



TOWARDS AN ECONOMY WHICH CARES

COFACE
Economic principles

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Given the present social and economic situation, with the combined shocks caused by the coronavirus crisis and climate change, COFACE-Families Europe is concerned about the social and environmental sustainability of the current economic system which is under severe strain from the intertwined dynamic of growing inequalities and deepening ecological degradation.

The following declaration aims at referencing the core values and principles underlining COFACE Families Europe's actions and activities in the realm of **economics**. COFACE Families Europe covers very wide and diverse topics of which many are linked in one way or another to economics. COFACE Families Europe puts the interests of families and their members at the center of its work. Tackling inequalities and poverty, reconciliation policies and the economics of care are among the main topics of focus. In addition, COFACE Families Europe has initiated reflections on more concrete economic themes including financial inclusion, creditworthiness, blockchain technology and crypto-assets, digitalisation in finance and exclusion, big data analytics and artificial intelligence in finance. However, the recommendations and policy proposals formulated always rely on **core principles and values** such as human rights, the UN Conventions of the Rights of the Child and on the Rights of Persons with Disabilities, the European Pillar of Social Rights, and overarching targets like the SDGs (Sustainable Development Goals).

Taking the Doughnut economics model of Kate Raworth as a starting point, as a holistic approach aimed at balancing basic human needs with the limitations of our planet, COFACE Families Europe's aim is to ensure that the development of our economic and financial system serves **the general interest and wellbeing of all European citizens and families, within the means of what the planet can provide in a sustainable way.**

Principles

1 Families as a core economic unit

2 Reconciliation and care economy

3 Reduce inequalities and addressing poverty

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5 Economics within physical boundaries

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7 Financial inclusion

8 Financial and economic literacy

9 Democratic participation and public debate

10 Anti-fragility and resilience

11 Mitigate undesirable side-effects of economic policies

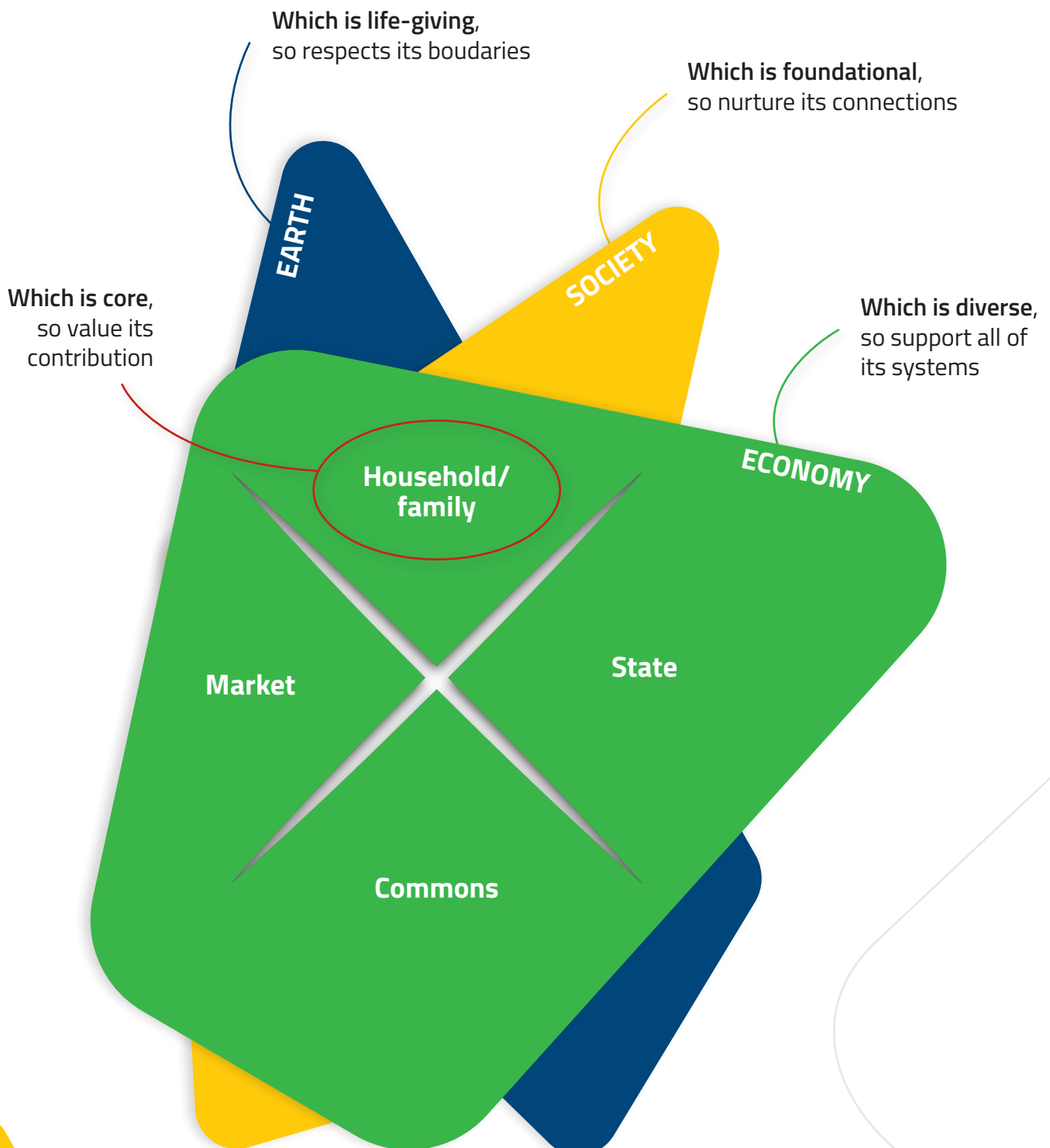
12 Protect privacy and anonymous and free transactions

