

Earth4All – Change Finance

A Post Growth Model

March 04, 2024

Belgian Presidency European Conference for
a Just Transition: Poverty Breakout session

Sandrine Dixson-Decleve, Co President, The Club of Rome

Co-Author, & Executive Chair Earth for All: A Survival; Guide for
Humanity

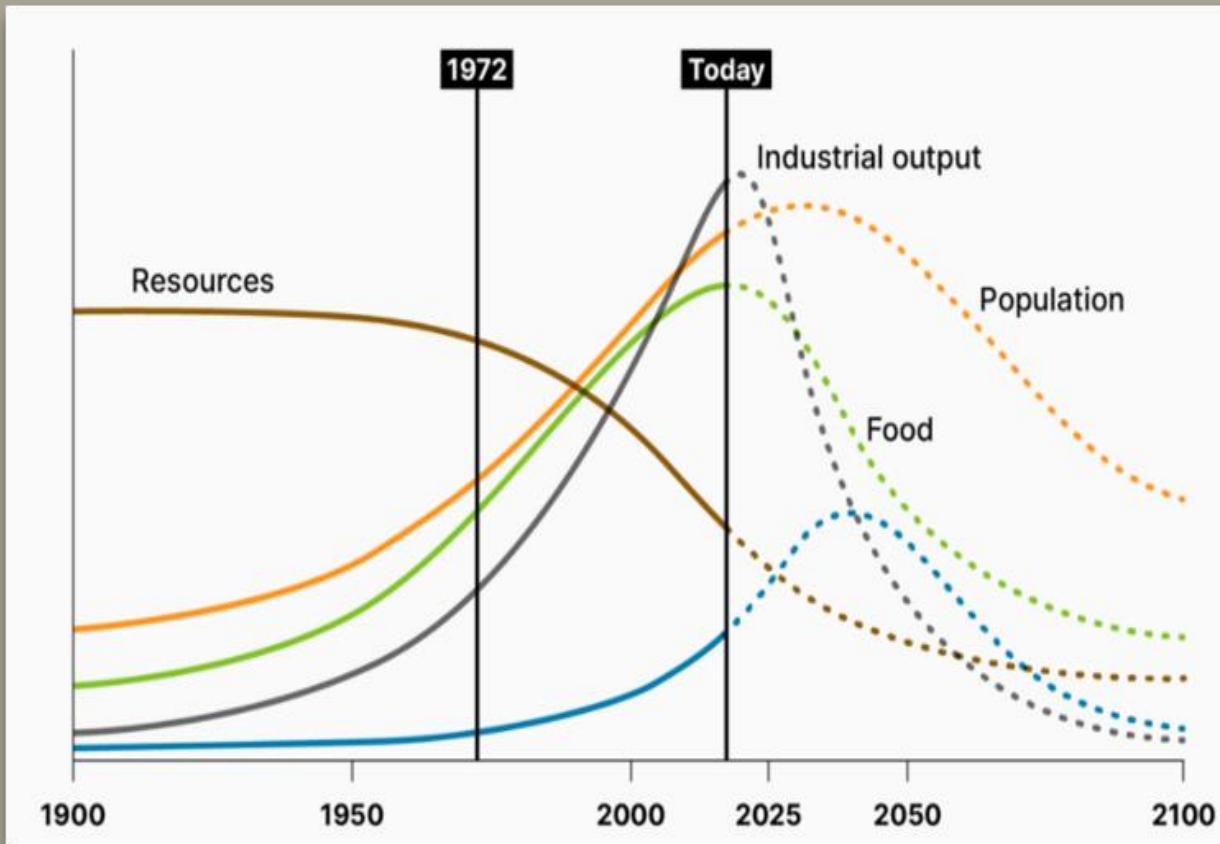
Former Chair, European Commission Expert Group, Economic &
Societal

