## Ursula von der Leyen



President of the European Commissioner

20 February 2021

## Object: Thriving without economic growth to better rebuild Europe's economy post COVID-19 and to respect the Paris Agreement

We are writing to you on behalf of Generation Climate Europe, the largest coalition of youth-led NGOs advocating on climate and environmental issues at European level, we represent 460 national organisations from all EU Member States and over 20 million young citizens.

With millions of European citizens having lost their jobs, and uncertain about their futures, immediate priorities must be set on the protection and support of the people most affected by COVID-19. The public health crisis continues to cause economic and social disruption at an unprecedented speed and scale across Europe. The Commission's landmark recovery package for Europe is an impressive instrument to tackle the severe consequences of the pandemic, and we warmly welcome the commitment to align recovery measures with the ambitions of the European Green Deal.

Beyond this, you, President von der Leyen, have said that the COVID-19 crisis should be seen as an opportunity for the EU to rebuild its economy as "modern, clean and healthy". The Commission does now have a unique moment to carefully consider the primary economic objectives of Europe, notably whether the existing European economic model centered around GDP, is fit to ensure human and ecological well-being, as well as long-term resilience.

Generation Climate Europe welcomes the ambition of the Green Deal to move Europe in the direction of climate neutrality. For this reason, we are deeply worried that the European Green Deal has been described as the EU's "new growth strategy", which aims at creating "economic growth decoupled from resource use." Scientific analysis, compiled in the annex to this letter, is clear - there is no empirical evidence supporting the existence of a sufficient decoupling of economic growth from carbon emissions (among other environmental pressures) anywhere near the scale needed. In other words, it is impossible to meet our climate targets and respect the Paris Agreement if we increase GDP. The European Green Deal cannot only rely on technological change, as the European Environmental Agency (EEA) "Growth Without Economic Growth" briefing points out, it must also lead to "changes in consumption and social practices". 2

<sup>&</sup>lt;sup>1</sup> Communication from the Commission - The European Green Deal (2019), European Commission <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1596443911913&uri=CELEX:52019DC0640#document2">https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1596443911913&uri=CELEX:52019DC0640#document2</a>

<sup>&</sup>lt;sup>2</sup> Growth without economic growth (2021), European Environmental Agency <a href="https://www.eea.europa.eu/themes/sustainability-transitions/drivers-of-change/growth-without-economic-growth">https://www.eea.europa.eu/themes/sustainability-transitions/drivers-of-change/growth-without-economic-growth</a>

Haberl et al (2020)<sup>3</sup>, after analysing the results of 835 peer-reviewed empirical studies of decoupling related to final/useful energy, exergy, use of material resources, as well as CO2 and total GHG emissions, concluded that only 2 out of 835 studies had observed "green growth" (successful absolute decoupling). And even in those cases, emissions reductions were found to reach nowhere near the scale required to meet the objectives of the Paris Agreement, nor of the European Green Deal.

Le Quéré et al (2019)<sup>4</sup> analyzed 18 'peak-and-decline' countries [of which 16 EU Member States] in which CO2 emissions are falling in both territorial and consumption-based system boundaries. Le Quéré et al found that the "emissions reductions observed and analysed [...] fall a long way short of the deep and rapid global decarbonisation of the energy system implied by the Paris Agreement temperature goals, especially given the increases in global CO2 emissions in 2017 and 2018, and the slowdown of decarbonisation in Europe since 2014."

As the EEA recent briefing puts it, "the ongoing Great Acceleration<sup>5</sup> in loss of biodiversity, climate change, pollution and loss of natural capital is tightly coupled to economic activities and economic growth", concluding that "full decoupling of economic growth and resource consumption may not be possible".

Respecting the new EU's target of -55% GHG emissions by 2030 while continuing to grow the economy would require an immensely higher decoupling rate which has <u>never been observed</u>. In addition, the Commission has failed to show how it plans to achieve it.

Given the now scientifically-backed incompatibility between the pursuit of economic growth and the respect of the EU's climate targets, we urgently need a systemic rethink of climate strategies beyond those aimed at GDP growth. Sustainable consumption and production is after all defined as satisfying "basic [human] needs and bring[ing] a better quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardize the needs of future generations"<sup>6</sup>.

