

CHARACTERISTICS OF FALSE SOLUTIONS TO THE BIODIVERSITY AND RELATED SYSTEMIC CRISES



**Friends of
the Earth
International**

DECEMBER 2020





**Friends of
the Earth
International**

FRIENDS OF THE EARTH INTERNATIONAL is the world's largest grassroots environmental network with 73 member groups and over two million members and supporters around the world.

Our vision is of a peaceful and sustainable world based on societies living in harmony with nature. We envision a society of interdependent people living in dignity, wholeness and fulfilment in which equity and human and peoples' rights are realised. This will be a society built upon peoples' sovereignty and participation. It will be founded on social, economic, gender and environmental justice and be free from all forms of domination and exploitation, such as neoliberalism, corporate globalisation, neo-colonialism and militarism. We believe that our children's future will be better because of what we do.

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Cover image: Friends of the Earth and allies campaigning against false solutions such as Carbon Markets at COP25 in Madrid, 2019.

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December 2020

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INTRODUCTION

The crises concerning climate and the loss, erosion and extinction of biodiversity are extremely serious. In the face of these crises, we are given a host of solutions, many of which have strange names and may be difficult to understand. These solutions are constructed, discussed and implemented with people outside our community.

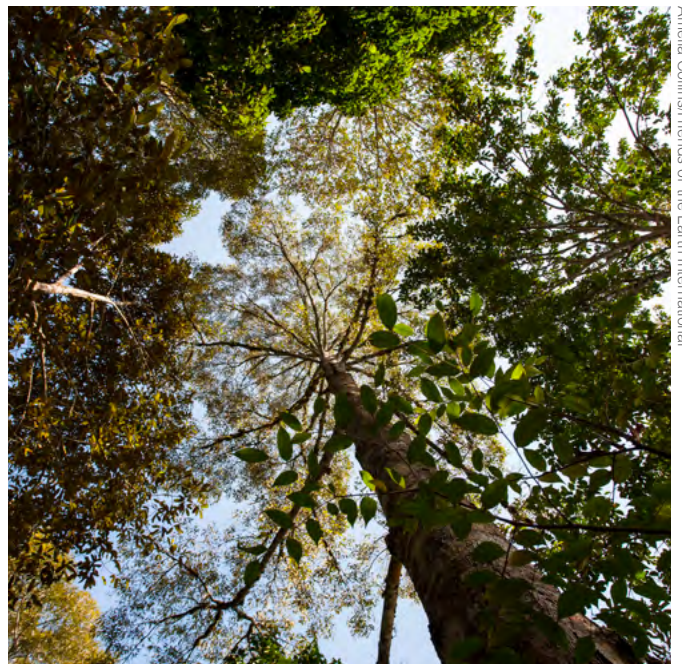
Through our experience we have seen in almost every case that these solutions do not really solve anything but rather create new problems. None of them address the causes of the crises and they reinforce the dominant economic system.

The purpose of this document is to present the main characteristics of these false solutions related to the financialisation of nature. Due to the large number of proposals, mechanisms and policies that have emerged, and will surely emerge, it is important to know these main characteristics in order to be able to analyse the proposals that are made and in the case of a false solution, not to fall into the trap.

The ideas put forward here are the product of many discussions, readings, analyses and good conversations with many people who, in one way or another, have been working against these false solutions. This document is therefore a collective effort and has been written by many people.



