Europe's approach illustrates how governance can institutionalise social and economic objectives for a fairer, more sustainable future. Addressing global challenges requires a human-centered approach that embraces complexity, emotion, and ethics - not just data and economics.

The SPES framework offers a structured approach to this transformation, calling for alignment between productivity, equity, sustainability, human security, and empowerment. But the real shift must come in how we perceive ourselves and our roles - as interconnected beings whose wellbeing is inseparable from that of others and the planet. Changing the dominant narrative - from one driven by efficiency and profit, to one led by empathy, care, and collective purpose - is perhaps the greatest challenge ahead. While the obstacles are significant, so too is the momentum and clarity among global leaders, thinkers, and institutions to chart a new course. The work begins not tomorrow, but now - with every policy, every investment, and every conversation. The Economic Manifesto is a timely response - a call for collective responsibility, interdisciplinary governance, and ethical realignment to secure a just, sustainable, and inclusive future. It invites both policymakers and citizens to rethink economic systems that not only grow (perhaps they do not grow at all - just live with dignity) but also nurture people and the planet.

# Fourth SPES Policy dialogue - Brussels, 15 January 2026

## The future of European policies for sustainable and inclusive wellbeing in a beyond growth perspective

### Description

The Fourth SPES Policy dialogue, happened the morning of the second day of the SPES-ToBe Final Conference, held in Brussels in January 2026. The conference was centered on the urgent need for the European Union to re-evaluate its traditional economic model in favour of a "Beyond Growth" perspective. The conference established that the pursuit of infinite GDP growth on a finite planet is a "dangerous illusion," citing that seven of the nine planetary boundaries have already been transgressed. This dialogue brought together researchers, UN representatives, and European policymakers to transition from identifying systemic cracks to outlining a concrete vision for an economy centred on human and planetary wellbeing. The core objective was to move beyond the reactive "post-market compensatory approach", which relies on growing, taxing, and redistributing, toward a proactive model that designs the economy for wellbeing from the outset. Participants emphasised that this shift is an "intellectual and political adventure" requiring a fundamental change in societal narratives and democratic participation to overcome deep-seated economic anxiety and political hurdles.



## POLICY CONFERENCE

### *Placing sustainable and inclusive wellbeing at the heart of the economy: From Research to Transformative Policy*

#### 15 January – European Committee of the Regions (CoR)

**8.00 REGISTRATION AND WELCOME  
COFFEE**

**9.00 THE FUTURE OF EUROPEAN  
POLICIES FOR SUSTAINABLE AND  
INCLUSIVE WELLBEING IN A  
BEYOND GROWTH PERSPECTIVE**

- Welcome by Mikko Aaltonen (Committee of the Regions)
- Welcome by Sirpa Pietikäinen (MEP co-host)
- Keynote Speech: Olivier de Schutter (UN)
- Lightning responses from SPES & ToBe projects - Mario Biggeri (University of Florence) & Tuuli Hirvilammi (Tampere University)
- Panel discussion
  - Sirpa Pietikäinen (European Parliament)
  - Desa Srsen (cabinet member, Commissioner Micallef, European Commission)
  - Sandrine Dixson-Declève (Club of Rome, Earth4All and Systems Transformation Hub)
  - Heriberto Tapia (HDRO UNDP)
  - Esther Lynch (ETUC)
  - Andrew Fanning (DEAL)
- Q&A
- Moderator: Elizabeth Kuiper (EPC)

**11.00 COFFEE BREAK**

**11.30 POLICY RECOMMENDATIONS FOR  
ENSURING SUSTAINABLE &  
INCLUSIVE WELLBEING**

- SPES and ToBe project recommendations:
  - Mario Biggeri (University of Florence)
  - Tuuli Hirvilammi (Tampere University)
- Response: Philippe Lamberts (European Commission advisor on relevance for the just transition)

**11:50 CLOSURE OF THE CONFERENCE**

- Mario Biggeri (University of Florence) & Tuuli Hirvilammi (Tampere University)



Hosted by

**European Committee  
of the Regions**

## 1. Summary

The event, moderated by Elizabeth Kuiper, featured high-level insights into the "tipping point" for a new European economic vision. Key themes included the "counterproductivity" of pursuing growth at all costs, which has paradoxically increased precarious labour and weakened local resilience, and the necessity of shifting from "altimeters" (metrics) to "parachutes" (transformative policies). The dialogue underscored that the current era requires a "just transition" that prevents a "green backlash" by ensuring climate policies do not disproportionately burden low-income households. Ultimately, the conference called for the institutionalisation of wellbeing indicators into core governance frameworks like the European Semester to ensure a sustainable and inclusive future.