13 Openness to change towards an economy at the service of society

14 An economy beyond numbers

The unprecedented societal and economic impact of the global COVID-19 pandemic requires creative and sustainable solutions. These principles taken together, paint a picture of an economy managed and maintained by reconciling and balancing the roles and

responsibilities of the three key players in the creation of welfare: the role of families as consumers, citizens and workers, as well as the role of private actors or the market, and finally, the role of the State, in order to create **a better economy for all.**



These 14 economic principles are based on a combination of existing principles and developed through an open dialogue with a variety of stakeholders. They are based on the core principle of **families as an essential economic unit.**

COFACE Families Europe wants to unlock new economic thinking and bring in the families' voice in the current European economic debate, with the ambition to better rebuild our economy.

PRINCIPLE I.

FAMILIES AS A CORE ECONOMIC UNIT

Families play an essential role in our societies, and specifically, as an economic unit. Policy makers should capture the breadth of the relationship between family and society as a whole, as well as with the economy, and recognise the wide diversity of families as the “natural social safety net” and the “core” economy: an institution oriented to socialisation, emotional needs and the provision of mutual support and solidarity; a cooperative unit which provides the material and non-material resources and services necessary for everyday life to its members. Families are also consumers: demand for goods and services and consumption is determined, to a great extent, by families. Key purchasing decisions such as purchasing a home, a car, food, clothing, leisure and more are done in the context of a family. Acknowledging families as a key economic unit can help devise impactful and adequate economic policies, reflecting the true state of an economy, rather than pretending that our societies are composed of separate consumers making individual choices with no consideration for others. Finally, families should have the right to make informed and conscious decisions, free from external pressures which can take a variety of forms, including aggressive, intrusive or misleading marketing and misinformation.

PRINCIPLE II.

RECONCILIATION AND CARE ECONOMY

Invest in a “reconciliation economy” with a focus on families and bring about a comprehensive policy which responds to the families’ needs to reconcile their work and family life, and which revolves around three key pillars: **resources** (be it financial or in kind), **services** (including public services, care related services, family friendly workplaces), and **time** (adequately paid family leaves and flexible working arrangements). The economy is not solely comprised of activities which involve a monetary exchange. The so-called “informal” economy often serves as the backbone of “formal” economic activities, ensuring that solidarity, mutual assistance, social and emotional ties remain strong, preventing social unrest and upheaval when “formal” structures fail to address human misery and distress. Families are at the heart of the informal economy, maintaining the essential relations and bonds between all generations. In order to cement their role, policy-makers should properly enact policies for reconciling work and family life as well as invest in the care economy. This means recognising and supporting family carers and making their invisible work visible, including via an official evaluation and assessment of the monetary value of their work, and the impact of family carers on the economy. Finally, the distribution of roles between the State, family and market at a macro-economic level must go hand in hand with the redistribution of care between women and men at a household level.

