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**Ensuring No One is Left Behind. Fostering Economic Growth, Prosperity and Sustainability.**

*Written Statement for the HLPF*

*by Members of the Commons Cluster of the UN NGO Major Group*

This statement shows that it is possible to adopt a mindset wherein all aspects of sustainable development are recognized as mutually reinforcing. This statement will indicate ways whereby all sectors of society can be mobilized so that no one is left behind. It will also suggest financing mechanisms to help bring this about and that enable society, the economy and the environment to thrive and strengthen one another.

While the 10-day High Level Political Forum focusses on the most vulnerable people and nations, three essential categories are left almost completely out of consideration. These are:

1. The most marginalized as contributors;
2. Participants in the collaborative/sharing/social solidarity/partnership economy as contributors;
3. Nature as contributor.

Governments are unable to implement the SDGs and leave no one behind without both the support of their peoples and of Mother Nature that is the source of all that we need and of all life itself. For this reason, it is essential that with every method we use to eradicate poverty, the degree to which it affects nature must be taken into consideration.

The poor and most marginalized are indispensable as contributors in the development process for the following reasons:

1. The poor and most marginalized are most exposed to and directly affected by economic, social and environmental challenges. When disasters hit, they do not have the option to wait until governmental and other assistance can be organized. For this reason, they have had to be innovative in solving challenges that affect the poor. Their insights are most valuable. Initially, they require low tech modalities that can be used and maintained in the low tech situations in which they live. These tend to be different from those utilized by people in industrially more advanced areas.
2. These types of modalities are needed by those in similar circumstances in other parts of the world, where the infrastructure does not yet exist for use of more high-tech tools. So here peer to peer support is vital until steps can be taken to further jump start the development processes. For this reason, peer to peer support can often be more

effective to help the most vulnerable than support provided by and for those in more industrially developed areas.

3. Such solutions are also extremely useful to those in more industrialized areas when disasters strike and their social and economic infrastructure has broken down.
4. People living in wealthy, industrialized situations are challenged by unsustainable wastage produced by high tech solutions. For this reason the Massachusetts Institute for Technology (MIT), for instance, is gathering low tech modalities as these exist in developing countries and making them available to those in industrialized nations to enable these to adopt both cheaper and more sustainable lifestyles.

It is therefore extremely important that the poor and the most marginalized be embraced in the Sustainable Development Plans of governments at all levels both as beneficiaries and also as contributors and that financing mechanisms be chosen to bring this about, while enabling Nature to thrive.

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### **The collaborative (sharing/social solidarity/ partnership) economy**

Beside the most marginalized as contributors, the collaborative (sharing/social solidarity/partnership) economy is a fast growing contributor to development. It is accessible mainly through the Internet. One tenth of the French economy is fueled by this peer to peer economy, where products, information and services are often offered for free.

Beside free/inexpensive support to people worldwide the values that drive this economy are often those that coincide with those of a sustainable economy. People often both use and contribute to this economy to move away from unsustainable economic practices, such as a debt based economy, that relies on escalating consumption and production and the cut-throat competition that increases the growing gap between poor and rich. People participate in the collaborative economy of their own free will. They produce those things that have great meaning for them because they are passionate about doing so and make their support available on a peer to peer basis. Doing what they love to do, even if it is in their free time, makes them happy and fulfilled and produces a sense of benevolence toward other people. Such participants in the collaborative economy are less likely to create social unrest. So supporting this collaborative economy is in the interest of governments.

Financing mechanisms that provide people with a basic income as well as tax revenue for governments can help to further build the fast-growing collaborative economy.

### **Nature the Source of Human Life and Prosperity**

Finally promoting harmony with Nature makes good economic sense, for without Nature there can be no life and no people and no economic wealth. It is the basic condition for any success we have. It is therefore essential that all financing mechanisms we use enable Nature to thrive.

## **Financing Mechanisms that Strengthens Society, the Economy and the Environment by Empowering People and Enabling Nature to Thrive.**

There are financing mechanisms that promote a healthy environment while providing a basic income for all people.

These include universal access to the Internet: Pigouvian Taxes, Commons Rent and a Self-financing World Marshall Plan.

