



# TRANSFORMING OUR ECONOMY SCALING UP THE SOLUTIONS



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**Friends of  
the Earth  
International**

**Friends of the Earth International** is the world's largest grassroots environmental network, uniting 75 national member groups and some 5,000 local activist groups on every continent. With over 2 million members and supporters around the world, we campaign on today's most urgent environmental and social issues. We challenge the current model of economic and corporate globalization, and promote solutions that will help to create environmentally sustainable and socially just societies.

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# TRANSFORMING OUR ECONOMY

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# Introduction

**We live in a world facing many destructive and entwined crises — including growing inequality, climate change, poverty, pollution and human rights violations. Our current broken economic system is perpetuating and exacerbating these crises.**

Yet thousands of practical solutions for a more just and sustainable world are already being implemented everyday. Solutions that put people and the planet at the centre of economic systems and expand the role of cooperation, community management, workers' control, public services and sustainable planning in all aspects of life. Our challenge is to scale up the impact of these solutions to achieve the transition needed for system change.

Over the last thirty years neoliberal fundamentalism — which takes decision-making away from governments and puts it in the hands of 'free markets' — has been the dominant global economic ideology. This particular economic framework aims to reduce the role of the State through liberalization (removing trade restrictions), privatization, deregulation (reducing standards) and limiting taxation. It promotes profit, accumulation and 'efficiency' above all else on the flawed basis that these create benefits that 'trickle down' to everyone.

**Neoliberal fundamentalism has failed, leading to untold environmental destruction and soaring inequality — four of the nine major global processes that sustain life on Earth now exceed “safe” levels**

This corporate ideology has failed, leading to untold environmental destruction and soaring inequality. Four of the nine major global processes that sustain life on Earth now exceed “safe” levels; dangerous climate change, loss of biosphere integrity, land system change and biochemical over-exploitation.<sup>1</sup> The richest 1% of the world's people have more wealth than the poorest 99%.<sup>2</sup> And while humanity has accumulated more goods and wealth than ever before and achieved substantial reductions in poverty, over 700 million people still live in extreme poverty.<sup>3</sup>

We do not have to run our economies in this self-destructive way. There are many sustainable, equitable and feasible alternative approaches. The sustainable future of our planet literally depends on whether we can — collectively and globally — rise to these challenges, demanding change and transforming our economic and political systems. Business as usual will no longer suffice. We need system change.

New economic strategies need to be distributive and regenerative by design and focused on the primary goal of achieving sustainable societies. Such societies are in harmony with nature and are based on environmental, social, economic and gender justice, and peoples' sovereignty.<sup>4</sup> We propose five economic justice solutions to transform our global economy:

- **Providing public services for all through tax justice**
- **Scaling up economies based on social ownership and cooperativism**
- **Supporting local markets and fair trade**
- **Valuing and measuring the wellbeing of people and planet**
- **Ensuring binding rules to dismantle the power of big business**

Economic justice solutions are those that aim to meet people's needs, use common resources sustainably, improve people's well being including respect for human rights and create a more equal world. Within these parameters a plurality of economic justice strategies should exist, based on the needs and cultures of different peoples.