PRINCIPLE III.

REDUCE INEQUALITIES AND ADDRESSING POVERTY

A healthy economy cannot function when inequalities and poverty are growing. In the founding work of politics, Aristotle had already identified the root causes of social unrest, and high levels of inequality and poverty, coupled with a feeling of exclusion and rejection, were the two determining factors. On the other hand, a strong and prevalent middle class led to more stable and prosperous societies. Recent studies proved that more equal societies, be they rich or poor, turn out to be healthier and happier. Besides reducing inequalities, making sure that all families have access to core basic services regardless of their financial situation is key. Poverty and social exclusion are not economic necessities but design failures and major causes for the intergenerational transmission of poverty, notably within the family.

PRINCIPLE IV.

HUMAN RIGHTS AND CHILDREN'S RIGHTS OVER ECONOMICS

Whether it is monetary policy, economic policy or the workings of the financial system, none of these policy areas should be above human rights or children's rights. Economics should be yet another instrument to fully realise and achieve human and children's rights, including the right to live in dignity. Human beings are the only real pre-requisite for an economy to exist. Without humans, there is no economy. And yet, in many cases, humans are treated as mere pawns rather than being treated as the vital and core elements at the heart of what makes an economy function properly. Well-being should be an end in itself, and not a way to achieve higher productivity. Human rights and children's rights should be at the heart of economic policy making and a top priority, ahead of any other indicator or principle.

PRINCIPLE V.

ECONOMICS WITHIN PHYSICAL BOUNDARIES

Boosting an ecologically sound lifestyle is an important role for the State, the market and for families alike. This means promoting **wise use of resources**: the global natural resources we have at our disposal are limited. All economic policies should take this into consideration and ensure that our use of resources is efficient, sustainable, durable and fair, following the recommendations and objectives set forth in the SDGs. Families have to be at the center of these policies, given their weight in shaping demand and consumption patterns. They have to be supported as a key **stakeholder**, since families can adopt an ecological lifestyle, and a key **agent**, whereby families participate proactively in the decision-making process to shift towards a more responsible use of our resources. Families contribute to shape the economy and need to be supported to do so, often relying on NGOs and other actors to voice their concerns and proposals to make the economy more sustainable. Environmental and social sustainability must be thought of together, with socio-ecological justice as a core element of the economic system, ensuring that a more sustainable economy and the impact of climate change do not rest disproportionately on the shoulders of families in situations of poverty and vulnerability.

PRINCIPLE VI.

ONE PLANET, ONE PEOPLE, ONE FUTURE

Economic policy should adapt to recognise the interdependence that exists between all human beings and identify key sectors where innovation is of planetary importance, and allocate funding to create open source research and technical innovations that could help our entire planet tackle common challenges. It should also aim to boost the efficiency of renewable energy technologies and make them freely available to all countries, to avoid highly polluting technologies from being used by other countries. Additional key measures include making non climate-friendly products more expensive or impose a ban if necessary, scaling down environmentally destructive industries, and generally enhancing the lifespan of products.

PRINCIPLE VII.

FINANCIAL INCLUSION

Financial exclusion for families is even more serious for households with dependent members since it affects the entire household, including the children. Access to basic financial services should be a right derived from overarching human rights. Without access to basic financial services, a person is de-facto excluded from participating in society. Financial inclusion should not only cover access to a basic bank account, but also to other essential financial services such as access to insurance, access to credit through proper creditworthiness assessment, a mortgage loan or a loan for a family business, making sure all of these services are affordable and accessible to all.

PRINCIPLE VIII.