### **Universal Access to the Internet**

*SDG 9 c states: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.*

Rwanda, a landlocked country recovering from a debilitating civil war has universal access to the Internet, Ecuador has Internet in its schools. ITU ranked Brazil as one of the most dynamic nations in terms of ICT access.

The Internet can be made available to all including those who are (Internet) illiterate with the help of facilitators in each human settlement who can ensure that all both make their skills known and are able to locate what they need. Such facilitators can be trained through a global scheme whereby facilitators for each country are trained by UNESCO via a combination of Internet and face to face seminars both to help people to find whatever they need while being aware of planetary constraints and the 2030 agenda. These national facilitators can in turn train facilitators in a similar way for each area of their country to facilitate Internet access. All facilitators can then tailor their Internet access and search skills to the needs of the area for which they are responsible. Such Internet access can also take place via mobile phones.

Universal access to the Internet will help mobilize and empower all, including the poorest and most marginalized and those participating in the collaborative economy as contributors.

### **Pigouvian (or Pigovian) Taxes, such as the Tobin Tax**

A pigouvian tax is a tax placed on a negative externality to correct for a market failure. For example, a factory does not take into account the damage their emissions cause to the air, since there is no market for air pollution. By imposing a pigouvian tax a government can artificially create a cost for such activity - a cost equal to what the price would be had a market for such activity existed; or a cost so high that it deters the activity all together. An

alternative form of pigouvian tax would add that those perpetrating the harm can be required to restore the damage they have caused as well as pay the tax.

Revenue from such taxes can be used to restore damage done the environment or society. If the taxes are high enough they could take the place of tax on income—at least until people are no longer tempted to do this harm. Income from pigouvian taxes could go to the Global Fund for Sustainable Development.

*Tradeable permits* and *polluter-pays legislation* provide a means for the rich to continue polluting. On the other hand, monies gathered using a *cap and share* approach are a way of spreading the wealth by providing tax income for governments and a basic income for all people.

The cap and share approach works as follows: A cap is placed on the use of depleteable resources and strictly enforced Those wishing to use what is available after the cap is enforced bid for a permit to excavate them. They can then use these resources for the manufacture of products and pass the cost of the permit along to the consumer of these products. In this way, all those who use the resources directly or indirectly share in the cost. Of course if these resources are on Indigenous lands, the maxim of free prior and informed consent must apply. The money from the permits can go to

1. restore any damage done to communities whence the resources stem;
2. restore damage to the global commons;
3. local and or national taxes; and
4. a small percentage of all tradeable permits worldwide would go to a Global Fund for a basic income for all people.

### **Advantages**

- It is a tool that raises consciousness with regard to our impact on the Earth System.
- It can offset the costs of damage done and pay for restoration;
- It deters harmful activities
- It can raise enough money to make it possible to no longer pay income tax, thereby providing

disincentives and incentives that make more sense.

Temporarily this tax can provide a basic income both for Governments and their people that can allow the collaborative economy to flourish with all of its advantages for sustainable development.

### **Disadvantages**

- Income from pigouvian taxes decreases if they succeed in deterring damage to the Earth System.
- If the tax is not high enough it can become a means for the rich to pollute as they will

- As a means to take the place of income tax, pigouvian taxes, if effective, will become unnecessary as people cease harmful activities; and so other avenues to raise tax revenues will be needed.

This form of taxation can therefore be used as an interim measure while more permanent ways are introduced to generate a global basic income, such as a Commons Rent and the self financing World Marshall Plan.