Impacts of Research & Innovation

Co Chair Manufacturing, Technical Expert group on sustainable
Finance

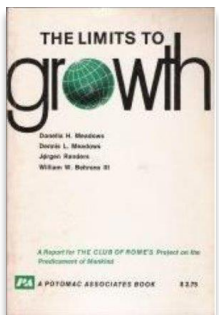


1972: The Limits to Growth



»If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next one hundred years. The most probable result will be a rather sudden and uncontrollable decline in both population and industrial capacity.«

The Limits to Growth, 1972



Top 10 Risks

“Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period”



2 years



10 years

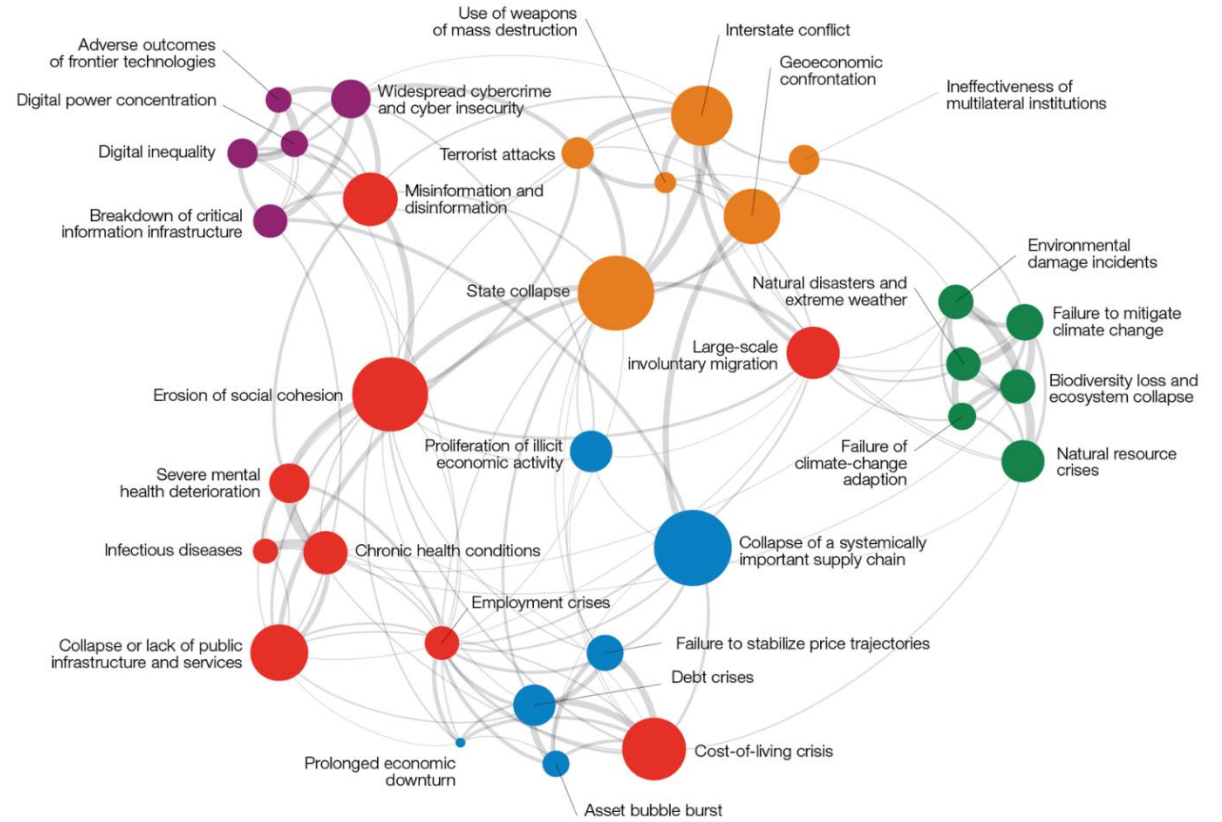


Risk categories



Source: World Economic Forum, Global Risks Perception Survey 2022-2023

Global risks landscape: an interconnections map



Nodes

Risk influence



Edges

Relative influence