With the Sustainable Development Goals adopted five years ago, the EU has an existing framework to create a well-being economy based on a just, socially inclusive recovery, respecting the limits of our planet. As WWF highlighted in a recent report<sup>7</sup>, rather than pursuing GDP growth, indicators measuring quality of life, wellbeing, health, action on climate change and nature degradation, are far better determinants of Europe's recovery from COVID-19. Indicators focused on societal and environmental

<sup>&</sup>lt;sup>3</sup> A systematic review of the evidence on decoupling of GDP, resource use and GHG emissions, part II: synthesizing the insights (2020), Haberl et al. <a href="https://iopscience.iop.org/article/10.1088/1748-9326/ab842a/meta#erlab842abib153">https://iopscience.iop.org/article/10.1088/1748-9326/ab842a/meta#erlab842abib153</a>

<sup>&</sup>lt;sup>4</sup> Drivers of declining CO2 emissions in industrial countries (2019), Le Quéré et al <a href="http://pure.iiasa.ac.at/id/eprint/15783/1/LeQuere NatureCC post-print manuscript.pdf">http://pure.iiasa.ac.at/id/eprint/15783/1/LeQuere NatureCC post-print manuscript.pdf</a>

<sup>&</sup>lt;sup>5</sup> The period after the 1950s marks a unique period in human history of unprecedented and accelerating human-induced global socio-economic and environmental change, which has become known as 'the Great Acceleration' (Steffen et al., 2015).

<sup>&</sup>lt;sup>6</sup> Gro Harlem Brundtland, 1994, at the Oslo Symposium

<sup>&</sup>lt;sup>7</sup> Towards an EU Wellbeing Economy - A fairer, more sustainable Europe post Covid-19 (2020), WWF EU <a href="https://www.wwf.eu/?875891/Towards-an-EU-Wellbeing-Economy---A-fairer-more-sustainable-Europe-post-Covid-19">https://www.wwf.eu/?875891/Towards-an-EU-Wellbeing-Economy---A-fairer-more-sustainable-Europe-post-Covid-19</a>

wellbeing are the necessary tools to measure societal progress, rather than GDP growth which has historically failed to be representative of human and environmental wellbeing.

Given the EU's failure to decouple economic growth from increased carbon footprint at sufficient speed, and the lack of evidence supporting that we will ever be able to do so, young people all over Europe demand that you:

- 1. Acknowledge the fact that meeting the objectives of the Paris Agreement and of the European Green Deal requires systemic change beyond "green growth". Although the TFEU indicates that "The Union aims at achieving balanced economic growth", its pursuit must not come at the expense of our international obligations and of the Earth's balanced climate. The Commission's proposals and acts need to lead to the phase-out of unsustainable economic production and consumption. As even the EEA suggests, "doughnut economics, post-growth and degrowth are alternatives to mainstream conceptions of economic growth".
- 2. Adopt a systemic approach to measure physical and psychological wellbeing, quality of life, and European GHG footprint, against our carbon neutrality and biodiversity objectives. As a start the Commission should build upon work done as part of its "GDP and Beyond" programme that recognised in a communication that "GDP cannot be relied upon to inform policy debates on all issues... [as it does] not measure environmental sustainability or social inclusion and these limitations need to be taken into account when using it in policy analysis and debates".9
- 3. Use the upcoming Trade Review to highlight Europe's global impact on climate, beyond territorial emissions to consumption emissions. Trade measures such as the CBAM, alongside product standards for embodied carbon that are applied to all products on the European market, must address emissions embedded in imports and final consumption. The EU must also use its economic and diplomatic weight to encourage a radical shift in global trade policies within the context of the WTO to ensure they support, and not hinder, global climate policy. Given the lack of data, the Commission must investigate into the EU's GHG emissions embodied in imports to the EU, as well as those embodied in our exports. Moreover, goods and services offered in the EU should display an estimated carbon footprint compared to a Paris-compatible carbon budget.

We thank you for your time and look forward to discussing these crucial and pressing matters with you.

Yours sincerely,
Generation Climate Europe

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<sup>&</sup>lt;sup>8</sup> Treaty on the Functioning of the European Union

 $<sup>^9</sup>$  Communication from the Commission to the Council and the European Parliament - GDP and beyond : measuring progress in a changing world /\* COM/2009/0433 final