### [Commons Rent for Sustainable Cities and Human Settlements](#)

*A Significant Source of Revenue for Use by Cities*

*Has a Controlling Effect on the Land Market in the Interest of the Environment and all Citizens*

*Fosters Economically Productive Activity*

*Social justice, urban renewal and development, the provision of decent dwellings and healthy conditions for the people can only be achieved if land is used in the interests of society as a whole... Excessive profits resulting from the increase in land value, due to development and change in use are one of the principal causes of the concentration of wealth in private hands ...*

*Taxation should not be seen only as a source of revenue for the community but also as a powerful tool to encourage development of desirable locations, to exercise a controlling effect on the land market and to redistribute to the general public at large the benefits of the unearned increase in land values... The unearned increment resulting from the rise in land values resulting from change in use of land, from public investment or decision or due to the general growth of community must be subject to appropriate recapture by public bodies (the community). **From the Vancouver Action Plan -the 1976 founding document for UN-Habitat (UNCHS)***

### **Commons Rent (Also called Land Value Taxation) — How it works**

People, including future generations have the right to share equally in the use of the Earth and her riches. All people together create the economic value of both land and natural resources. For this reason, it is only fair that all should pay the community directly for their use. The

resulting income can then be used for the restoration of the natural resources, instead of taxes previously levied on labour, and a basic income for all. This form of taxation can be instituted at the local, national and/or global levels.

The resulting economic system is just. It benefits both people and the environment. It encourages cooperation, social productivity and cultural expression.

## Advantages

**1. Commons rent encourages economic productivity** through the removal of taxes and deductions from labour, salaries, products, houses, building, etc,

**2. Commons rent encourages environmentally friendly behaviours**, because it levies fees (taxes) for use of land and natural resources--energy, water, air, electromagnetic spectrum, etc.--with possibly an additional tax on behaviours that are harmful to the environment, thereby encouraging optimal use of these resources for which a user fee or taxes are levied.

**3. All receive an independent basic income** that will:

- take the place of taxes on labour and premiums for social services;
- transform economies, based on social handouts, to ones based on economic productivity.

**4. "Commons rent" is an equitable, effective and sufficient source of public finance for sustainable cities and human settlements. Cities can mobilize both public and private sector resources** by properly harnessing the incentives inherent in this taxation policy. Socializing commons while untaxing production best enables affordable housing for all, capacity to finance infrastructure, poverty eradication and "infill development" for compact, walkable and energy efficient cities,

**5. Commons rent is surplus value or unearned income that is created by the society as a whole and is reflected in land prices.** The value of commons rent, 25 to 30% of GDP in many countries, increases as development proceeds. However when the commons rent is privatized, as it is in most cities, land becomes the focus of rent-seeking, land-grabbing and other land speculation activities. Land prices rise faster than the return to wages and production of the "real" economy. This causes market malfunctions and distortions as inequality grows and public sector needs are not well met; and we are confronted with the range of problems faced by cities today.

## Commons Rent, Public Finance as a Tool for Planning

A commons rent approach harnesses economic incentives in a way that facilitates the goals of urban planning. There are compelling reasons, such as efficient and equitable utilization of infrastructure, to first develop the highest value land found near population centers. Untaxing improvements means that a developer or investor desiring these sites will not be penalized by a tax increase as a result of improvements made. But doing little or nothing on a site of high

value is discouraged when the full commons rent is collected. Thus downtown land is put to its highest and best use..

Growth then radiates smoothly from more intensive use in urban centers to rural areas without pockets of vacant or poorly utilized land in between. Urban sprawl is curtailed and rural land is more easily retained in its natural state, available for parks and nature preserves. There is also less pressure to built on agricultural land near urban areas. Rational and balanced development which curbs sprawl thus also makes better use of existing infrastructure of transportation, utilities, fire and police protection and other public services. All these factors increase social cohesion and form the basis for an interesting, safe, "walkable" city.

Land for parks and green spaces in downtown areas is facilitated in at least three ways with a commons rent public finance approach: (1) land is more affordable for public purchase for public spaces because of the elimination of the land price bubble due to land hoarding, underutilization, speculation; (2) because parks and green spaces are desirable public goods, living close to them enhances land prices in their vicinity thus bringing more revenue into the public coffer; and (3) capturing full land rent yields a strong base of public revenue to fund upkeep and protective services for parks and green spaces.

### **Commons Rent Approach for Affordable Rental Housing for All**

A correctly harnessed taxation system can mobilize both domestic private AND public resources. Removing taxes that burden labour and production boosts the capacity of both. Removing taxes on labour increases purchasing capacity while removing taxes on production boosts the productive capacity of the private sector. Together both effective supply and demand are enhanced.