Risk categories



Source: World Economic Forum, Global Risks Perception Survey 2022-2023

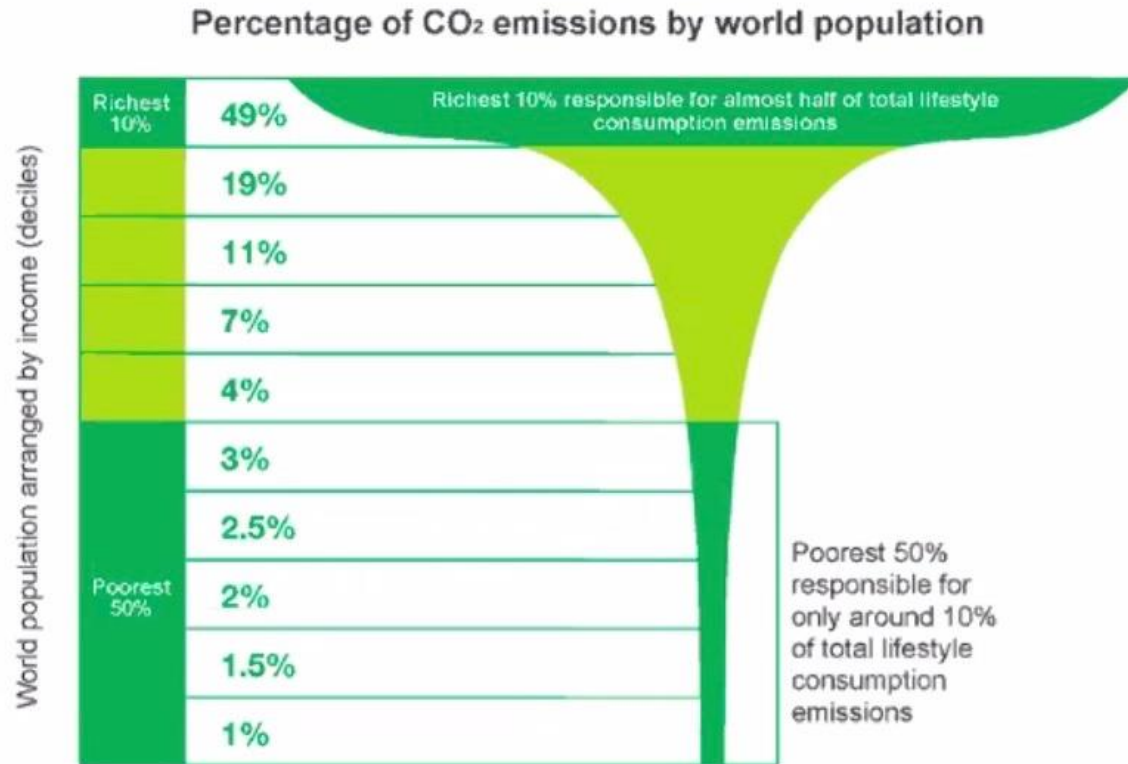
We need to talk about the elephants in the room



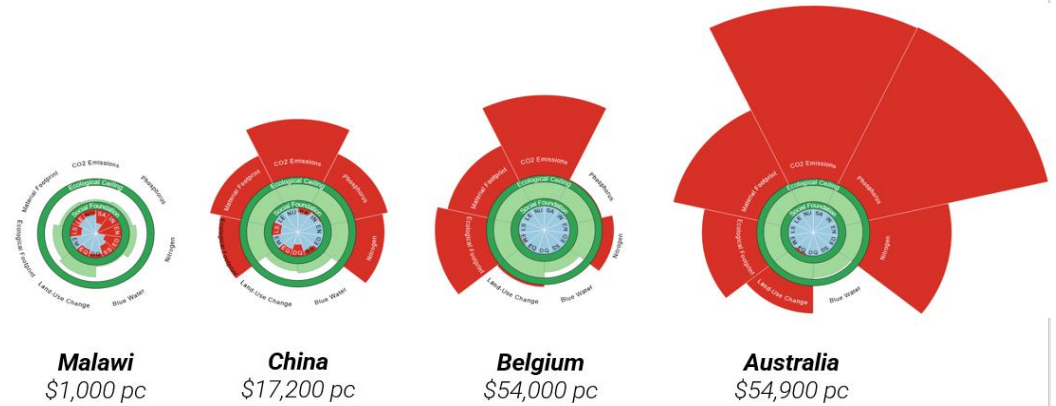
- EU/International efforts to fight the climate crisis and the other environmental crises **remain focused on the supply side and technological solutions.**
- Greening the supply side will not be enough to deliver targets set or **address poverty and inequality.**
- We must **stop ignoring the inherent wastefulness of our production and consumption especially in the North.**
- Demand-side measures get us closer to the **essential questions of responsibility and equity but do not address social tipping points.**