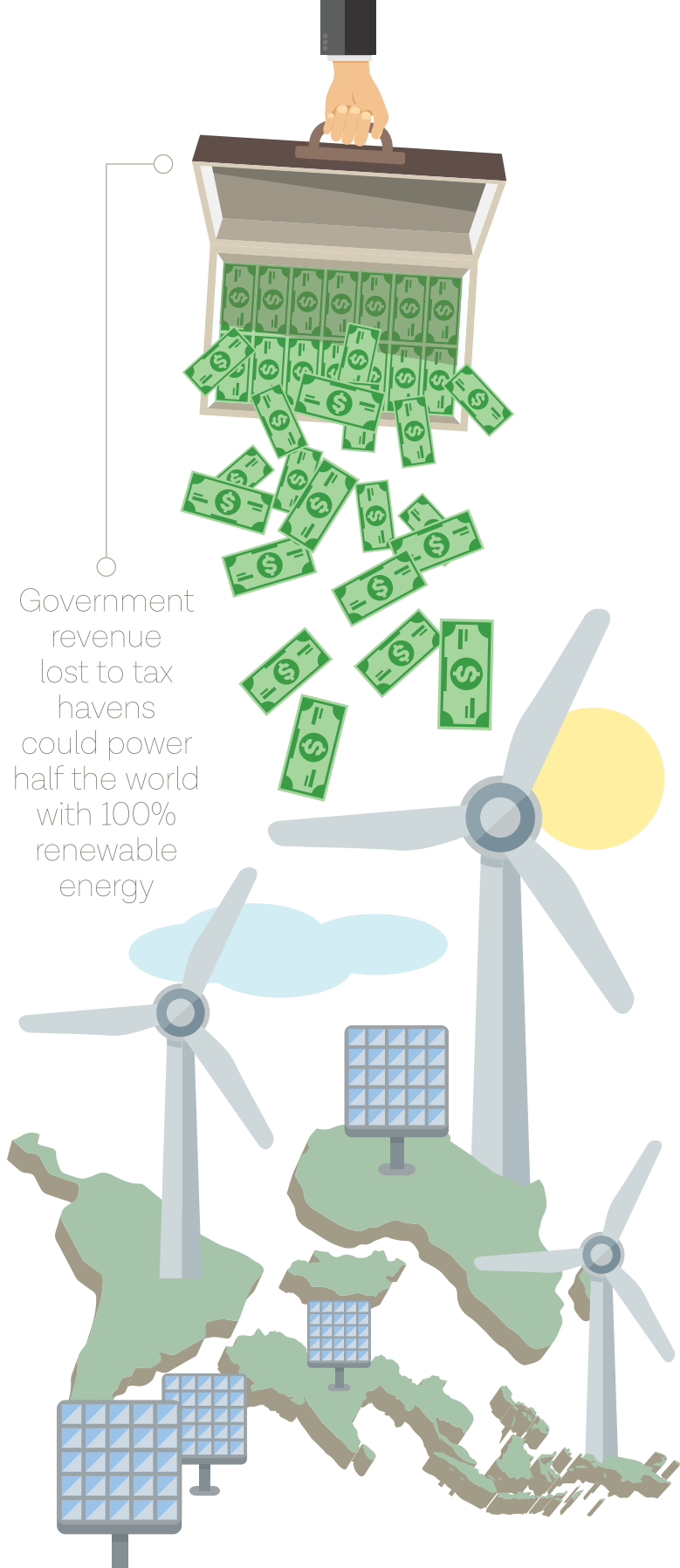
These strategies complement the parallel solutions promoted by Friends of the Earth International's other programmes, which work towards the transformation of our currently destructive fossil fuel energy system to a socially-controlled 100% renewable energy system and transition away from our current harmful industrial agricultural system towards food sovereignty and community forest management.

These economic justice solutions are all based on Friends of the Earth member groups' existing local and national struggles across the globe, such as the fight for universal access to water in Uruguay, building the cooperative movement in Australia, and holding petrol companies to account in Nigeria.

To be transformative, scale is important. Thousands of solutions for a more just and sustainable world already exist. We must increase their impact and scale up local initiatives to become national or international policies through people powered campaigns. Solutions should also be scaled out, or be replicable in a just and inclusive way that respects the diversity of culture, social and political context and promotes gender, class and racial justice.

This paper is not intended to be a comprehensive blueprint for the new global economic system, rather a number of principles and ideas that would improve the health of our planet and lives of millions. It is a start. A practical vision for a more just and sustainable economy that we seek to co-create together with other social movements and peoples.

The struggle for economic justice is long-term and therefore the concept of *transition* is fundamental. It is an ambitious and comprehensive approach that requires thought, public consultation and collaboration. Through our actions, programmes and policies, we are proposing incremental steps that collectively allow us to approach and then reach the goal of system change.