For example, one of the great challenges worldwide is the need for affordable housing for all. There is every indication that the private sector can better meet this need when those who need housing have greater capacity to purchase housing (effective demand) and the production of housing is not taxed (enabling enhanced supply.) An additional and crucial key to housing affordability is land access and affordability. When the land rent of surface land, calculated as a percentage of land price, is captured via an annual or semi-annual land value tax or site fee, then there is no incentive for land speculation or hoarding and land retains affordability for needed uses.

### **Commons Rent and Climate Change Recommendations**

- ***Tax Pollution*** -Governments should directly levy carbon and other pollution charges and use these funds to develop renewable energy systems and to launch campaigns to "buy and invest in clean and green" technologies and products.
- ***Decrease wage taxes*** -Because energy taxes can be regressive, combine them with tax decreases on wage incomes or ideally eliminate wage taxes altogether.
- ***Reduce or ideally eliminate taxes on buildings*** -This along with full commons rent capture will encourage infill development and more compact cities that make energy efficient use of public transportation and infrastructure and discourage wasteful sprawl development patterns.

- ***Curb profiteering and speculation in land and natural resources*** – When the investment of funds in these non-productive activities is discouraged through commons rent capture more funds are available for investing in new "green energy" technologies and environmentally sensitive design and production.
- ***Encourage more labor intensive, organic agriculture, rather than oil intensive agribusiness.*** Commons rent public finance will help keep land affordable for small farm agriculture and better reward farmers for their labour when their tax burden is decreased or eliminated. This form of agriculture also encourages healthy communities and decentralized, locally based economies, decreasing the necessity for people to drive long distances to work or for food to be transported long distances to markets.

To conclude, commons rent, the socially generated value of nature's gifts of land and natural resources, is sufficient to fund all necessary infrastructure and public goods without having to tax labour and production. If we do not draw from commons rent for the common good, economic inequality and many other social and environmental problems will most likely continue to grow.

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### [A Self-Financing World Marshall Plan. A Supplementary Income for every Women, Man and Child](#)

Once we have reached a tipping point and people feel that they belong to a global community, it will be possible to take more incisive actions that can benefit the whole of human kind while allowing nature to thrive.

Poverty, disintegration of societies and unemployment are challenging us all to take responsibility for our world in new ways. The following self-financing World Marshall Plan would provide every person with a means to regenerate their own lives while helping to build a healthy environmentally-sound world economy in which all people are able to develop in their unique ways. This self-financing Plan is described in several books, including two sponsored by the Dutch Foreign Ministry. Here is a summary of how the plan works and is financed.

#### **The Effects of a Life-Enhancing Supplementary Economy**

If every man, woman and child were given \$250 (compounded by 7% p.a.) every year to be spent exclusively on his or her wholesome development, poverty and pollution would fade away. In poor areas, where a person earns \$400 annually, \$250 for each member of the family is a fortune. It could be spent on seeds or instruction on soil regeneration. Villagers could contribute to a water pump or sewage system for their region. Soon poverty and disease

could make way for flourishing cottage industries and international markets would expand into poorer areas. In richer countries \$250 could be spent on personal growth or the development of mind or spirit. Attitudes would change as every year again each person would be asked to choose environmentally friendly goods and services for personal development. All, rich and poor, would be encouraged to consider such questions as: "What is health?" "What adds depth and meaning to life?" and "How can an individual develop personally without harming others or the environment?"

The world economy could change without lay-offs. As world markets for life enhancing and environmentally sound goods and services expanded, arms industries, drug, energy and electronic companies and others could gradually redirect research and development to qualify for these new markets. Business would adopt more life enhancing values. Attitudes would change as individuals, industry and governments experienced the benefits of serving the well being of people and Planet and saw poverty, unemployment, social disintegration, and pollution decrease.

### **The Supplementary Economy Is Similar to a Mail Order Barter System**

Every year, a census is taken in every country to establish which wholesome, life enhancing goods and/or services every person wishes to order for the year. In the Technical and Evaluation Division of the U.N. Population Fund, it was suggested that countries could agree to attach a questionnaire to the ongoing census programme of each country. This questionnaire could be tabulated separately. This would be particularly useful while the infrastructure for the Marshall Plan is being put into place.

