

## The transition to an economy that cares for people and planet.

### A strategy for reaching a safe operating space for humanity.

A [warning cry to humanity](#) from 20,000 scientists says the Earth's biosphere is on the brink of collapse. Material [extraction has tripled in four decades](#), intensifying climate change, biodiversity loss, and air pollution. The [sixth mass extinction event is ongoing](#). Yet our response to these challenges remains not good enough. We need a bigger plan.

While some advice from scientists is [directly related to nature](#), some recommendations are economic: divestment from unsustainable practices, an end to fossil fuel subsidies, reducing wealth inequality and ensuring that the real costs that consumption patterns impose on our environment are paid. To get there, we need another economy.

The EEB is convinced that we need to reduce the use of non-renewable resources globally in absolute terms, in other words to reduce and also refocus the metabolism of the global economy. There is both an environmental and a social necessity to move beyond growing Gross Domestic Product (GDP). Poverty in [rich countries](#) and [especially in Europe](#) rose even while GDP grew in the same period. There is [no longer a clear relation between productivity growth and poverty reduction](#).

Economic activity should run on renewable energy, work to close material cycles and apply the precautionary principle. We propose four big but concrete steps to transition or rather leap towards a just and low carbon economy – which is needed for stability and survival. We also believe that these are all proposals for which popular support exists or can be built.

### THE DESTINATION: Leap from growing GDP to growing GPI

GDP growth is [not compatible with sustainability](#) or well-being for all within the limits of the ecosystems that sustain life. In the EU, growth in GDP did not stop a growth in the [numbers of poor people](#) as well as [working poor](#), [inequality](#), [resource exhaustion](#), [species extinction](#), [debt](#) and [deaths from air pollution](#). Planned degrowth of the use of non-renewable resources and unsustainable industries and even gradual phasing out of activities like extracting fossil fuels is not only possible but necessary. The human urge to “grow” can be measured in growth of well-being, abundance of life, care for the planet and care for one another. What is needed now is political recognition of this scientifically proven reality, public and policy debate, planning and implementing.

- Measure what matters. Car accidents and oil spills add to GDP, but child care doesn't. Alternative [indicators exist](#), such as Gross National Happiness (GNH) and Genuine Progress Indicator (GPI). In the latter, various corrections to GDP are made, such as the cost of traffic accidents, but also the cost of pollution and depletion of non-renewable resources, while counting child care in. Social movements that advocate for using different indicators also

exist, such as the Economy for the Common Good. For starters, the EU's [Beyond GDP Initiative](#) needs to be fast-tracked to the top of the political agenda.

### **THE PRINCIPLES: Justice and accountability**

When [mining in the Andes quadrupled](#) from 1970 to 2012, so did the [number of mining conflicts](#). The EU as the most import dependant continent needs to owe up to the [ecological debt](#) it creates, by paying loss and damage reparations. The rise of a [global movement for environmental justice](#) is linked to an economic model based on growth of extraction abroad and then imports. But environmental defenders are increasingly killed and harassed. Protecting people and communities on the frontline creates both justice and a slower rate of finite resources exhaustion. Their work is in urgent need of recognition.

- Environmental defenders need better access to justice. A proper implementation of the Aarhus Convention is long overdue in the EU. But the EU also needs to act more firmly against criminalisation of environmental activism on the global level as well as in some of its member states. Principles such as justice and accountability need to be upheld.
- Binding regulation on harmful cross-border business practices, including sanctions, is needed and possible. Due diligence rules for negative environmental and human rights impacts can come through a new Treaty on Business and Human Rights. But real corporate accountability also requires ending all undue influence in taxation policies and breaking down oligopolistic economic players and sectors.

### **OUR CARGO: from more to less, smart and fair trade**

World exports in 2016 were 50 times bigger than in 1970. But do the French really have to eat California oysters, [despite TTIP supporters using this as a pro-TTIP argument](#)? Polluting shipping enables unsustainable production at one end of the world and unsustainable consumption at the other end. Trade too needs a safe operating space between a social minimum and a planetary boundary maximum. We need fair wages and strong environmental standards in developing countries and an end to outsourcing the polluting production to "[under-polluted](#)" countries and then buying their products cheap.

- Europe is the most import dependent of all continents. Aside from its ecological footprint, this also reduces resilience and food, water and energy sovereignty. Europe needs to reorganise. A circular economy is a much more local economy and requires global absolute reductions in material flows.
- An [Alternative Trade Mandate](#) based on extensive civil society consultations all over Europe exists. We only support trade deals that secure better social and environmental standards and we oppose all those that lower them. The use of private arbitration for foreign investors is a no-go. The Paris Agreement, environmental non-regression and 'do not harm' clauses should be included in a Trade and Sustainable Development chapter with an enforcement

mechanism with teeth. We support a shift away from export-oriented trade to intensified intra-regional trade in order to strengthen a locally embedded circular economy. Meanwhile, challenging CETA in court remains essential.

### **THE BALANCE: from rising inequality to a balanced boat**

We need to address the extreme concentration of revenues and wealth. Hard work sure deserves good compensation, but the unjust excesses that we now witness harm society, democracy and ultimately also the environment.

- **Income:** In the past 50 years, the CEO/worker compensation ratio in the US [went from around 20 to around 200](#). In Europe too, the [ratio rose to around 100](#). A 1 to 10 wage gap factor throughout the economy has wide [support](#). From a certain income level there's a fast declining marginal utility of adding income to add happiness. There's also no reason why women should earn less as men. If [Iceland can enforce equal pay](#), so can the EU's member states.
- **Wealth:** [leading economists](#) call for a massive re-distribution of wealth. Just [8 men now have more wealth](#) than the world's poorest half. The top [1% is on target to own two thirds of all wealth](#). In the [last 5000 years](#), major debt resettlements are common. The EU urgently needs to make debt audits and a Jubilee: a removal of bad debts.

This is not a complete list of the systemic changes that are required to transition to an economy in which it is possible for all to live well within the limits given to us, but it would go a very long way in that direction if they were taken serious. And let's not forget: "We do not inherit the planet from our parents, we borrow it from our children" - St Exupery.