

POLICY NOTE

# DECODING THE EU ELECTION MANIFESTOS THROUGH THE ETHICAL FINANCE LENS



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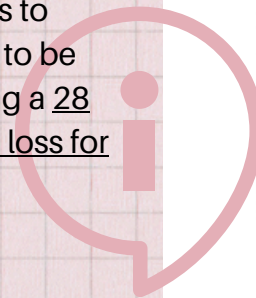
FÉDÉRATION EUROPÉENNE DES FINANCES  
ET BANQUES ÉTHIQUES ET ALTERNATIVES

# What is important in the European Elections?



## General

The European Elections of 2024 take place amidst geopolitical, environmental and socio-economic crises. **Wars, climate policy, migration and farmer protests** are major topics for the electorate, as far-right parties – grouped within Identity & Democracy (ID), the European Christian Political Movement (ECPR) and the European Conservatives and Reformists (ECR) – utilise these issues to attract voters. This seems to be working as they are polling a 28 seat win against a 35 seat loss for the left.

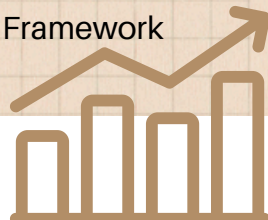


## Climate

While far-right parties call for a complete elimination of the Green Deal, centre-right political groups – the European People's Party (EPP) and the liberal Renew/ALDE – plead for a more gradual implementation. Both parties emphasise the economic competitive advantage of sustainability policies, while the EPP cracks down on nature restoration. On the other side, both the Greens/EFA and the S&D call for improvements to the Green Deal, such as increased and more coercive regulations and improved social inclusion, while The Left claims the Green Deal still needs to lose its reconciliation with the capitalist system.

## Economy and finance

According to two alarming reports by Enrico Letta and Mario Draghi, the faltering competitiveness of the **EU single market has become a significant issue contributing to the EU's shortage in finance for the Green transition**. In addition, the recent last-minute exemption of the financial sector from the Corporate Sustainability Due Diligence Directive (CSDDD), forced through a Council coalition led by Germany, has augmented the debate on what the Sustainable Finance Framework should look like.



## Social

Amidst the Cost-of-living crisis, rising inequality, and **increasing pressures on national social systems**, social issues are an important theme. Simultaneously, these are issues tackled and addressed by financial instruments such as InvestEU, as well as by the **Social Economy Intergroup** in the European Parliament, which FEBEA is part of. Although they may be minor points in the larger context of the Elections, support from political groups such as the Greens/EFA, S&D, and The Left is essential to continue facilitating social economy solutions to social issues.



# Scoreboard methodology

The following Manifesto Scoreboard aims at summarising the most salient points each European party pledged to in the run-up to the 6-9 June elections. We carried out this analysis by thoroughly scanning the party manifestos according to the most relevant parameters for the ethical finance sector, namely sustainable finance, social economy, civil society, social inclusion and youth support. Although ethical finance was not explicitly mentioned in any of the manifestos, some parties made interesting proposals that have potential to benefit our sector. Conversely, other parties included proposals that are likely to hinder the development of ethical finance in the future. To showcase this, we used a colour-based system according to the following rationale:



- **Red:** the issue is either not mentioned at all, or the party's proposal is harmful to the ethical finance sector;



- **Yellow:** the issue is mentioned but no concrete solution is proposed;



- **Green:** the issue is mentioned and the party proposes a concrete solution, beneficial to the ethical finance sector.