We need to talk about the elephants in the room

Figure 1: Global income deciles and associated lifestyle consumption emissions

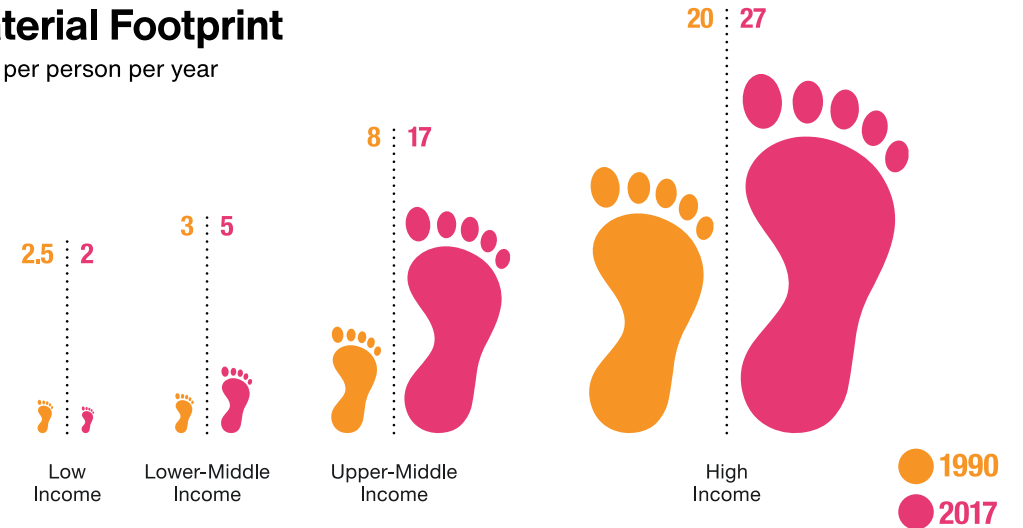


Source: Oxfam