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Top: An Iban villager from Sungai Buri, Bakong, Miri, Sarawak looking over the oil palm plantation that has encroached on his community's customary territory

Bottom: Trees at the Sahabat Alam Malaysia (SAM) Agroecology and Agro- forestry Centre/Lobang Kompeni Nursery site, Marudi, Baram, Sarawak

MAIN CHARACTERISTICS OF FALSE SOLUTIONS

PROMOTING COMPENSATION

False solutions have a basic characteristic: they promote that a certain ecosystem can be polluted or destroyed as long as a similar area (in size, characteristics, and biological diversity present) is preserved, no matter where that area is, for a certain period of time. This conservation of an area other than the one being destroyed is done through the purchase of financial securities (carbon credits, compensation mechanisms for biodiversity loss, among others) that are available on the financial markets. These values do not grant ownership over the area to be conserved, but rather over the functions performed by ecosystems. In other words, when carbon credits are purchased, a forest is not being bought that will capture a certain amount of carbon, but rather the capacity of this forest to capture that carbon. However, by becoming the owner of these functions, a right is generated that prevents the realisation of several activities in the forest, which implies that restrictions are created in the use of the forest.

Polluting and destroying one place and paying to preserve another to carry out the destructive and polluting activity is known as compensation and this characteristic is present in almost all false solutions.

THEY ENCOURAGE PUTTING A PRICE OR ECONOMIC VALUE ON NATURE

All the false solutions say that both the existing environmental policies and legislation have not managed to stop environmental destruction and will not do so because they have not put a price on nature. If this is done, the benefits that nature offers will become visible, the losses that businesses and society in general will have will be exposed and in this way, there will be a conscience to protect it.

Putting a price on nature and the functions it performs is impossible. Although it is true that a series of methodologies have been developed for this purpose, they cannot reflect in a price what nature is and represents. For example, we know that in many

communities there are trees that are already many years old. These trees can play an important role as seedlings, as a home for many other living beings, they can be a symbol in the community, or they can be a place for people to gather, for children to play, or a place with a spiritual character. How do you put a price on a tree that means so much at once? And even if we artificially eliminate all those values and focus on the strictly biological, how will a price be put on all the functions it performs: carbon sequestration, water purification, home to other living beings, interconnection with the rest of the forest, and so on. Will it be possible to do this? In our view this is impossible.

It is important to point out that from our work together with Indigenous Peoples and local communities, we know very well that it is not necessary to put a price on nature in order to protect it.

PROMOTE AND MODIFY NEW ENVIRONMENTAL POLICIES AND LEGISLATION

The idea of buying pollution permits (all those financial mechanisms that make it possible for the destructive or polluting activity to continue), is attractive to sectors that have polluted (and will continue to do so since their activity involves the destruction and pollution of nature). Pollution permits allow existing limits in various public policies and environmental legislation to be expanded.

This is how it works: these pollution permits generally put a price on the functions of nature. Once they are assigned that economic value, they can be compared with each other and in this way, they are interchangeable and can be traded. All these financial mechanisms, are sold and bought because there is destruction and pollution: a site is destroyed and polluted and to compensate, those pollution permits are bought that will protect an area in a specific place for a specific time and the destructive activity continues. This action of destroying and contaminating is what gives them their value in the financial markets by falling into a cycle

of polluting and destructive activities but also with greater privatisation of territories as we will see later.

In this way, the maximum limits allowed in pollution and destruction, become the new minimums and thus, we live with more pollution and environmental destruction. The logical and desirable thing would be for States to oblige companies to comply with environmental legislation on climate and biodiversity and to repair the environmental damage and pollution they have generated. What is happening is that these limits are being exceeded through the purchase of these financial instruments. In this way, legislation is modified without going through the discussion and transparency procedures that exist in all public bodies where legislation is discussed and approved.

Another characteristic related to legislation is that it is intended to contain proposals for which compliance is voluntary, because it is based on the premise, as with free trade, that it is better to convince than to punish. In this way, the voluntary aspect is paramount because sanctions generate undesirable behaviour and in the long term, it is better to convince companies and people. In this way, many of these measures (which are presented in some cases as additional to legislation but end up replacing it) are presented as

voluntary because they come from the will to do things differently and therefore sanctions are not necessary. Consequently, environmental legislation and policies are gradually being dismantled. Furthermore, and here we find the third characteristic of these false solutions in relation to environmental legislation and policies, it is said that the voluntary is more effective when incentives such as non-payment of taxes or economic incentives are received.

