

A *Fair* & *Green* Deal

FOR A WAY OUT OF THE CRISES

BASED ON SUSTAINABILITY AND SOLIDARITY



Proposals for a programme of urgency

by: Dutch Alliance for a Fair & Green Deal • www.platformdse.org

A Fair & Green Deal

FOR A WAY OUT OF THE CRISES BASED ON SUSTAINABILITY AND SOLIDARITY

The various global crises we are currently experiencing are closely linked to the way our economy is organised. The economic crisis gives us an opportunity to kickstart a much-needed change of course towards a different economic system. There are many attractive ideas to shape this change of course. What matters now is the implementation of those ideas. *The Alliance for a Fair & Green Deal*, comprising of many civil society organisations, is making a thoughtful proposition.

Invitation

We are inviting everybody to contribute to the following proposals by working, developing or expanding them. This proposal emphasises a number of structural proposals, setting new criteria for our economic activities. In the end the space created by this framework should be used for, and filled with practical proposals for issues such as climate change, energy production and consumption, agriculture and food consumption, education and health care, et cetera. Proposals and contributions are much appreciated.

Colofon

The proposal *A Fair & Green Deal* is the result of three meetings that were organized in 2009 by the *Platform for an Economy based on Sustainability and Solidarity* in cooperation with (people from) other organisations and networks.

For more information: alliantie@platformdse.org
www.platformdse.org

postal addresses:
Oikos (attn. Platform DSE), Postbus 19170, 3501 DD Utrecht, The Netherlands
VODO, Vlasfabriekstraat 11, 1060 Brussel, Belgium

lay-out: Jos Kley
print: Kaboem
translation into English: Frank van Schaik
edition: December 2009

A crisis is an emergency situation. Besides the current financial and economic crises, we can also apply the word 'crisis' to a large number of crucial areas: climate, energy supply, biodiversity, food production through agriculture and fishery, availability of fresh water and a number of other natural resources and raw materials. The enormous problems in all those sectors are closely related.

According to the '*Living Planet Report 2008*' by WWF, humanity is using thirty percent more natural resources on a yearly basis, than the earth can replenish. At the same time, both world population and per capita consumption continue to grow: a situation we can never maintain.

Apart from the fact that we are eating way too much of the 'earth cake', the cake is also divided in an extremely unfair way: the gap between the (very) poor and the (very) rich has grown rather than shrunk over the past decades. UN figures show that by now more than two billion of our fellow world citizens are living under inhumane circumstances. The tensions caused by this situation, are leading to more war and violence in many places. Business as usual and continuing down the same path will lead to more conflicts, an uninhabitable climate in many places and new migration waves.

The need for change has been clear for a long time. In the direction of a sustainable development, as suggested in the 1987 UN report '*Our Common Future*'. To implement this urgently needed change of course, we present a proposal for a *Fair & Green Deal*.

HUMANE LIVING CONDITIONS FOR EVERYONE, NOW AND IN THE FUTURE

The good news is that the earth still offers enough for humane living conditions for everyone. We will all benefit if we change our course in an orderly and jointly planned manner. Rich people will have to share some of their material wealth. But in return they too will enjoy a better situation for their health, the social structures in society and the quality of nature, as well as the improvement of all kinds of important services. Their quality of life will overall improve.

If we adopt new methods, we can guarantee humane living conditions for each and everyone. With that we can also leave enough for future generations and for other living beings. Even the damage already done can be repaired, partially anyway. For all this we need an economy that is no longer geared towards limitless material growth, but aims at creating the possibility of humane living conditions, taking into account the capacity of nature. Using the available technology for global sustainability and justice, and giving human labour a meaningful place again in everyday life. This new, 'relaxed' economy will bring a greater cultural wealth: big economic players with their worsening supply of products will have to give way to more quality and diversity.

Since the start of the financial crisis several *New Green Deals* have been formulated, containing many good propositions. We add the dimension of *Fairness*, because we are convinced that without a fair distribution a sustainable society can not be realised.