FINANCIAL AND ECONOMIC LITERACY

The economic, monetary and financial system have often been considered too complex for the general public's understanding, and thus any debate about reforming these systems are held between a select few "experts". However, given how important economic, monetary and financial policies are, and the incredible impact they have on families' daily lives, all citizens should be educated in understanding how these systems function. Contrary to common beliefs, there are ways to explain complex topics in simple terms, and many experts and organisations have begun distilling this knowledge in a way that is simple to understand. COFACE Families Europe has started to develop trainings on these topics, with a module on "[what is money?](#)" and should be supported to continue this education work in the future.

PRINCIPLE IX.

DEMOCRATIC PARTICIPATION AND PUBLIC DEBATE

People should have more control, via their democratic institutions and processes, over financial, economic and monetary policy. These policy areas have a tremendous impact on society and people's lives. Economics is vital to a functioning society, including the right to transact and exchange goods or services. Thus any important policy decision should be subject to some form of democratic oversight such as fully accessible, inclusive and open public consultations or even referendums. Citizens should have access to independent and comprehensive economic education to ensure they are well equipped to participate in such public debates and consultations. Key stakeholders including civil society organisations and NGOs such as COFACE Families Europe should be an integral part of the economic policy decision-making process.

PRINCIPLE X.

ANTI-FRAGILITY AND RESILIENCE

Resilience is needed at both micro and macro level. Regarding micro-resilience, families as an economic unit have already shown their key role in terms of resilience and anti-fragility. In many cases, families are the last social safety net and intergenerational solidarity mechanism in dire economic situations, and as such, require adequate support and recognition in economic policy. Regarding macro-resilience, the economic and financial system should be designed in a way to withstand the upcoming challenges that humanity will face in the decades ahead, such as climate change, and other global disruptions. The financial system should be able to withstand fluctuations in supply and demand, and escape the growth and jobs treadmill.

PRINCIPLE XI.

MITIGATE UNDESIRABLE SIDE-EFFECTS OF ECONOMIC POLICIES

Many regulations pursuing a variety of objectives such as fighting financial crime or ensuring financial stability also negatively affect families and especially the ones in the most vulnerable situations. For instance, anti-money laundering regulations can have the effect of excluding homeless people and migrants from accessing a basic bank account. A privatisation of certain vital services like public roads or water distribution can exclude the most vulnerable families from accessing these services at acceptable conditions. Thus any and all economic policies should be carefully assessed to ensure that they do not trigger undesirable side-effects affecting families.

PRINCIPLE XII.

PROTECT PRIVACY, AND ANONYMOUS AND FREE TRANSACTIONS

The right to be able to transact freely, to buy goods/services with money and receive payment when selling goods/services in an anonymous way, should be a fundamental and non-negotiable right, as it is essential for the functioning of any society. Citizens should remain free to transact, exchange goods and services, without any impediment. This includes among other things, the right to set up a local currency or use an alternative currency to the official legal tender, the right to access cash, the right to access a basic bank account and the right to make payments and receive payments. Any new means of payment seeking to replace cash should emulate all of its key features.

PRINCIPLE XIII.

OPENNESS TO CHANGE TOWARDS AN ECONOMY AT THE SERVICE OF SOCIETY

At the present time, our entire financial system relies on debt as the main mechanism for monetary creation. There is no reason why the foundations of this system cannot be changed or revised. Reflections on the reform of the economic and financial system should therefore be as open as possible, without artificial limitations which prevent questioning some fundamental mechanisms and principles of these systems, including for instance, how money is created and distributed. As Heraclitus pointed out: "the only constant in life is change."

PRINCIPLE XIV.

AN ECONOMY BEYOND NUMBERS

The economy is too often limited to what can be measured statistically, using indicators such as GDP. Other indicators besides GDP and growth should be developed to take in account the wellbeing of people, of the planet, on top of monitoring the health of the economy. The economy is much broader than what can be formally measured. For instance, informal care, voluntary work, unpaid work and many more contributions which do not always include a financial transaction or a formal work arrangement should be taken into account and recognised for their key role in the economy. Economic policies should cover these activities and seek to improve the rights and working conditions of people engaged in these activities.



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For further information please consult:
<http://ec.europa.eu/social/easi>



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