**Thousands of practical solutions for a more just and sustainable world are already being implemented everyday**

## Providing public services for all through tax justice

**A democratic and active State that uses sustainable public services to guarantee people's fundamental rights to water, health, energy, education, transport and food, is fundamental to achieving economic justice.**

Public services currently provide the necessities of human existence to hundreds of millions of people everyday, be it a health clinic in Togo, the morning train in Vienna or clean water in Argentina.<sup>5</sup> Through increased and consistent public investment in education the Middle East and North Africa Region (MENA) has quadrupled the average level of schooling since 1960, and halved illiteracy since 1980.<sup>6</sup> Public services, public companies and other general government spending make up a large part of all countries' economic activity. For example in 2016, 27% of India's GDP was public spending and Finland 57%.<sup>7</sup>

Public services can therefore play a leading role in the transition towards a sustainable society, although to do so effectively they must ensure real democratic systems and the meaningful participation of communities and peoples. This could include systems of participatory budgeting, greater transparency, strict environmental standards in relation to functioning and procurement, mandatory universal access, and forms of community/public partnerships.

To pay for these public services we need fair and redistributive tax policies. Significant taxes on multinational corporations, financial transactions, capital gains and wealthy individuals are key. Yet many corporations and wealthy individuals currently pay little or no tax. Globally up to US\$600 billion dollars of tax revenue is lost every year, through tax havens, to say nothing of tax evasion.<sup>8</sup> Research by Friends of the Earth International calculates that global government revenue lost to tax havens over a 15-year period could power Africa, Latin America and much of Asia with 100% renewable energy.<sup>9</sup>

Public services are also essential to achieving gender justice. Women, men and the State should share the burden of reproductive and care work, looking after the home, health, food, water, children, the disabled and elderly. This responsibility usually falls on women and traps them into the private sphere where their work is both invisible and unpaid. This sexual division of labor limits both the economic and political autonomy of women in the public sphere. Public policies must guarantee services that are inclusive and non-discriminatory and respond to the needs of women, indigenous peoples, migrants and the LGBTQ community, and be designed to repair historic social injustices related to class and ethnic privileges. It is also critical to recognise

that public services are currently threatened in many countries around the world, as governments and public institutions collude with big business. Over the last 30 years many public services across the globe have been

**Democratic and participatory public services can play a leading role in the transition towards a sustainable society**

privatized, as a result of governments' dogmatic pursuit of neoliberal policies. Privatization often means previously free services cost money and reduces accountability, access, quality and control. In South Africa, for instance, 25% of the country's 44 million people had their water and electricity disconnected after the services were privatized.<sup>10</sup> Private businesses based on maximising profits are neither appropriate nor effective in terms of managing shared natural and social resources or responding to complex public needs.

The State is the product of ongoing struggle, and is always dynamic and contested. This means that it can be changed through democratic processes. While we must remain cautious about public institutions and challenge repressive States, it is absolutely necessary to recognise and use governments' collective political power, especially with respect to the delivery of public services, to enable economic justice at the scale needed.

Friends of the Earth groups around the world are campaigning to defend public services and public companies that contribute to building sustainable societies. For example, Friends of the Earth Indonesia (WALHI) was involved in a campaign to bring Jakarta's water supply back under public control. In the last fifteen years a growing wave of cities has ended water privatization, regaining public control over water services that provide water to 100 million people in 37 countries.<sup>11</sup>

It is critical that governments work together at the national and international level to increase tax income including and end to tax evasion and avoidance, and revenue expenditure on providing sustainable public services for all.





## Ideas to ensure sustainable public services for all

- 1** Pass and effectively enforce national and regional legislation to guarantee rights and universal access to basic services such as water, health, education, energy, shelter and food, with special attention to the promotion of women's autonomy and rights and inclusive of the needs of marginalized communities.
- 2** Stop the privatization of public services and harmful public-private partnerships.
- 3** Increase government spending on sustainable public services, including the remunicipalization/public ownership of services, to bring them back under people's control.
- 4** Create a United Nations Tax body and make public the country-by-country reporting of multinationals' economic activity, create public registers and systematize the international exchange of information.
- 5** Implement new national and global taxation measures, such as a tax on all financial transactions, and an increase in taxation on wealthy individuals, multinational corporations and capital, to fund, amongst other things, public services.