Each person is given a credit of the equivalent of US\$250. Once a year each person is asked to order goods and services for up to the amount of this supplementary income for her or his personal development. Nothing harmful to anyone or the Planet may be ordered. The credit of those not wishing to participate is cancelled for that year.

These "orders" are entered on a computer banking system, which links all countries and people. Existing commercial banks are connected to this system both for the benefit of the consumers and of the producers. People who can supply the life enhancing goods and services requested also make this known to development workers and are matched with the demand. Once supply and demand are exactly matched, marketable goods and services have come into being and the exchange can take place.

### **How is this Supplementary Economy Financed?**

In the past, a country's currency was considered "hard" to the degree it was covered by gold reserves. Today, a country's currency is considered "hard" to the degree it is covered by "marketable goods and services". In essence, money can be seen as a point system that is allocated to each product and service to facilitate barter.

In today's world both rich and poor limit currency production for opposing reasons. The rich have the potential to produce the goods and services, but lack the markets. The poor are in need of goods and services, but often lack the ability to produce the necessary goods and services; and so neither is in a position to create hard currency as long as the currency is created on a national or regional basis. As soon as the world is seen as an economic whole,

additional currency can be created to meet the WORLD situation of supply and demand. The additional currency can be divided among the world's population and can then be used to facilitate the exchange of goods and services as previously arranged via the computer system.

If the whole world were combined in one market, economists estimated that the world economy would be able to grow by 5%-10%. Let us say conservatively by 7%, if the production capacity would be matched by people's needs. This amount can then be used for several aims, including the building of the infrastructure and the implementation of this Plan. Once these costs have been deducted and the rest is divided equally among the world's population, each person would receive the equivalent of about US \$ 250.

Each year more people will become contributors to this supplementary economy and so growth will continue. Each year by, say 7% and each person's part of the new economy will increase. (Because the whole world is in constant flux, these figures change constantly and these calculations would have to be done to meet the situation. The 7% is therefore just a means to illustrate how the financing would work.

The Supplementary Economy has two characteristics, not shared with any economy elsewhere in the world, made possible by modern computer technology and census taking infrastructures being developed with the support of the U.N. They are:

1. Every woman, man, and child has an account and is connected through this banking system;
2. It would be known from the outset, each year, exactly what is needed and what can be supplied through the U.N. Economy.

***This makes it possible to create a hard international currency for this Supplementary Economy and to determine the goods and services that will promote wholesome human development.***

How Do People Determine Which Goods and Services May Be Offered through this Supplementary Economy?

Decision making in connection with this Supplementary Economy should involve all people. One way proposed uses the ***sociocratic method***, by which people must grant their consent to each decision for it to be taken. If consent is withheld, the decision must be reformulated.

To determine which goods and services are to be made available and which to be withheld, each community is divided into groups of approximately 25 persons who make community

decisions regarding goods and services considered harmful and thus not permitted. Each of these small groups sends 2 members with the outcome of their decision making to the next level of decision making, say for the local regions. Here, too, people meet in groups of approximately 25 people. Again consent is sought. And then 2 of each group go to the next level, say the country level, and so the process continues. It was estimated that if all 6 billion people were involved in this form of decision making just 8 or 9 levels of decision making would be involved. This type of decision making is already used by some world organizations. The advantage: that community is formed as such topics are discussed regarding what is wholesome and what harmful to individual or planetary health.

### **What is Required?**

The proposed World Marshall Plan provides a supplementary income for all people in every nation. It will take about 10 years to build the necessary infrastructure.

The infrastructure will consist of:

1. an electronic communication system, such as the Internet, connected to a
2. Bank, which works exclusively with money transfers, rather than actual currency and is built on the model of the Dutch Giro System, run by a branch of a world institution, like the UN; with
3. accounts for every man, woman and child in the world; and
4. two U.N. development experts for every one thousand people, each with access to this fully computerized banking system both for informational and data entry purposes.