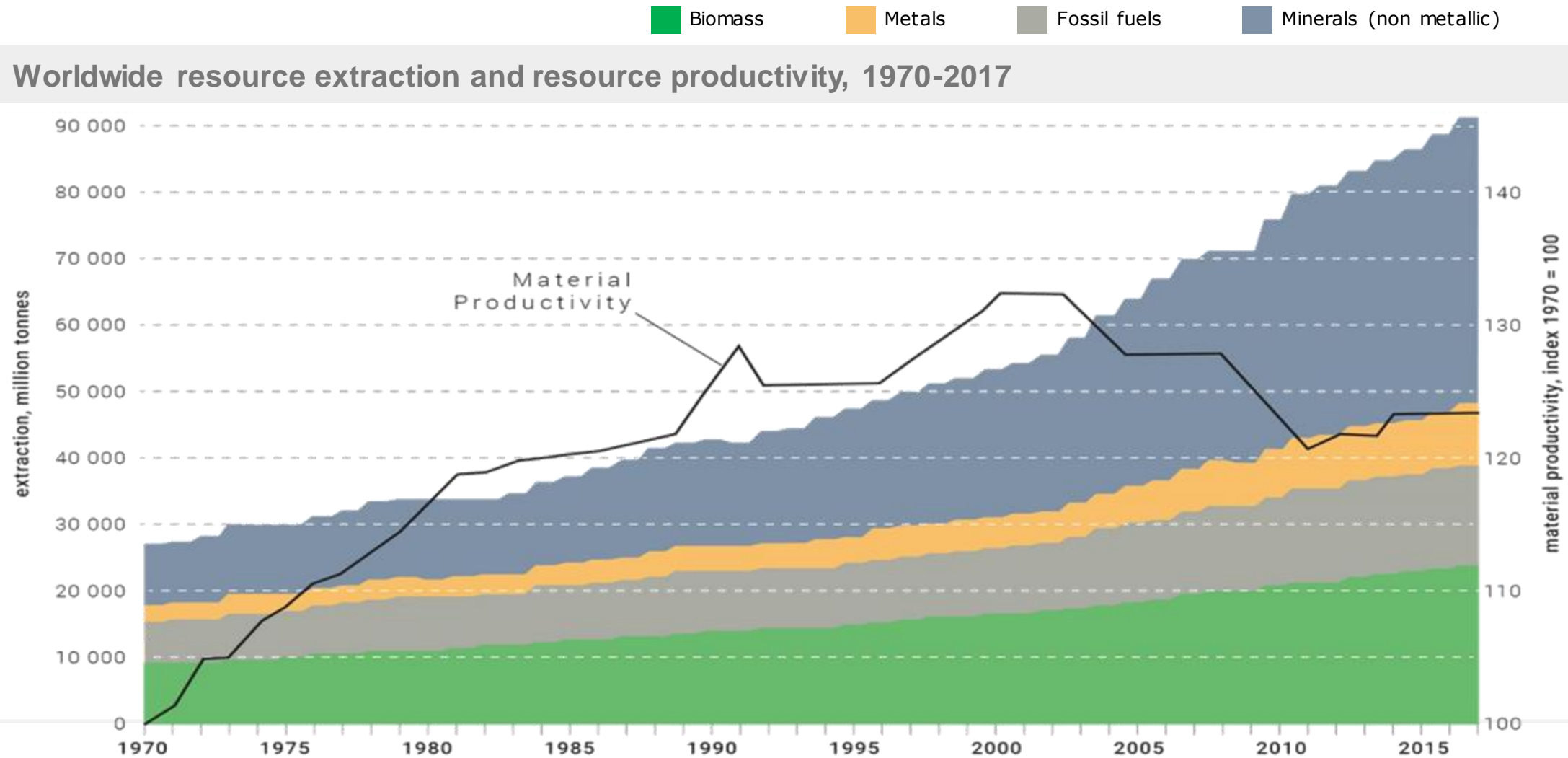


Material Footprint

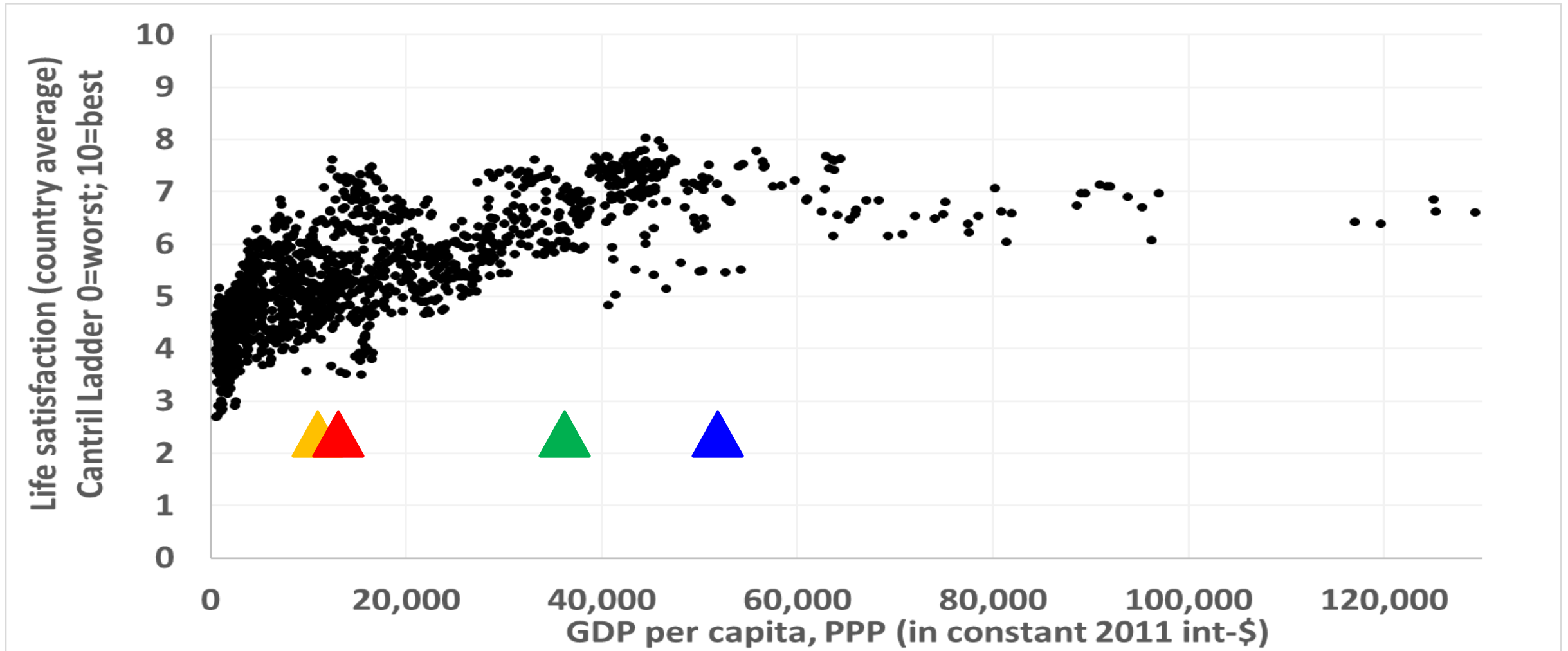
Tons per person per year



More elephants... Global resource productivity is declining - our system is wasteful



