



## **IBON International Submission to the online consultation on sustainability and growth**

**15 March 2013**

The prevailing model of economic growth is based on the unlimited pursuit of profit and accumulation of capital. This economic model has led to excessive environmental degradation and stark inequality. The wealthiest 20 percent of humankind enjoy more than 80 percent of total world income while the bottom 20 percent share only 1 percent. The most dramatic demonstration of the effect of unsustainable production is the increase of carbon dioxide emissions in the atmosphere – now 20 times greater than in the 1800s which is driving current climate change. Despite sustained economic growth, the ‘trickle down’ effect remains elusive and the majority remains in poverty. At the same time, excessive consumption is driving the unsustainable depletion of natural resources and destruction of ecosystems.

Market-based mechanisms to address environmental degradation have failed to stop or even slow down excessive depletion of natural resources or to change unsustainable practices and many of these mechanisms have a social cost which are disproportionately borne by already impoverished and marginalized communities, especially in developing countries. For example carbon offsets and carbon trading have failed to reduce the overall rate of carbon emissions or forest clearing, but the associated privatization and commoditization of nature have led to the dispossession and displacement of many rural communities particularly indigenous peoples. While biofuels, which were promised as a ‘clean’ energy, have been linked to degradation of land and water through mono-cropping practices, land-grabs and fluctuations in food prices.

Instead of refocusing the profit motive from carbon-based fuels to green technologies and industries, there is a need to address the central sources of unsustainability. ‘Green’ growth or the vision of a ‘green economy’ reliant on market-based incentives and private sector initiatives will fall short of addressing the causes of environmental degradation and social inequality as it will not address the unsustainable expansion of production and consumption based on exploitation of labour and natural resources. It will perpetuate the current economic model which has maintained the drive for growth, consumption of resources and production of waste which cannot be offset by incremental improvements in resource efficiency. To create the balance necessary for sustainable development, we must reorient the objectives of economic growth away from profit maximization and capital accumulation towards sustainable development principles.

At the aggregate level, global economic growth is ultimately incompatible with planetary boundaries. Enduring economic growth is impossible and has proven undesirable in the context of sustainable and equitable development. There needs to be a focus on developing sustainable consumption and production within existing planetary boundaries to ensure that we do not destroy our natural environment and that we achieve balanced and equitable development. The economic system must be

reoriented towards improving people's wellbeing, sharing the world's resources and safeguarding the planet. Hence it is necessary to shifting from a profit-and growth oriented system, to a sustainable economic model situated in social development and environmental sustainability. The following principles are recommended to guide sustainable development:

**Preeminence of social equity** in attaining the correct balance among the three pillars of sustainable development – economic - social - environmental. Social equity underpins improvements in material living conditions of people and environmental sustainability. Environmental sustainability is linked to people's well-being, as people have been unable to improve their environment when in desperate social and economic conditions. Economic development, conceptualized as sustainable consumption and production, can be responsive to the aims of social equity and environmental sustainability by creating forms of public, cooperative and community-based ownership. Participatory and inclusive models of decision making in economic activities ensures that they contribute to the needs of the community such as sustainable use of the environment and social needs.

**People's Participation:** New policies must be developed in collaboration with affected people rather than imposed upon them. Many new policies and programs which have been designed by professional policy makers without consultation of the affected communities have failed to benefit the people or improve the environment. Participatory social planning can better regulate and allocate the use of resources to avoid unproductive, resource-wasteful and socially or ecologically harmful activities. In addition, many local communities and especially among indigenous peoples communities, have traditional practices of community based stewardship of ecosystems which are based on principles of living in harmony with the environment. Policies for economic development which benefits both people and the environment could benefit from traditional knowledge and sharing.

**Sustainable consumption and production:** The Johannesburg Plan of Implementation (JPOI) of the World Summit on Sustainable Development in 2002 called for states to work towards sustainable consumption and production to promote social and economic development within the carrying capacity of ecosystems by addressing and, where appropriate, delinking economic growth and environmental degradation and through improving efficiency and sustainability in the use of resources and production processes; and reducing resource degradation, pollution and waste. States need to renew their commitment towards these objectives in a new post-2015 agenda and actively work towards achieving sustainability premised on equity and justice.

**Reevaluating the nexus between society and nature:** there is a need to encourage greater understanding of and concern for the ecological consequences of human activities. This can be achieved through investment in public education to reclaim social value in community space, and to encourage solidarity, diversity and respect for nature. Lessons can be learnt from indigenous communities and traditional knowledge sources to help people achieve greater understanding and respect between society and ecological systems.

**Full and Decent Employment:** economic growth since the financial crisis has been 'jobless' and this has not eased social pressures and tensions – it illustrates that economic growth is not enough to create

balanced equitable societies. Sustainable development cannot be achieved without ensuring full and decent employment for people as there is a need for people to be able to support themselves and their families through decent work. Promoting full and decent employment depends on democratization of ownership, control and decision-making over productive resources and assets in society. We should move towards more democratic modes such as cooperative forms of ownership to ensure that economic activity provides sustainable livelihoods for all. This also entails the promotion of closed-loop production supporting minimum use of energy and materials, emphasizes longer life-time cycles of products and recycling.

**Principle of common but differentiated responsibilities:** governments must recognize the different historical and present contributions to environmental degradation and climate change. Developed countries bear a historical responsibility of producing higher carbon emissions than developing countries and consuming greater natural resources. Developed countries must ensure free sharing of safe, appropriate and ecologically sound technologies in order to facilitate the transition towards equitable democratic and sustainable development for all. Based on historical responsibilities, developed countries must commit public funds to climate finance for adaptation and mitigation to climate change in developing countries.

**International governance and cooperation** is necessary to ensure that a global transition to renewable energy technologies is equitable, positively reinforcing and easier. International development cooperation, north-to-south transfers and south-south cooperation can be built upon accepting principles such as country ownership, democracy and human rights to help facilitate the long term reorientation of southern development into more sustainable and equitable development pathways.

Economic growth should no longer be a means and an end in itself if we are to balance social and environmental concerns. The above principles can improve how the economy is managed and make it more responsive to the needs of society and the environment as a whole but it requires a fundamental shift in perspective by all. Developed and developing countries need to follow an alternative development path that is not based on the exploitation of people's labors and the exhaustion of the planets resources for profit but rather one that is geared towards improving the well-being of all people while safeguarding ecosystems and the planet.

The real challenge is in establishing a new model of sustainable development within the post-2015 agenda and shifting away from an obsession with an exclusionary, top-down growth model geared towards excess consumption for private profit, towards new modes of production consumption and distribution and a rights-based framework centered on the principles of equity, justice, democratic ownership and respect for nature.