Without a doubt, the purchase of pollution permits, the new limits as well as the predominance of the concept of voluntary and paid incentives, indicate a desired route for many companies as they do not have to make any structural changes to their operations and forms of production.

PROMOTING MORE AND NEW WAYS OF DOING BUSINESS; MORE AND NEW MARKETS

By putting a price on nature and the functions it performs, and by expanding the limits on pollution through the purchase and sale of pollution permits, new markets are created.

This is all congruent with the green economy or bio-economy which promises to make economic growth



Palm oil plantation, on road from Miri to Marudi, Sarawak, Indonesia

Amelia Collins/Friends of the Earth International

and nature protection compatible. Therefore, it is not a question of rethinking the economy but of redefining nature to make it more accessible to capital, and in this way, it becomes natural capital. In this way, financial markets penetrate ever more deeply into the real economy, and speculative capital is structurally interwoven with productive capital (commodities and goods of nature) and new financial assets are created from existing commodities – basic products. This happens for example with carbon markets where carbon (new commodity or commodities) is a derivative in itself, i.e. a prediction of the emissions that will be avoided in a certain period in relation to a baseline. This is why finance has paid increasing attention to so-called ecosystem services, giving them a monetary value so that payment for them is a global issue.

These financial mechanisms (as well as certification – another false solution) require verification, testing and monitoring so that they can be implemented, thus opening up a number of businesses for consulting firms and specialists.

All of the above are businesses that do not come to improve the “solutions” but to make sure that their implementation is carried out in a good way. In addition to these businesses, new ones can be generated from conservation: using this space as a place to be visited, the possibility of being able to generate other types of credits or contamination permits if there is something of value in this place to sell credits, carry out bioprospecting... In short, many possible businesses arise.

PROMOTING GREEN MAKE-UP

New businesses, as well as the initial one that pollutes and destroys and the whole process of buying and selling on the financial markets, create an image of respect for nature. By buying pollution permits, companies present themselves as responsible and respectful of nature. In other words, they green businesses and companies without making any changes.

At the same time, many corporations partner with large, self-appointed non-governmental organisations (NGOs) as conservationists. This alliance gives the

destructive and polluting corporations more green make-up and the big “conservationist” NGOs more money. The problem is not to solve the environmental crisis, it is to make more economic gains.

CORPORATIONS ARE THE ONES WHO BENEFIT

Financial mechanisms (as well as certification) have been designed to make the economic system grow more. Also, generating other business – apart from the original – creates additional benefits for corporations.

These false solutions are not made for the benefit of Indigenous Peoples, local communities or women who through the relationship built with nature are responsible for the fact that we still have it today. False solutions only give prominence to corporations, new markets and new businesses.

Without a doubt, what we need are real solutions. We need to identify, talk and act on the causes of nature’s destruction. We need to do the same about the power structures that make these false solutions possible.

THEY PROMOTE A NEW VISION AND DEFINITION OF NATURE

When we think of nature, we can think of many things at the same time: plants, animals, trees, insects, water, air, communities, Indigenous Peoples. We get images of forests, mangroves, deserts, of different people and we also associate it with feelings of well-being, tranquillity, joy, peace, community. For Indigenous Peoples and local communities it would also be home, a place where one finds food, spirituality, medicine, clothing.

While images or feelings may change from one person to another depending on where they live and their experience, when we think of nature we think of many elements at the same time as they are part of a unit. In some cases, people will feel nature closer to them than others in their experience. Today we know that this is a vital part of our life not only because of the functions it provides which are essential to life itself but also because it is of great importance to our physical and mental well-being.¹

¹ It is important to note that due to the social and economic inequities promoted and reinforced by neoliberalism, not all people have the same opportunities to enjoy Nature.