More elephants...The marginal utility of wealth

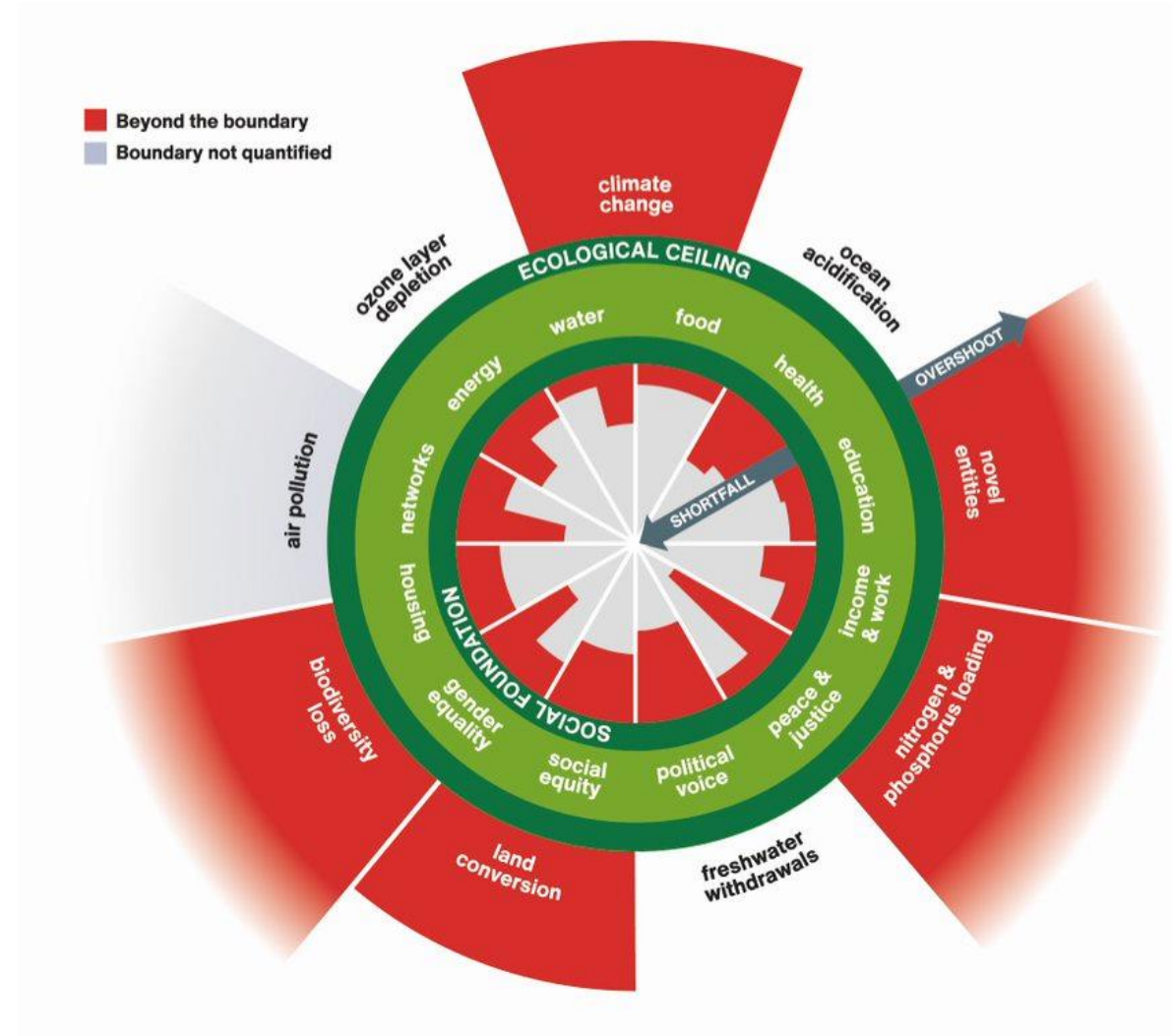


Spurce: <https://ourworldindata.org/happiness-and-life-satisfaction#the-link-across-countries>