### Olivier De Schutter, UN Special Rapporteur on extreme poverty and human rights

#### **Keynote Address: Eradicating Poverty Beyond Growth**

##### **1- The Limits of the Traditional Growth Model**

Olivier De Schutter critiqued the conventional three-step approach to poverty reduction:

1. Grow the economy first.
2. Tax the resulting wealth from corporations and households.
3. Redistribute this wealth by financing social protection and public services.

He argued that this "post-market compensatory approach" is failing due to states' difficulties in collecting taxes, leakages in social protection systems, and the fact that pursuing growth at all costs leads to the crossing of planetary boundaries.

##### **2- A Three-Pillar Framework for a Broader Toolbox**

To supplement the traditional welfare state, he proposed a more comprehensive strategy built on three pillars:

1. Post-Market Compensation: The welfare state remains essential but is no longer sufficient on its own.
2. Inclusive Markets: This involves actively shaping the economy to be fairer from the outset. Key reforms include supporting the social and solidarity economy, reducing working time, better valuing the care economy, and ensuring fair wages in critical sectors like education, healthcare, and food.
3. Social Investment: This pillar focuses on creating genuine equal opportunities by investing in foundational services like early childhood education and care, inclusive schooling, and affordable housing, as exemplified by the European Child Guarantee.

##### **3- The Illusion of Green Growth and Counterproductivity**

De Shutter asserted that "green growth is an illusion." Citing systematic assessments, he noted that while some rich countries have achieved periods of decoupling GDP growth from greenhouse gas emissions, this is limited in scope and time and fails to account for other critical environmental impacts like resource extraction and biodiversity loss. Furthermore, he introduced the concept of the "counterproductivity of growth". In this view, policies adopted in the name of growth, such as

flexibilising labour markets, negotiating trade agreements that weaken local sectors, and creating a "business-friendly climate" by reducing taxes and regulations, often worsen the very problems of exclusion and precarity that growth was supposed to solve.

#### **4- The UN Roadmap: Moving Beyond GDP to Beyond Growth**

The UN is developing a "roadmap for eradicating poverty beyond growth" to provide practical guidance for this transformation. A key message is the need to move beyond the now-consensual debate on alternative indicators. As a metaphor from Herman Daly highlights, "If you're falling off a plane, what you need is not an altimeter. It is a parachute." The roadmap seeks to change the underlying modes of production and consumption. It is structured around five substantive pillars, with adaptive governance at the core:

1. Economic Systems Transformation
2. Work and the Care Economy
3. Social Protection and Public Services
4. Natural Resources, Climate, and Environment
5. North-South Relationships

De Shutter highlighted the necessity of rebuilding North-South relationships, he framed the post-growth project as a "decolonial project," arguing that the current export-led growth model forces Global South countries to maintain poverty wages and extractive industries. To this respect, Sandrine Dixon-Declève pointed to concrete opportunities for partnership with BRICS nations on issues like debt-for-nature swaps and digital sovereignty.

#### **Panel discussion**

The discussion provided a sobering assessment of the gap between the "beyond growth" vision and the current EU political landscape.

- Internal Focus and Crisis Mentality: Sirpa Pietikäinen (MEP) described the EU as an "internally focused bubble" that often forgets it is a small part of the world. The focus on immediate security crises, particularly the war in Ukraine, is "shrinking space" for debate on social wellbeing and planetary boundaries.
- Dominance of the Old Paradigm: Tea Jarc (ETUC) argued that despite the increasing use of "wellbeing" language, EU economic policy remains dominated by the pursuit of GDP, cost competitiveness, and deregulation.
- Economic Anxiety and Political Majorities: Philippe Lamberts (Advisor to the EC President) delivered a stark reality check, stating that while many people value the beyond-growth agenda, "an even bigger majority of people are facing very deep economic anxiety." He warned that the movement will fail to win necessary political majorities if it is perceived as "lecturing ordinary people" while ignoring their immediate economic and security concerns.
- Bureaucracy and Lack of Agency: Lamberts also pointed to a "massive problem of the bureaucratization of state in Europe," which deprives citizens and professionals (farmers, teachers, entrepreneurs) of their sense of agency, fuelling frustration and providing "powerful fuel for alternative political offers."