A BECKONING PERSPECTIVE

We are convinced there are enough ideas and possibilities for the right way out of the dangerous crises that are threatening our civilisation. We would very much welcome a leading role for The Netherlands and Flanders in finding this way out. With our proposals for a *Fair & Green Deal* we hope to contribute to an economy based on sustainability and solidarity. So that we can explain to our (grand)children and fellow humans far away and close by, that we did everything we could to turn the tide in time.

Our future perspective can be drawn along the lines of the following four dimensions:

- **Economic**
The *Fair & Green Deal* supplies the basic needs of all human beings, including meaningful labour and a decent income, within ecological limits. To ensure that

both producers and consumers will 'automatically' choose sustainable solutions, we propose a radical shift from taxing labour to taxing land use and raw materials. This implies all trade to be 'fair', internationally as well as regional, shortening production-consumption chains. Everything will be produced as much as possible in a cyclical way, meaning that waste will be used again in the chain of production. Unfair competition with unsustainable products will be countered.

- **Social and cultural**
The *Fair & Green Deal* aims at a great social and cultural diversity. This means a growing variation of attractive, healthy and sustainable lifestyles, based on a diversified supply of sustainable products and services on all levels of daily life, be it food, clothes, mobility, health care, recreation, media or communication. Not material wealth, but well-being and quality of life are central in this.
- **Technological**
The *Fair & Green Deal* stands for human and nature friendly technology that improves living circumstances, meaningful labour and global sustainability and justice.
- **Political**
The *Fair & Green Deal* wants a democratic and participatory society. This gives people as much control as possible over their own situation and brings recognition of equal rights for everyone, including the responsibilities that come with it. The social, economic and political human rights form the starting point.

THE GOALS WE SET OURSELVES

- A. *No longer exhausting the earth's carrying-capacity.* To this end we need a fair distribution of the limited global resources. In this way people in the South can get possibilities for development and biodiversity and ecosystems can be protected or revived as much as possible. This can be translated into concrete yearly steps. This includes reducing global warming to a level that is as far below 2 degrees Celsius as possible, measured from pre-industrial levels.
- B. *Social and economic security of income and room for development, cultural diversity and equal treatment for everyone.* Based on the system of human rights, including the right to labour and good working conditions, set by the *ILO* labour standards. This means a true and swift redistribution of global wealth, including agreements on the use of natural resources and emission rights. To reach this concretely per decade, a strong and progressive tax policy should be implemented.

- C. *A much more efficient use of energy and resources.* Fast and massive, long-running investments are needed for truly sustainable energy sources and production methods, in all sectors of society.

A BROAD SOCIETY COUNCIL

We would like to see the aforementioned goals to be discussed in a broad *Society Council for Development based on Sustainability and Solidarity*. The idea is that government, business, the trade union movement and a broad representation of civil society groups will participate in this council. The various organisations can then decide on a joint strategy with clear goals and a timeframe. They can question each other on their concrete contributions to realising the goals.

We work on this in a broad, open alliance of civil society organisations and companies that — each in their own area — will actively work for a *Fair & Green Deal*. We do not aim at full agreement on details, but hope that participants inspire, challenge, add to and strengthen each other. Inspiring images, practical solutions, strong incentives, better monitoring and full attention for each other's priorities are a necessity. This way a broad and effective cooperation immediately unfolds. During a conference '*A Fair & Green Deal: Who Bids?*' on January 21st 2010 in Tilburg (Netherlands) this will be demonstrated. We invite the government to take part in this cooperative project. This Alliance can serve as the basis for the broad Society Council.