Friends of the Earth International and allies conveying our demands at the Convention on Biological Diversity in Kenya

However, from the false solutions this vision is different and from these, a new definition of Nature is being created.

As we have seen in the previous points, Nature needs to be integrated into the capitalist markets and for that, it needs to be perceived and converted into something different. The first thing is that it has to be seen more and more as something that can be bought and sold. The same has to happen with the elements that make it up: a tree, an animal, an insect or a plant has to be reified and perceived in the same way as we perceive anything we can buy. This is a first phase that has been going on for several years.

A second phase is when nature is presented as an entity that provides services: we stop talking about the functions it performs and just say and think about services. With services we refer to a series of activities that someone gives and a client buys to satisfy a certain need. This service is usually an immaterial product. The area of services is key in the economy and has been the subject of extensive and arduous negotiations in the international arena. With the introduction of payment for environmental services, nature began to be perceived as an entity

that provides an intangible product to its customers who must pay to obtain it. The concept was used as a way of convincing people of the importance of nature and as a way of speaking the same language as those who control the economy in order to convince them to provide greater protection for it. In the end, the concept ended up being the dominant one since today it is even strange to talk about the functions performed by nature, one always talks about services. And it seems natural to pay for them. In this way, and through the introduction of the concept of environmental services, it was possible to put a price on nature and the functions it performs.

A third phase is the division of nature and its elements into units that are dissociated from each other. At the end of the 1990s, this phenomenon occurred when the World Trade Organization discussed the Agreement on Trade-Related Intellectual Property Rights (TRIPS). In this discussion, the genetic part of the organic part began to be divided into all of nature's goods. Thus, a plant could be divided into its genetic part from the rest of it and this genetic wealth could be privatised with the application of intellectual property mechanisms (patents, plant breeders' rights) that guaranteed its privatisation for

a certain period of time. Although the property right is only given over this genetic part, it is created with the application of the same, restrictions on the use of the rest of nature's goods, above all plants.

The fragmented view of nature reaches a new juncture, when nature's goods are divided up according to the functions they perform, so that they can be sold and bought on financial markets. This action is a fourth phase in the process of objectification and privatisation of nature. A tree is no longer a tree, but is the tree plus the functions it performs (carbon capture, water purification for example) plus the genetic wealth it possesses (which gives it its characteristics and properties). By dividing the benefits of nature from the functions it performs, a vision of replaceability is also established. The tree is the same as any other tree insofar as it captures carbon, so it can be destroyed as long as another one is preserved because it will continue to capture carbon no matter where it is. The vision of irreplaceability begins to cease to be valid and thus, economic value predominates over others (social, cultural, spiritual) and an artificial division is made between nature and communities. In this phase, the functions of nature are sold and bought on financial markets.

This implies several things:

- nature is a thing to be sold and bought, i.e. it is privatised;
- it is artificially divided up to create new goods (the genetic wealth and the functions it provides) that are traded in new markets,
- nature is no longer unique and can be exchanged and replaced,
- All of the above implies that it is emptied of its social, spiritual and cultural content.

Nature then ceases to be nature and is an entity that provides goods and services that increasingly occupy more and more markets and it begins to be called natural capital. Just as workers are part of the social capital of a country as it is currently said, nature is the natural capital.

In this way, a new vision and definition of nature is constructed: a sum of units that are sold and

bought, that replace each other, which is also divided between its organic part, genetics and the services it provides so that all these parts can be bought and sold in different markets. In this crude way, the vision of nature with all its beautiful complexity and interconnectivity is lost, and it is artificially divided from the cultural and spiritual part provided by many local communities and Indigenous Peoples who have preserved and improved it over many centuries. With this new vision and definition, new values are built: we conserve nature because we pay or receive money and no longer because of ethical and moral values, as an exercise of solidarity and responsibility towards the society in which we live and are part of, as part of a duty of care that we all owe each other individually and collectively.