A recurring theme was the question of how to finance the ambitious social and ecological transformations required in a post-growth era. Olivier De Shutter outlined six primary tools for financing the transition beyond relying on taxes from labour income:

1. Reduce Future Costs through Social Investment: Investing in health and education now reduces future costs associated with ill health and social welfare.
2. Tax the "Ills" of the Economy: Implement taxes on windfall profits, carbon emissions, financial transactions, and overall wealth.
3. Improve Corporate Taxation: Establish a minimum corporate income tax to combat the "race to the bottom."
4. Enhance Tax Progressivity and Coordination: Improve the fairness of the tax system and foster international cooperation.
5. Reorient Public Subsidies: Redirect significant public funds away from harmful activities, such as fossil fuel subsidies (which Sandrine Dixon-Declève noted have doubled to \$900 billion since 2015).
6. Leverage Central Banks: Utilize monetary policy, inspired by Modern Monetary Theory, to finance crucial social and ecological investments at low cost.

Sirpa Pietikäinen reinforced this, stating, "We do not lack the money. We have all the money in the world what we need... it is the politics that is the problem." She highlighted that over 70% of pension funds and investments are in unsustainable sectors like fossil fuels.

Speakers stressed that the transition must be centered on people, addressing their sense of security and empowering them as active participants.

- The Paradox of Insecurity: Heriberto Tapia (HDRO UNDP) noted the paradox that even as wellbeing metrics rise in Europe, people are experiencing increasing levels of "human insecurity" and a decreasing sense of agency, feeling they are not in control of their lives.
- The Need for Deliberative Democracy: Multiple participants called for greater use of deliberative tools like citizens' assemblies to redefine societal goals (including what "beyond GDP" means), build democratic legitimacy, and design a new social contract.
- Supporting Bottom-Up Innovation: Andrew Fanning (DEAL) emphasised the importance of supporting "niche innovations" - the experiments and initiatives undertaken by civil society, neighborhood groups, and local businesses that are actively trying to put new economic ideas into practice. He argued that systemic change must be supported by bottom-up initiatives from civil society and local businesses that are already operationalizing new economic ideas. His contribution stressed that macroeconomic models must integrate these planetary boundaries and social thresholds to provide realistic policy forecasting.

Finally, Sirpa Pietikäinen challenged attendees with an action-oriented mandate: "if it is not us... who, and if it is not now... when". She noted that the EU often operates in an "internally focused bubble," where immediate security crises, like the war in Ukraine, "shrink the space" for debates on planetary boundaries and social wellbeing. She reinforced that financial resources exist but are currently misallocated, with 70% of pension funds still invested in unsustainable sectors.

## Integrated Policy Recommendations from SPES & ToBe Projects

Mario Biggeri and Tuuli Hirvilammi presented a synthesized blueprint for transformation, calling for sustainable and inclusive wellbeing to become the overarching goal of all EU policy. They detailed recommendations including reorienting welfare states toward "Universal Basic Services" (housing, energy, healthcare) and shifting innovation's purpose from profit-seeking to solving social-ecological challenges. They emphasised that transformation requires new narratives based on sufficiency and solidarity to counter the dominant growth-centric discourse.

Category	Policy Recommendation
Overarching Framework	Adopt sustainable and inclusive wellbeing as the overarching goal of all EU policy and action, moving beyond the narrow focus on economic growth.
Measurement & Governance	Go beyond GDP by developing and integrating a comprehensive system of wellbeing and sustainability indicators into core EU governance frameworks, such as the European Semester, to guide policy decisions.
Rethinking Competitiveness	Shift the focus from pure cost competitiveness to a model that fosters productivity for wellbeing. This requires careful consideration of innovation's purpose, moving beyond profit-seeking to solve social and ecological challenges.
Climate Action	Implement effective, fair, and inclusive climate policies. This includes strengthening the Social Climate Fund and ensuring that measures like the Carbon Border Adjustment Mechanism (CBAM) are socially just.
Welfare State Transformation	Invest in and reorient welfare states for a post-growth era. Prioritise expanding social insurance and investing in Universal Basic Services (e.g., affordable housing, energy, food, transport, healthcare) to provide security and de-commodify essential needs.
Empowerment & Participation	Empower citizens and communities. Foster citizen participation in transition planning at all levels through tools like citizen assemblies and increasing civil dialogue. Support place-based, community-led solutions that respect local needs and capacities.
Policy Modelling	Adopt new, more comprehensive macroeconomic models for policy forecasting that integrate planetary boundaries and social thresholds, providing a more realistic assessment of policy impacts.
Narrative & Discourse	Actively build and promote new narratives that articulate a positive vision of a future based on wellbeing, sufficiency, and solidarity, countering the dominant growth-centric discourse.