## Public services – constitutional reform and the human right to water

### *REDES/Friends of the Earth Uruguay*

In 2004 Uruguay passed a constitutional reform after a popular vote, establishing that “water is a natural resource that is essential for life. Access to drinking water and sanitation are fundamental human rights.” It also established the public management of water resources, mandating that this be based on citizens' participation and sustainability criteria. This constitutional reform was the result of the collaborative work undertaken by various social movements and organizations.<sup>12</sup>

This unprecedented reform allowed the withdrawal of private concessions linked to Uruguay's water supply. In addition, the results of the referendum were critical in setting the stage for the further development of legislation linked to water as a human right at the international level, which was eventually recognised in the 2010 UN Resolution A/RES/64/292.

While this was a key step, however, the challenge continues in terms of implementing sections of the constitutional reform, such as participatory planning, management and control of water. ground water systems continue to be indirectly 'privatized' and overused by industrial agricultural production that is mainly for export and the new irrigation law threatens our some of our hard won rights to water. The territorial aspect is also critical, and the country has developed a system of coordinated water management based on water basins: “Having an adequate management system in the basin is key to supplying quantity and quality water for all necessary uses and avoid environmental conflicts. Thus, water use systems and the commitment by users in all sub-basins need to converge, north and south, to avoid the destruction or pollution of water, which is a strategic social resource”.<sup>13</sup>

## Scaling up economies based on social ownership and cooperativism

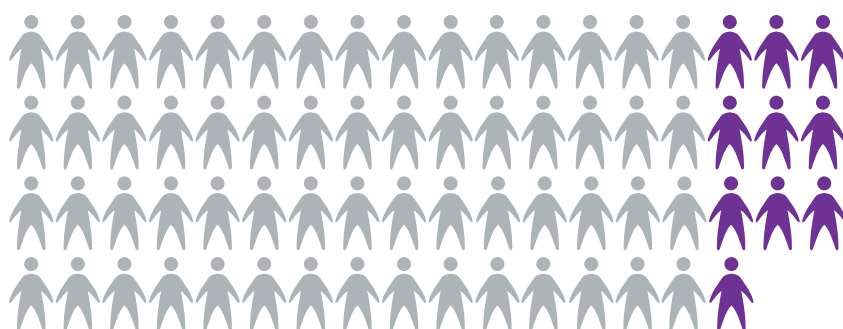
**Across the world more than 1 billion people are already members of cooperatives.<sup>14</sup> By empowering workers to control their workplaces, cooperatives provide a democratic alternative to the corporate business model that often exploits people and the planet for profit.**

Cooperatives are a key part of the ‘Social and Solidarity Economy’, which the International Labour Organisation defines as a concept that encompasses organisations that produce goods, services and knowledge while pursuing social and economic objectives.<sup>15</sup> The solidarity economy is fundamentally about reasserting people’s control over the economy. Its principles are based on collective power, democratic decision-making, women’s autonomy, transparency, sustainability, self-management and the egalitarian distribution of economic returns. Many initiatives of Solidarity Economy have been built by women’s movements and feminist organizations.

Cooperatives are a viable option for managing a company on the basis of the principles of social ownership and accumulation. By removing profit as an over-riding goal, cooperatives maintain the freedom to pursue other social and environmental goals and values.<sup>16</sup> Their dynamics contrast with and challenge capital’s concentration of the means of production in fewer and fewer hands, and prove that other ways of organizing productive activity are possible. Cooperatives are thus an example of resistance against the commodification of life.

**The solidarity economy is based on the principles of democratic decision-making, sustainability, transparency, women’s autonomy, self management and egalitarian distribution of economic returns**

The Social Economy is diverse and increasingly includes the reinvention and revival of sharing. Modern technologies, used appropriately, can provide unsurpassed platforms for a more inclusive economy, like the freecycle network and open source software. Governments should invest in sharing infrastructure and knowledge with support and regulation to ensure civic, communal and charitable sharing that benefits all. We can learn from emerging ‘sharing cities’ like Seoul and Amsterdam, where better sharing is seen as a critical policy goal.<sup>17</sup>



1 billion people are members of cooperatives — 1/7 of the world's population

Friends of the Earth groups around the world are supporting social economies or building their own cooperatives. For example, a renewable energy coop in Korea, a seed sharing network in Uruguay, and advocating for a greater role for credit unions in Scotland’s banking sector.