FALSE SOLUTIONS ARE PRESENTED AS COMPLEX AND TECHNICAL.

False solutions are presented as very complex: the formulas they use to value the goods of nature or the technical aspects of certification are so because all this complexity of calculations and technical standards, seek to exclude people from any discussion and depoliticise any debate. The problems then are not building a mine, taking a piece of a national park to build a dam, it is not building a road but how many units of ecosystem services are needed to compensate for the destruction. The causes become invisible.

FALSE SOLUTIONS ARE SUCCESSFUL IF THEY GENERATE FINANCIAL GAIN

These false solutions have to prove as a first step that they are successful in economic terms before they are successful in environmental or social terms. They never create another type of relationship as if it were with various community projects: an urban garden, the protection of an area for example, creates social relationships that eventually end up strengthening the community itself while at the same time obtaining improvements in the collective quality of life. There is also a greater awareness of the problems and causes they face and during the development of the project, the communities are stoned and strengthened. These community projects also, as they deal with issues in which the banks have no interest, have the advantage of not being subject to instruments that trap them in order to expand the banking business.

THE RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES ARE VIOLATED

Control of territory by local communities and Indigenous Peoples is a problem created by false solutions because it is simply lost. Territories where the functions of nature have been sold off are not controlled through financial mechanisms: those who own them set limits on the exercise of other rights. REDD is a good example that illustrates that communities that previously carried out many activities in the forests, once the REDD project starts, they cannot visit the forests, collect firewood or carry out social, cultural or spiritual activities. Thus, it is the companies that determine what is done or not. Other rights (self-determination, cultural, social and economic rights) are also lost and eroded by the existence of these financial mechanisms because this indicates, that somewhere there is a destructive and polluting project where communities are being affected in various ways, including the violation of their rights. The inability to exercise these rights over the territory can lead to further evictions.

In the same way, there is a double land grab: the companies own the land where they develop the polluting project and at the same time those where they compensate for the damage they produce.

THE FALSE SOLUTIONS ARE ALL UNIFORM

The solutions are all the same, so there is a loss of diversity in the resolution of problems, a loss of thought and also an elimination of the questioning of the need for projects (e.g. mining, roads) because in the end, it will always be possible to conserve nature as long as these financial mechanisms exist which create the illusion of conservation.

It all boils down to using technical criteria, even if you manage a palm monoculture and follow certain guidelines, you will be told that everything will be fine and you will be given certification. Nothing is said about the real problem, which is the monoculture itself. If you buy pollution permits, you can continue to pollute. The problems are more complex and need a little more complex solutions: attacking the causes and not making them up so that they continue to exist. They also simplify the complexity of nature, which goes from being something complex with many relationships between its assets to being just trees, or just their capacity to absorb carbon. In this way, it is an equally reductionist proposal.

Community agroecology and agro-forestry project, Sungai Buri, Sarawak, Indonesia. Members of the women's group picking vegetables



Amelia Collins/Friends of the Earth International

THE REAL SOLUTIONS

At Friends of the Earth we believe that today it is more than necessary to rebuild our societies and a new type of economy based on other paradigms, principles and values, which consecrate the centrality of life sustainability, prioritise the realisation of people's rights and the economic autonomy of women and their political protagonism, and protect their means of subsistence and the planet.

As Friends of the Earth we are committed to promoting and actively participating in the development of emancipatory paradigms and initiatives that provide a structural response to systemic socio-ecological crises, questioning the logic of capitalist accumulation. A logic that is sustained and reproduced through the imposition of systemic oppressions – class, racist, patriarchal, heteronormative, colonial and imperialist – and the exploitation of nature, of the working classes and of women's bodies and labour.

From our perspective, people's emancipatory proposals are developed from collective subjects that have historically fought against oppression and exploitation and have bet on the accumulation of grassroots power to profoundly transform our societies. They are structured around the sustainability of life, environmental, social, economic and gender justice, the sovereignty and participation of the people, and internationalism. They are born and nourished by the convergence of social movements and organisations around a common political agenda, while at the same time they nourish that agenda and make the formulation and articulation of a grassroots political project possible.