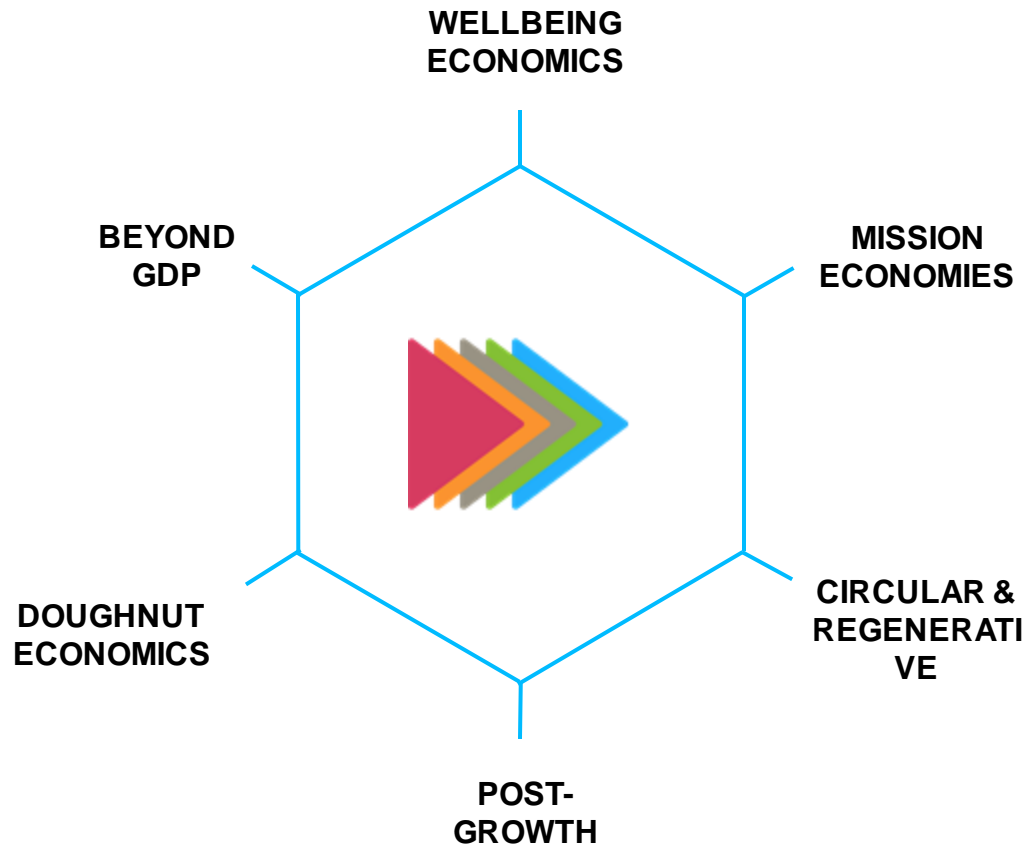


Doughnut Economics

- **Current Failure:** meet basic human needs to ensure dignity
- **Challenge:** meet the needs of all within planetary boundaries
- Ensure no one falls short of life's essentials (food, housing, healthcare, political voice)
- Ensure don't overshoot pressure on Earth's life-supporting systems, on which we fundamentally depend
- The doughnut is a compass for human progress this century



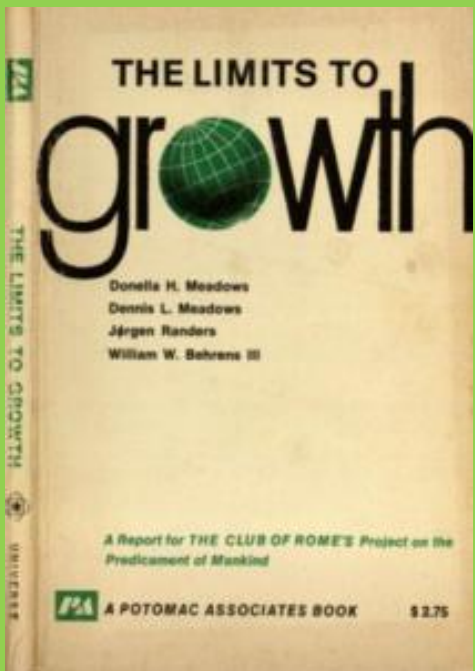