## Philip Lamberts, Advisor to the President of the European Commission

Philip Lamberts addressed the political realities of the "Beyond Growth" agenda, noting a paradox where support for wellbeing does not translate into political majorities due to deep economic anxiety and a sense of "being lectured". He identified a "massive problem of bureaucratization" that deprives citizens of agency, fueling populist alternatives. He offered a simple definition of competitiveness as "Value / Money," arguing that Europe's challenge is a lack of investment and an economy dominated by "rent-seeking" rather than entrepreneurship.

## Audience Policy Priorities

In a final open-mic session, audience members proposed the following single policy changes to accelerate the transition:

- Affordable Housing: A material policy to address the huge housing crisis across Europe.
- End Child Poverty: Set a target of zero child poverty, which would solve numerous other societal problems.
- Democratic Control of Production: Institute radical democratic control over essential sectors like energy, finance, and food.
- Lobbying Transparency: Make the actions and influence of all lobbying activities fully transparent to the public.
- Curriculum Reform: Fundamentally rethink curricula in schools and universities to educate for a sustainable future.
- Support for Culture: Stop budget cuts to culture, especially independent culture, as it is a vital space for citizen involvement and imagining new futures.
- Citizen Assemblies: Systematically use citizens' assemblies to redefine core concepts like "beyond GDP" and shape a new social contract.
- Support Local Innovation: Change innovation and technology policy to support local-level, community-based solutions to social and ecological challenges.

## 2. Challenges and opportunities

Theme	Challenges	Solutions / Policy implication
The "Beyond Growth" Paradigm	GDP growth is failing to solve poverty and is causing "counterproductivity" through precarious labour.	Adopt wellbeing as the overarching goal and integrate indicators into the European Semester.
Environmental Limits	Seven of nine planetary boundaries are transgressed; "green growth" is insufficient to prevent collapse.	Adopt macroeconomic models that integrate planetary boundaries and social thresholds.
Financing the Transition	Resources are currently locked in unsustainable sectors like fossil fuels.	Tax "ills" (carbon, financial speculation, and corporate windfall profits), reorient subsidies, and leverage central banks via Modern Monetary Theory.
Political & Social Reality	Widespread economic anxiety and a sense of powerlessness/bureaucracy fuel populist resistance.	Use citizen assemblies to co-create solutions and build democratic legitimacy for a new social contract.
Welfare & Equity	Traditional "post-market" redistribution is no longer sufficient on its own.	Invest in Universal Basic Services (housing, food, transport).

### 3. Conclusions

The Fourth SPES Policy dialogue concluded that achieving a sustainable future requires more than technical metrics; it demands a political and social movement. Experts agreed that the traditional growth model is reaching its environmental and social limits, requiring a shift from "growth as usual" to a proactive strategy of social investment and inclusive markets. The dialogue identified that while the financial resources exist, the primary hurdle remains the political will to redirect those resources away from harmful industries toward the ecological transformation. Ultimately, the conference framed the "Beyond Growth" movement as a way to unite social justice and environmentalism, offering a positive narrative for a future where both people and the planet can thrive through collective action and reimagined governance. Olivier De Schutter framed the "Beyond growth" movement not as a finished ideology, but as an "intellectual and political adventure." This journey requires imagination, experimentation, and courage. The ultimate insight from the discussions is that this new vision offers a powerful way to finally unite the social justice and environmental movements. By shifting our focus from the narrow goal of GDP growth to the shared human aspiration for wellbeing, we can create a future that works for both people and the planet.



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