This text has been produced in consultation with:

Bakker, Ineke - director OIKOS
Bierman, Matthijs - director Triodos Bank
Boer, Bart de - environmental economist, Platform DSE
Borgers, Johannes - ICCO
Bos, Els - FNV
Dijk, Daan - director Sustainable Energy Projects and Climate Change Rabo Bank
Engelen, Donné van - policy developer economics Stichting Natuur en Milieu
Fontain, Antonie - Stop the Traffic
Hasselaar, Jan Jorrit - CNV-advisor Sustainability
Hees, Ted van - policy advisor Oxfam Novib, Platform DSE
Hogehuis, Christiaan - Oikos, Platform DSE
Hoogendijk, Willem - Vóór de Verandering (For a Change), Stichting Aarde
Hudig, Kees - Globalinfo, XminY, Platform DSE
Ilge, Burghard - Both Ends
Jonkers, André - Vereniging Solidair, Vóór de Verandering (For a Change)
Juffermans, Jan - De Kleine Aarde (The Small Earth), Platform DSE
Keune, Lou - Platform DSE, Vóór de Verandering (For a Change)
Köhler, Frank - director Milieu Defensie (Friends of the Earth Netherlands)
Metz, Paul - INTEGeR... consult, Stichting Grondvest and European Business Council
for Sustainable Energy, Platform DSE
Ruigrok, Edwin, Jan - IKV Pax Christi
Schelhaas, Marielies - head Ecology & Economy IUCN
Schoenmaker, Biba - chair Vereniging Solidair
Schreurs, Marcel - director COS Brabant
Somers, Esther - theologian/ethicist, former member De Derde Kamer, Platform DSE
Sprengers, Piet - ASN Bank
Staps, Sijf - Louis Bolk Institute
Vliet, Peter van - chairman Stichting iNSnet. Platform DSE
Wiertsema, Wiert - Both Ends
Witte-Rang, Greetje - researcher Oecumene & Economy, Kerk en Vrede, Platform DSE
Zwaal, Natascha - WWF

Proposals for

A Fair & Green Deal

The *Fair & Green Deal* aims at a form of cooperation towards an economy and a society based on sustainability and solidarity, as well as a set of *proposals* needed to achieve this. A number of important proposals are mentioned below for guidance and inspiration. We hope they will be worked on, developed and expanded.

1. Economic steering tools

In order to accomplish a change-over in the direction of sustainability and solidarity, we will have to have enough tools that steer the economy permanently in the right direction. We mean *policies* of fitting taxes, encouraging and discouraging measures, quota, monitoring and education, aimed at a shift from material to immaterial consumption, improvement of the global Ecological Footprint and a fair distribution for all citizens. The North carries first responsibility because of their 'ecological debt', their bigger technological possibilities and their great economic power and trade surplus.

A fitting set of steering tools could include the following:

A. Systemic tax reform

- both nationally as Europe-wide, taxes shift drastically from a tax on labour to a tax on nature-derived values. This can kick off with the introduction of a footprint tax and a carbon tax;
- along the same lines we see a tax reduction for sustainable goods and services;
- end of tax havens and other facilities for transnational tax evasion;
- fair distribution of income by taxing high incomes by a larger percentage; in the future to be implemented worldwide;
- a tax on the global capital flow (like the *Tobin Tax*), and other forms of global taxation; the benefits go towards global programmes for poverty reduction and environmental conservation;

- proposals to install a *Global Tax Authority* at UN level.

B. International, national and regional quota and strict prohibition rules

These can serve as support for the tax reform under A. These quota and prohibition rules can be specifically aimed at:

- fast reduction of CO2 emissions;
- fair distribution of natural resources (fossil fuels, tropical timber, fishing grounds, non-renewable raw materials);
- ending the degradation of, and where possible improve *biodiversity*;
- protecting small farmers, fishermen and traditional producers living off gathering forest products and the like;
- protecting labour rights and fair labour conditions.

C. Facilitating and subsidising sustainable development

Both national as well as local governments can stimulate investments in sustainable project development, local green energy production, energy saving and in sustainabilisation of regional agriculture. These stimuli can happen through subsidies but also through giving out loans against a lower interest. In addition the government can facilitate sustainable investment by making procedures more efficient.

D. 'The polluter pays' for the sake of fair competition and a 'level playing field'

This should be implemented both nationally as internationally, both for environmental degradation as for violation of ILO guidelines and social economical human rights. A *feed-in* system for sustainable energy, as in Germany, is a modest start. In agriculture and mobility too, the 'polluters pays' principle should be implemented. Regional production chains will get a fair chance this way.