Some of their central characteristics are:

- they are based on a collective grassroots political subject and on a feminist, anti-racist, anti-colonialist and anti-capitalist perspective
- they claim and challenge the political arena and public policies for the fulfilment of people's rights, while at the same time betting on organisation and self-management.
- they dispute the economic sphere from the perspective of justice
- dispute the territory and reverse the reductionism and commodification, privatisation and financialisation of nature².

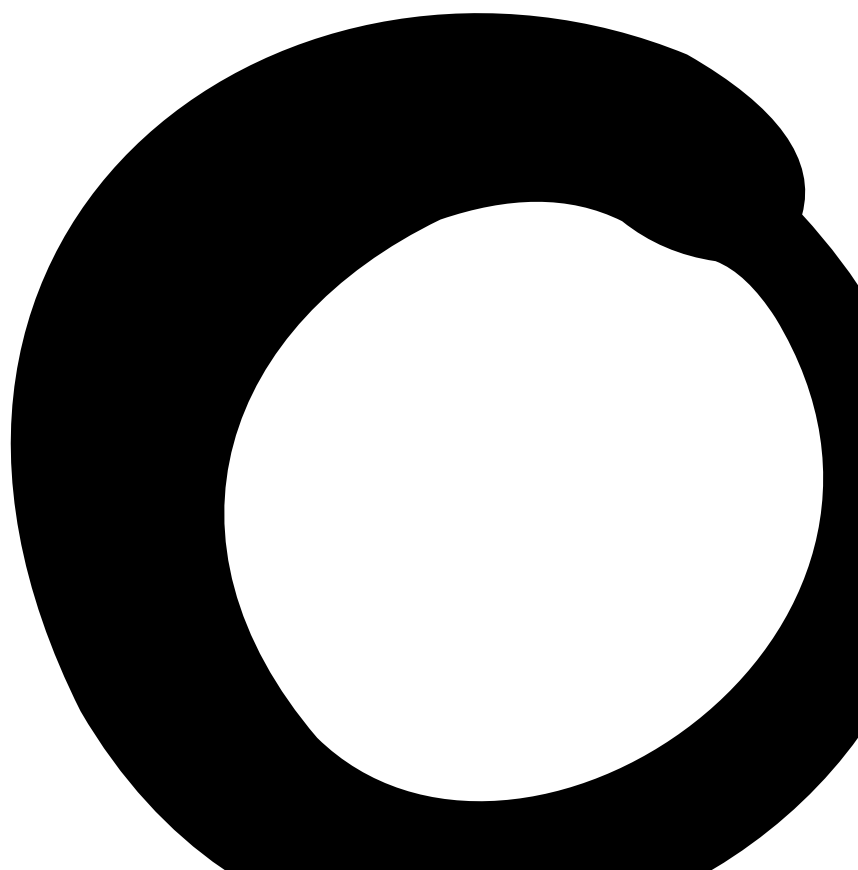
They are very different from the false solutions we have described in this document. False solutions are alien to the community; they are made from and for the benefit of corporations; they impose a worldview with an economy that favours a small group; they erode and destroy the rights of Peoples; they are not emancipatory and do not create conditions for advocacy or power struggles.

False solutions do not solve any problem, nor do they solve the crises we are facing, but rather they eternalise them and present them as a reality that cannot be transformed, because for the corporations and the capitalist system, the conditions of exploitation must remain the same or be further deepened. From the Peoples and social movements we have to continue building through processes, real solutions that transform the reality we face as the only way out of the crises we face.

² This and the previous paragraphs were taken from an internal Friends of the Earth International document on our proposals and solutions. The paragraphs indicated correspond to the introduction prepared by Karin Nansen.



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