		Sustainable Finance	Social Economy	Civil Society	Social inclusion & youth support
<b>GUE/NGL</b>	<b>The Left</b>	<ul style="list-style-type: none"> <li>Dual interest rates.</li> <li>No specific proposals for sustainable finance.</li> </ul>	<ul style="list-style-type: none"> <li>Support social housing through EU Fund (financed through ECB money creation).</li> <li>Blended finance with EIB through non-profits and cooperatives.</li> </ul>	<ul style="list-style-type: none"> <li>EU legal framework for the just transition through dialogue with trade unions.</li> </ul>	<ul style="list-style-type: none"> <li>Support gender equality as a fundament of a human economy.</li> <li>Active policy on closing the gender pay gap.</li> </ul>
<b>Greens/EFA</b>	<b>Greens</b>	<ul style="list-style-type: none"> <li>Dual interest rates (higher for fossil fuels).</li> <li>Include financial sector in CSDDD.</li> </ul>	<ul style="list-style-type: none"> <li>Promotes EU regulation to recognise alternative economic models.</li> <li>Blended investment for social housing through Affordable Housing EU Plan.</li> </ul>	<ul style="list-style-type: none"> <li>More structured and developed civil dialogue.</li> <li>Cross border efforts with easier rules for civil society organisations.</li> </ul>	<ul style="list-style-type: none"> <li>EU funds for youth organisations.</li> <li>Active policy on closing the gender pay gap.</li> </ul>
	<b>EFA</b>	<i>Not mentioned.</i>	<i>Not mentioned.</i>	<i>Not mentioned</i>	<ul style="list-style-type: none"> <li>Ensure that young people's concerns and needs are systematically included in legislative processes.</li> </ul>
	<b>Volt</b>	<ul style="list-style-type: none"> <li>End fossil fuel subsidies.</li> <li>No specific proposals for sustainable finance.</li> </ul>	<ul style="list-style-type: none"> <li>Promote direct EU funding of social housing.</li> </ul>	<i>Not mentioned.</i>	<ul style="list-style-type: none"> <li>Scale up Erasmus+.</li> <li>Introduction of a Green Jobs Strategy.</li> </ul>
<b>PES</b>	<b>S&amp;D</b>	<ul style="list-style-type: none"> <li>Investment plan for digital and green transition.</li> <li>Invest in renewable (but don't propose anything concrete).</li> </ul>	<ul style="list-style-type: none"> <li>Support to social economy and cooperatives.</li> <li>Plan for affordable housing.</li> </ul>	<ul style="list-style-type: none"> <li>Support and involve civil society in social dialogue.</li> </ul>	<ul style="list-style-type: none"> <li>Fight social exclusion and unemployment with a European minimum wage.</li> <li>Promote initiatives for democratic representation of young people.</li> </ul>
<b>ALDE</b>	<b>RENEW/ALDE</b>	<ul style="list-style-type: none"> <li>EIB to channel investment towards green technology and innovation projects.</li> </ul>	<i>Not mentioned.</i>	<ul style="list-style-type: none"> <li>More direct funding for civil society.</li> </ul>	<ul style="list-style-type: none"> <li>Provide apprenticeships.</li> <li>Extend Erasmus+ to students of all levels of education.</li> </ul>
	<b>EDP</b>	<ul style="list-style-type: none"> <li>Scale up joint investment for green just transition.</li> <li>Encourage fair and sustainable business practices (CSR).</li> </ul>	<ul style="list-style-type: none"> <li>Participatory initiatives for cooperative energy production.</li> </ul>	<ul style="list-style-type: none"> <li>When rule of law is breached in a Member State, increase direct EU funding for civil society in that Member State.</li> </ul>	<ul style="list-style-type: none"> <li>European Civic Service for skills development of young people.</li> <li>Promote gender equality as competitiveness factor.</li> </ul>
<b>EPP</b>	<b>EPP</b>	<ul style="list-style-type: none"> <li>Develop the Green Deal with a focus on SME's and industry.</li> <li>No specific proposals to sustainable finance.</li> </ul>	<ul style="list-style-type: none"> <li>Supports the Social Pillar.</li> <li>Hints at social responsibility but does not include any reference to social economy.</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of civic participation and civil society for a strong economy.</li> <li>Increased funding for civil society.</li> </ul>	<ul style="list-style-type: none"> <li>Funding for remote areas.</li> <li>Combat youth unemployment.</li> </ul>
<b>ECR</b>	<b>ECR</b>	<ul style="list-style-type: none"> <li>Leave CO2 emission reduction to the market economy.</li> <li>No further plans for sustainable finance.</li> </ul>	<i>Not mentioned.</i>	<i>Not mentioned.</i>	<i>Not mentioned.</i>
	<b>ECPM</b>	<ul style="list-style-type: none"> <li>Improvement of CSDDD.</li> </ul>	<ul style="list-style-type: none"> <li>Relational economy with support to participatory governance of companies (e.g. cooperatives).</li> </ul>	<i>Not mentioned.</i>	<i>Not mentioned.</i>
NB: the <b>Identity &amp; Democracy (ID)</b> Party was not included in this Scoreboard as they did not publish one. <a href="#">Here</a> is their programme.					

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## Positions on EU funding

Several political parties also take positions on EU funding programmes relevant to FEBEA's work and values. Multiple parties also plead for new or increased social funds, such as The Left's fund for social housing and the S&D's plan for expanding the Just Transition Fund and the Social Climate Fund. In addition, Renew proposes to use the European Social Fund+ (ESF+) to also finance projects enhancing digital equality, and the EPP wants funding specifically for women-run tech start-ups. Lastly, Volt suggests a tripling of the Horizon Europe funding programme (for research and innovation) to € 300 billion (over seven years).

## Information on banking governance

In light of the recently sparked discussion on EU competitiveness, multiple 2024 party manifestos contain comments on the Banking Union: Volt, Renew and EPP propose extended integration of the Banking Union and further harmonisation of regulation, whereas the ECPM takes position against this. Aside from this, EDP wants to strengthen regional banks, in addition to measures to avoid monopoly structures in the banking system and common financial ID systems for bank clients. The S&D wants further regulation of the financial sector without specifying on what, and it wants to combat market speculation.



FEBEA – the European Federation of Ethical and Alternative Banks and Financiers – is a non-profit association based in Brussels. It gathers 33 financial institutions whose aim is to finance social and solidarity economy (SSE) and projects with social, environmental and cultural value in 17 European countries, serving more than 700,000 people.

Its objective is to support the exchange of experiences and promote cooperation between social economy and social finance practitioners.

Each FEBEA member is integrated in the SSE Sector in its country, focusing on mobilising savings and equity from responsible citizens and using these funds to finance sustainable development and local communities. FEBEA is member of GECES, the European Commission's expert Group on Social Economy and Social Entrepreneurship and of Social Economy Europe, the main European network of social economy practitioners.

FEBEA members finance:

- The creation of jobs, social employment in particular;
- Social enterprises and social economy;
- The non-profit sector and participatory economics;
- New forms of social entrepreneurship
- People or groups of people who are victims of social or professional exclusion or are unbanked;
- Sustainable development: renewable sources of energy, organic farming, biodiversity, etc.;
- International solidarity and fair trade.



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