Cooperatives produce and distribute millions of goods and services everyday, from the food we eat to hotels, factories and credit unions. In Quebec, Canada, 10% of all economic activity comes from the ‘solidarity economy’<sup>18</sup>, and in Brazil it has lifted millions of people out of poverty.<sup>19</sup> Yet without sufficient support these social economy initiatives struggle to grow from small individual projects to transformative solutions with broad social impact. We need to scale up the impact of the solidarity and social economy by ensuring they are supported.





## Ideas to scale up the social and solidarity economy

- 1** Create supportive institutional and regulatory frameworks.
- 2** Improve or provide access to proper financing, with special attention to those schemes which promote women's autonomy and rights.
- 3** Include preferential treatment provisions in public procurement contracts.
- 4** Establish specific government departments or ministries for Social and Solidarity Economy and/or an intergovernmental body.
- 5** Prioritize and encourage engagement in the collective construction of the Social and Solidarity Economy, through the activities of social movements and organizations.

## The cooperative way forward *Friends of the Earth Australia*

**E**stablished in 1975, Friends of the Earth Melbourne's Food Co-operative addresses sustainability at a fundamental level – fulfilling people's basic needs in a way that's healthy, fair and affordable for both people and the environment. As one of the first food co-operatives in Australia, it was a pioneer of the 'Social and Solidarity Economy' and has served as a model for others to replicate.

The Friends of the Earth Food Co-op is an ethical trader that serves over 10,000 meals per year and provides fruit, vegetables, grains and eco-cleaning products. The emphasis is on providing natural, organic and packaging-free produce that is grown and produced as locally as possible, preferably by small companies and producers. It is also a community hub that has been bringing people together to collaborate and campaign on environmental and social justice issues for over 40 years. In 2014, the Food Co-op received the City of Yarra Sustainable Business award.

In 2012 the not-for-profit sector contributed A\$55 billion (US\$ 40 billion) to the Australian economy and the number of cooperatives and non-profit businesses continue to grow. Yet for the Social and Solidarity Economy to have a truly transformational impact public policies that foster, strengthen and support cooperatives are needed.

## Supporting local markets and fair trade

**Sustainable local and regional economies linked together through equitable trade relations are the backbone of a sustainable society. Actions that preserve and strengthen local markets are key in the transition towards system change as they create important spaces for equitable community exchange.**

Compared to transnational corporations, community actors and locally-owned businesses recycle a much larger share of their revenue back into the local economy, which means more decent jobs, enriching whole communities not just wealthy investors. For example, a study by the University of California found that twice as much money stayed in the community when people bought at local farmers' markets or community supported agriculture in comparison with major supermarkets.<sup>20</sup> The promotion of the local and agroecological production of food and other goods also eliminates unnecessary carbon-intensive transportation.

Many Friends of the Earth groups are actively involved in supporting the development of local economies and people-centered regional integration, particularly in relation to agriculture and fair trade. Friends of the Earth Argentina/Amigos de la Tierra Argentina is part of the Fair Trade Network of the Coastline, which includes street markets, textile markets and other means of exchanging goods and services. Friends of the Earth Europe is campaigning for sustainability to be at the heart of Europe integration, and developing a 'future Scenario for the European Union' based on greater participation, democracy, environmental protection and respect for human rights.<sup>21</sup>

**Compared to transnational corporations, community actors and locally-owned businesses recycle a much larger share of their revenue back into the local economy**

Many governments already recognize the importance of local and regional economies. For example, 'farm to school' programmes in Brazil, US and France prioritize sustainable locally grown foods in school canteens. Indonesia understands the importance of supporting village economies with a fund of Rp60 trillion (US\$4.5 billion) for 74,910 villages in 2017, targeted at improving local public amenities and supporting village-owned enterprises (BUMD) to make villages more independent.<sup>22</sup> The importance of village or local economies was also central to Gandhi's political philosophy, the creation of local currencies and the transition town movement.



Local markets produce twice as much benefit for the community compared to corporate supermarkets



For two and a half decades Friends of the Earth International and member groups have campaigned against the corporate trade system that drives a race to the bottom and exploits people and planet.<sup>23</sup> Trade, the exchange of goods and services, is a fundamental part of human economies. But it is only a means to an end, a tool that should be used carefully to improve the living conditions of peoples, helping to develop sustainable societies. It should not be approached as a one-size-fits-all process, but a series of diverse exchanges that has the potential to foster the equitable distribution of products, skills and creativity. It is part of a vision of progressive internationalism, in which we 'think globally and act locally'.