E. Labels, certification and mobilisation of consumer power

Companies, governments, civil society organisations and individual citizens/consumers can bring and keep each other on a fair and sustainable course with labels and certification. With an accessible system based on *input/feedback* by companies, civil society organisations and citizens/consumers, the most fair and sustainable options can be found for each sector and product group. This way the standard will change gradually and the system of labels and certification can be simplified.

2. Reforming the financial system

An important factor in a *Fair & Green Deal* is reforming the international monetary system. The current system contains an independent and hardly controllable urge to maximise return on investment, financial growth and money creation, separate from any concern for sustainability and justice.

To reform the financial system, we suggest:

A. Embedding monetary systems in the real economy

Money creation is originally a matter of public interest, and should therefore be bound by rules that are in agreement with liquidity needs of the real economy. In this way a recuperation is possible of the original function of money as means for payment to serve production and consumption. The financial markets will remain a service to the real economy in which they operate. Alternative, regional and local monetary systems deserve attention too.

B. Reforming the international monetary system

The international monetary system will be reviewed with sustainability and solidarity as starting-points. For example:

- for developing countries an expansion of the system of Special Drawing Rights (SDR's¹) through the IMF, exclusively aimed at a green and fair development;
- a new reserve world currency, based on the analysis above. This will bring an end to the one-sided and global dependency on the US dollar and to the US monetary policies that are driven by national interest;
- short-term measures to prevent the flow of capital from South to North (not just by tax evasion, but also in the form of debt instalments, interest payments, profit diversions, and the like).

C. A Fair & Green Bank Index

Systems of validation can be developed, comparable to the existing Dutch 'Fair Bank Index', enabling bank customers to validate their bank and quit it if they don't operate in a fair & green way.

3. Employment, income and investment policies

Any proposal for adjusting economic policies will raise the — fair — question what this will mean for employment and income. We are confident to state that a *Fair & Green Deal* will not lead to a decrease in employment, but rather to a shift and maybe even an increase. If we want to reach sustainability and justice, changes in income and investment policy will be unavoidable. For instance:

A. Transition to 'material-low' employment

This means for example:

- a shift from sectors and products with a high material component (in terms of production and use) to sectors and products with a low material component, such

¹ Exclusive possibilities for developing countries to borrow money.

as health care and culture; this includes more attention for regional economy, which has lower transport needs;

- a more fair and balanced distribution of paid work, unpaid care tasks and available free time;
- better positioning of necessary work like health care, education, etc.;
- prioritising labour and technology that lead to conservation and, where possible, expansion of the environmental space still available on earth — such as the development of clean energy sources;
- a strive for flexibilisation of the economy, as opposed to flexibilisation of labour for the benefit of higher economic yield, often at the cost of labour rights. This will have to be aimed at adaptation to what a working human being and the environment can cope with.

B. Fair & Green investment policy

For a *Fair & Green Deal* it is important that investments are primarily focused at:

- fair distribution and reduction of emission, such as greenhouse gases;
- clean energy;
- forms of production and consumption that are efficient and careful in terms of energy, resources and human rights. Examples are reutilization and recycling, fair trade and regionalisation of food and energy production, for instance in co-operation with *Transition Towns*.

This concerns both investments in countries like The Netherlands, Belgium and other parts of Europe, as well as investments in the sustainabilisation of production and consumption in developing countries. Next to that, investments are important for:

- adaptation to the effects of climate change, especially in countries and regions that are hit hardest, meaning developing countries. With this we mean physical investments, such as dikes, but also social security for poor and vulnerable citizens.

C. Responsible national income policy

Protecting the purchase power of lower income groups in The Netherlands and Belgium is prime. At the same time it is desirable — for the sake of sustainability and justice — to aim for a more equal division of income. A firmly progressive tax system is a useful tool to this end.

4. Global redistribution and global trade

We have already mentioned measures that contribute to a greater global justice. Nevertheless we also need focused attention for the global redistribution of wealth. This needs to be supported by changes in global trade and international institutions.