### **It Would Be Impossible To Achieve the Same Through World Taxes.**

Organizationally, it would be very complicated and financially impossible to levy any form of world taxes in order to generate income for a worldwide development income for all people to be administered by the U.N. Nobel prize winner, Jan Tinbergen, calculated that the U.S.A. would have to provide 2/3 and the EC one-half of their means if every citizen in the world were to receive a reasonable income. He quite rightly considers this impossible. Rich countries would collapse through a lack of funds, money would become too expensive, and the poor countries would only be helped in an ad hoc fashion. Soon there would be a lack of purchasing power.

### **Great Advantages for Existing Economies.**

Because the Supplementary Economy creates a constant upward pressure on existing economies, there are many advantages. After all, the same producers deliver to both economies.

Because of their extra income from the new economic circuit and the higher demands in terms of quality and environmental friendliness, producers will be able to manufacture better quality products in the original economies. There is, as it were, a wholesome interaction between all private businesses and those activities performed for the Supplementary Economy. This produces profit, spent differently in each economic circuit.

In this way both economic systems can be transformed, enabling the development of body and mind of the individual citizen. The Supplementary Economy constitutes a synthesis between market and planned economic approaches and the resulting balance benefits all people in every aspect of their existence. Every consumer is encouraged to function as both a national and a world citizen through the use of his or her supplementary income. As world citizen, he or she is directly connected to the U.N., if it is chosen as administrating agency (i.e. humanity). No national government or organization can take away these human rights and at the same time the increased individual well-being provides the stability which governments require to carry out their mandate.

We would be able to refer to the Supplementary Income as the much-needed Human Rights Economy, or a psychological and spiritual economy in which the development of body, mind and spirit are in balance. In this way, we can respond for the first time in history to our spiritual and political calling to produce a more loving and more reasonable world community, in which every individual can be a full-fledged partner in all situations.

### **Additional Characteristics of the Supplementary Economy**

Decisions regarding which goods and services may be offered through the Supplementary Economy are made by all people in small community meetings. There are numerous precedents for this. Decisions will be made by consent, that is, people would have to agree on which products and services do not harm other people or the environment. This form of decision making builds community, raises consciousness and fosters responsibility with regard to the quality of life.

### **It Does Not Affect The Sovereignty Of Any Nation**

Instead it enables each person to choose ways of contributing to the regeneration of their own economic and social environment in ways that benefit all people and the nation as a whole.

### **It Finances Itself And Is of No Cost To Any Nation.**

On the contrary every individual, every business and consequently every country benefits.

### **No Interest Payments or Inflation, No Speculation. Less Likelihood of Fraud.**

There is a direct link between production and consumption and there are no interest payments. There is therefore no inflation and can be no speculation. The rules of this Marshall Plan are monitored by the development workers and by all individual people who so wish. There is therefore less likelihood that there would be fraud using U.N dollars, than there is in today's less transparent economies.

## **Decrease In Pollution, Safeguarding Non-Renewable Resources**

Production will be pollution-free and selective, and based on the prior consent of all people. There would be one type of goods and services for those who are physically poor and other types for those who are financially well off and would benefit from mental or spiritual enrichment and the full range between these two extremes. Those receiving material goods are subject to regulation, because pollution and the depletion of natural resources through this Supplementary Economy is not permitted. In the long run these problems would significantly decrease.

## **Less Unemployment**

Unemployment will decrease drastically, as the supplementary economy expands and provides increased opportunities for new producers. As standards of living rise, the focus of the economy will shift from material goods (which often deplete the earth's resources) to services which refine personal and spiritual education, interpersonal and community relationships, and artistic and cultural expression. It will result in a constructive shift in the relationship between people and their planet.

**This summary was written by** Dr. Lisinka Ulatowska, Coordinator of the Commons Cluster of the UN NGO Major Group, UN NGO Rep. AWC and IPS, former Chairperson, UN NGO Taskforce on Financing, compiler *Unleashing Financing and Other Resources for A World that Works for All People and Nature*; author *The Year 2000. Crossroads for Mankind: A basic Income for All People and a Marshall Plan for the Earth.* ( 1996). Pieter Kooistra, the author of the Self-Financing World Marshall Plan wrote: ***The Ideal Self-Interest*** ISBN 907084101.

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