We need a trade system based on cooperation between peoples, not competition, which prioritizes direct fair trade networks between producers and consumers, and local and regional trade. Trade policies must enable and encourage governments to control exports, imports and investment flows to create sustainable societies. This means using regulations, tariffs and export controls to ban and reduce trade in environmentally and socially harmful products and practices. It means trade policies that support local economies, sustainable jobs, a healthy environment, human rights, a more responsible energy system and food sovereignty.





## Ideas for supporting local economies and fair trade

- 1** Trade policies' primary purpose should be achieving sustainable societies, including an end to trade agreements that undermine this vision and governments introducing 'supremacy clauses' that ensure human/environmental rights agreements are legally superior to trade deals.
- 2** Governments use public procurement policies and specific targeted programs to support sustainable local economies, including building infrastructure that supports small-scale and women farmers and their access to local markets.
- 3** Social movements and organizations prioritize and engage in actively supporting local and regional economic initiatives that contribute to system change, linking and sharing skills to scale up these initiatives.
- 4** Governments introduce new national, regional and internationally binding human rights and environmental regulations on supply chains and imported products, including new standards or conditions of entry.
- 5** Governments introduce export controls and increases tariffs on harmful products such as fossil fuels. If necessary this may require negotiating stronger public exception or peace clauses at the WTO or in other trade agreements.

## Street markets as a fruit of resistance

### *Friends of the Earth Brazil/Núcleo Amigos da Terra*

**M**onthly street markets sell healthy food direct from farmers in the Atlantic Forest and Pampa biomes area surrounding Porto Alegre, in Southern Brazil, since 2014. Farmers groups, indigenous villages, quilombola communities and urban movements from the municipalities of Herval, Maquiné and Porto Alegre all participate. In addition to creating spaces for local trade, 10% of what is sold in the market is set aside for social-political projects.

These street markets are multi-purpose spaces that challenge the logic and rationale of corporate globalization. They are based on the principles of fair trade and the elimination of intermediaries from the chain, strengthening links between farmers and consumers. Fair pricing and the guarantee of healthy, sustainable food are two important advantages. The street markets are also spaces for sharing and discussion among social organizations like Friends of the Earth Brazil, farmers groups, consumers, neighbors, and the public. Collective childcare in the markets - called 'cirandas' - guarantee the presence and leadership of women as producers and political actors in the struggles of resistance.



# Creating economies of purpose: valuing and measuring the wellbeing of people and the planet

**Our current economic system relies on growth and rising consumption for stability, even though that growth is exacerbating inequality, and outstripping the rate at which our environment can regenerate or absorb pollutants. Production and accumulation are treated as goals in themselves rather than as a means to an end: “Life, then, is placed at the service of artifacts, rather than artifacts at the service of life”.<sup>24</sup>**

The shift to alternative economic systems that generate genuine prosperity for all, requires alternative measures of wellbeing and economic progress, which must replace the current indicator, Gross Domestic Product (GDP). As economist Kate Raworth argues that, “today’s economies are divisive and degenerative by default, and must become distributive and regenerative by design.”<sup>25</sup> These new indicators will, for example, value and make visible domestic labour, include environmental health and account for inequality. The central aim of economic organization should be to fulfil the needs of peoples and communities on a finite planet.

This is already happening in some places. Government policy in some parts of Latin America is driven by concepts of ‘Buen Vivir’<sup>26</sup> or ‘well living’ and there are related transition discourses taking place in Europe. India uses the concept of ‘Ecological Swaraj’.<sup>27</sup> There are also numerous efforts to develop alternative technical economic measurements, such as the ‘five headline indicators of national success’ (good jobs, wellbeing, environment, fairness and health) in the UK, National Gross Happiness<sup>28</sup> in Bhutan, and ‘doughnut economics’<sup>29</sup>, which embed economics within the Earth’s systems and society. These approaches are based on creating an ‘economy of purpose’ in contrast to economic instruments that are based solely on the commodification of nature and life.