We suggest the following:

A. Financing the right to humane living conditions in developing countries

The right to humane living conditions is laid down in the social economic human rights and part of the Universal Declaration of Human Rights. But more than two billion people in developing countries do not have access to humane living conditions. They therefore deserve financial support, by the rich in their own country, but surely by rich countries too. In fact this is about a long-running social and ecological debt, the result of 'reversed development aid'. Rich countries make much more money from poor countries, often through non-sustainable trade, than what was and is being given in the form of aid. This includes the following points:

- guaranteed minimum conditions for humane living conditions: minimum income, clean drinking water, basic health care, sufficient food, education and safety, et cetera;
- empowerment of the civil society (non-profit organisations);
- realisation of the internationally accepted aid norm of 0.7% of the Gross Domestic Product (GDP) of the high income countries as a necessary first step;
- additional financing to bridge the large backlog in income security and adaptation to the extra risks caused by climate change;
- access to credit.

B. Developing countries' debt policy

In many cases Southern development will only succeed if the developing countries' debts are being largely cancelled. This requires the following conditions:

- debt cancellation is only desirable if the population of the beneficiary country agrees;
- there has to be an effective policy aimed at preventing new debts and fighting corruption;
- there will be a code of conduct for credit agencies and large borrowers (for example when dealing with notoriously corrupt regimes).

C. Fair and green global trade

For a fair and green global trade and the phasing out of unfair and harmful trade, the following should be considered:

- trade in fair and sustainably produced goods;
- invigoration of chain responsibility and corporate transparency at the level of production chains; codes of conduct and expansion of the right to access to information deserve attention in this respect;
- where possible, preferably trade within regions;
- no longer enforcing 'free' trade through trade agreements and other means;
- stopping and — where possible — reverse privatisations of public services and common goods.

D. International rules and judicial protection

In the field of international law we should think about:

- the *ILO* norms for labour and basic environmental demands as conditions for allowing imports;
- extra-territorial judicial agreements with regard to chain responsibility;
- an International Court of Law for the prosecution of multinationals and other companies that pollute the environment, make unfair use of natural resources, and/or use child labour and other forms of exploitation;
- using other mechanisms for complaints of violations of international rules and agreements, including arrangements of chain responsibility.

5. Population policy

Population pressure plays a role in the growing scarcity of the ecological space of the planet. In this area too we need to look for new policy measures. For this we need as a starting-point the realisation that poverty reduction and sustainable development are the best remedies. We emphasise that such policy measures should not go against the interest of women, nor should they lead to 'blaming the poor'. Moreover we need to constantly realise that the population in the rich countries has a much larger per capita 'ecological footprint'.

6. Peace policy and conflict resolution

Situations of unsustainability and injustice constantly lead to armed conflicts. Vice versa these conflicts often frustrate policy aimed at development, sustainability and justice. With the proposals presented here, the causes of many conflicts will be removed. This should be complemented with active and creative activities in the areas of disarmament, non-violent conflict resolution and arms trade regulation.

7. Fair Measurement of wealth and well-being

The current set of indicators for economic policy, of which the Gross Domestic Product (GDP) is an important one, does not give a honest representation of the situation in which we live. As an example: the GDP counts the costs of accidents, disasters, other damages and diseases as positive contributions to the economy. That makes it only useful for specific economic applications. To be able to find and follow the right direction towards sustainable development, we need additional ways of measuring, that put people and nature values first, such as the Sustainable National Income (SNI), the Index of Sustainable Economic Welfare (ISEW) and the global Ecological Footprint.

Both at a national as well as a local level these new indicators can serve as instrument for sustainability, that analyses and weighs wealth and prosperity in a broad setting.

Finally . . .

As said before, we cordially invite everyone to make additional proposals. These condition-creating propositions should be accompanied by practical proposals in the areas of energy production and consumption, agriculture and food consumption, education, health care, et cetera.

This manifesto forms the background document for the conference

A Fair & Green Deal: Who Dares

on **January 21st, 2010** in **Tilburg** (The Netherlands)

and is the framework text of the Alliance for a Fair & Green Deal.