With a view to building a common vision of change, Friends of the Earth International is working with others towards Sustainable Societies, a concept based on communities and peoples living in harmony with nature, with the full realization of their rights. To achieve such a future we must first analyze, value and measure the Earth’s planetary boundaries. This sets the parameters for a system change that will respect the planet’s systems and limits, with respect to water, climate, and the biosphere. This approach is in direct opposition to big-businesses’ attempt to further financialize every aspect of nature.<sup>30</sup> It means transitioning away from the current model of unsustainable economic growth and hyper-consumerism in some communities to a fairer distribution of resources.

Numerous Friends of the Earth member groups are engaged in this struggle to build an ‘economy of purpose’. Examples include Friends of the Earth Mozambique/JA!’s efforts to create an alternative development model through the Mabu Community Conservation Area, Friends of the Earth England, Wales and Northern Ireland’s and Friends of the Earth Europe’s ‘4 footprints’ system (see p13) that measures the impact of a country’s consumption on land, water, carbon and materials, and the effect it has on the rest of the world.

An ‘economy of purpose’ must value and incorporate the care system and the reproduction of life. Currently GDP and market measures fail to recognise or remunerate the large amount of work done in domestic maintenance, caring, and community services, which is often and traditionally undertaken by women. These biased economic indicators reinforce the socially constructed sexual division of labor under the patriarchal capitalist system, which exploits women’s work and bodies. The new economy must tackle and overcome this issue.

A sustainable society should be based on production dynamics that fully integrate the rights of those involved. The concept of ‘decent work’ or working with full rights takes into account adequate salary, limits to the length of the working day, the right to rest and freedom to organize and belong to unions. According to the Trade Union Confederation of the Americas (TUCA) in the Development Platform of the Americas (PLADA), “the right to decent work, with equality in terms of gender, ethnicity and generations, without discrimination in terms of capacity or sexual identity or orientation (...) is one of the key components to overcom[ing] the neoliberal model.”

There are many other areas that need to be considered and measured including education, democratic participation and fairness. Social movements will continue to engage in the collective construction of new indicators and a shared understanding of the sustainable societies we seek to create.



## Ideas to develop an economy for people and planet

- 1 Governments should establish policies that formalize the collection of new economic, social and environmental data and indicators, along with measures that deprioritize GDP, including the establishment of new departments and positions relating to statistical collection that makes the role of (women's) carework visible.
- 2 Prioritize and encourage processes for mass public participation in defining an 'economy of purpose' to ensure it matters to people, including active participation of social movements and organizations.
- 3 Resist big-business and market attempts to financialize nature.
- 4 New indicators for an 'economy of purpose' should be easy to communicate, far reaching, measurable and accurate.
- 5 Start testing and applying new indicators and values of an 'economy for people and planet' at the local and city level.

106 million hectares of land outside the EU is used for its consumption of agricultural products



○ ———— EU global 'land footprint' ———— ○

## '4 footprints' measuring consumption

### *Friends of the Earth Europe and Friends of the Earth England, Wales and Northern Ireland*

**F**riends of the Earth England, Wales and Northern Ireland are developing four key indicators (land, water, carbon and material) or a '4 footprints' approach to measuring consumption, together with academics. This approach can be applied to products, organizations or even entire countries. Friends of the Earth Europe is now campaigning for the EU to adopt these indicators as a way of measuring Europe's overall consumption, and then to set targets to reduce resource use.

Friends of the Earth Europe is collecting and measuring relevant data and has estimated that the EU's global 'land footprint' for agricultural products amounted to 269 million hectares in 2010- 43% more than the total agricultural land available within the EU.<sup>31</sup>

The land footprint is a means of measuring the total area of land required to produce the goods and services consumed by a country or region. To be able to calculate this, it is necessary to track land use through supply chains from the original point of raw material production, through to final consumption. This campaign aims to make the land-related environmental and social impacts associated with EU consumption patterns spatially explicit, using environmental and social impact maps, for deforestation, water scarcity and land grabbing. In this way the EU's consumption can be better understood, and actions taken to reduce its impacts.

# Ensuring binding rules to dismantle the power of big business

**The struggle to stop the impunity of transnational companies which dominate the economy, violate human rights and destroy the environment is crucial to the construction of economic justice.**

Human rights abuses by the biggest companies are rife. Be it communities in Indonesia losing their homes to palm oil plantations, a river in Columbia so heavily polluted by a coal mine that local residents can't fish there, gas flaring devastating communities in Nigeria despite it being illegal, or over 50 million hectares of land grabs globally in the last 10 years.<sup>32</sup>

Big business systematically put profits over people and planet and is not part of the solution. Many transnational corporations are now richer and more powerful than the states trying to regulate them and international human rights and environmental laws are purely voluntary. As a result corporations rarely get held to account for their abuses.

This is why Friends of the Earth International is fighting to establish a new legally binding international treaty to control transnational businesses, punish companies for their crimes wherever they may occur, and provide victims with access to justice, compensation and reiteration of their livelihoods. A United Nations

Inter-Governmental Working Group (IGWG) set up in 2014 is preparing this new binding instrument on transnational corporations and other business enterprises with respect to human rights. More than 800 organizations, the UN Human Rights Council, the Vatican and many diverse governments including South Africa, Nigeria, Indonesia, India, El Salvador and Ecuador all support the treaty.

**Many transnational corporations are now richer and more powerful than the states trying to regulate them**

70 of the world's top 100 economies are corporations



At the same time Friends of the Earth member groups are campaigning for binding rules at the national and regional level. For example, after a decade long struggle by social movements and Friends of the Earth El Salvador/CESTA, El Salvador recently banned metal mining to protect people's right to clean water. Friends of the Earth France successfully campaigned for a new 'duty of care law' that places a legal obligation on French companies to make 'vigilance plans' that assess and address the adverse impacts of their activities wherever they happen.

Too often big business dominates or unfairly influences political decision-making spaces, such as UN treaty meetings, thus shaping environmental policies to suit its own interests. Binding rules to stop this corporate capture of national and international governmental spaces are crucial.

Huge private businesses also dominate and financialize the economy to the detriment of people and purpose-based enterprises.<sup>33</sup> To address this, governments must intervene to break-up national, regional and global monopolies and oligopolies. One solution is Anti-trust legislation which already exists in many jurisdictions, yet regulators have been remarkably complacent in using it. Breaking-up corporate giants would create a more level playing field for small enterprises, cooperatives and public businesses.<sup>34</sup>

To transform the economy we need binding rules on big business.





## Ideas for dismantling corporate power

- 1** Finalize, approve and enforce a United Nations binding treaty on transnational enterprises with regards to human rights that holds corporations to account for their crimes wherever they occur.
- 2** National governments must legally regulate corporate activity with regards to human rights and the environment, including extraterritorial obligations that will hold companies to account for activities outside their borders.
- 3** Governments must use existing anti-trust laws or pass new laws to break up large corporations.
- 4** Governmental and intergovernmental institutions like the United Nations must reduce corporate capture including disclosing all existing relations with the private sector, reducing the privileged role of 'business and industry groups' in policy making and developing a binding code of conduct for officials and the private sector.
- 5** End corporate financing of political parties and intergovernmental institutions.

## Using the law to make companies accountable

### *Friends of the Earth Mozambique/ JA! Justica Ambiental*

**S**ince 2011 Vale's Moatize coal project has negatively impacted the communities of the Tete Province, by forcibly displacing 1,365 families to make way for mining operations, and directly polluting soil and water sources.<sup>35</sup> The company has not upheld its promises to provide decent relocation opportunities for affected people. Small-scale farmers have been unable to cultivate their lands.

Friends of the Earth Mozambique is training lawyers and trying to hold companies to account through the law. A claim presented by the association of brickmakers was denied. Other lawsuits brought by NGOs and law groups end up stuck in courts. A decision has yet to be made in relation to the urgent precarious situation of these communities. Meanwhile the company is allowed to continue its operations undisturbed, while community protests are handled with violence by both the company and the police.

Friends of the Earth Mozambique is working at the national, regional and international level in this fight for justice because they recognize that the national legal system alone cannot take on the impunity of transnational corporations and provide access to justice and reparations to the victims.

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