Transformational economics for the 21st century



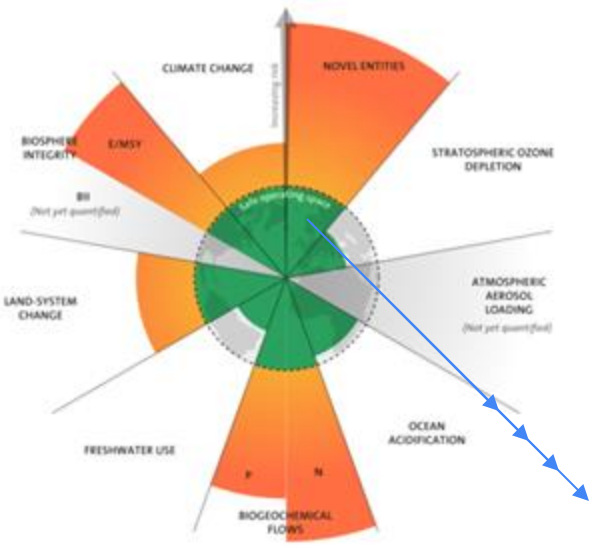
- ▶ Shift from an Extractive GDP based economy
- ▶ Account for social and environmental risk in financial and economic decision-making
- ▶ Expand our perspective of public goods and socialise the rewards of environmental and social commons
- ▶ Correct the inequity between high and low-income countries created by international finance and trade systems
- ▶ Increase the agency of women and workers to drive the direction of the economy



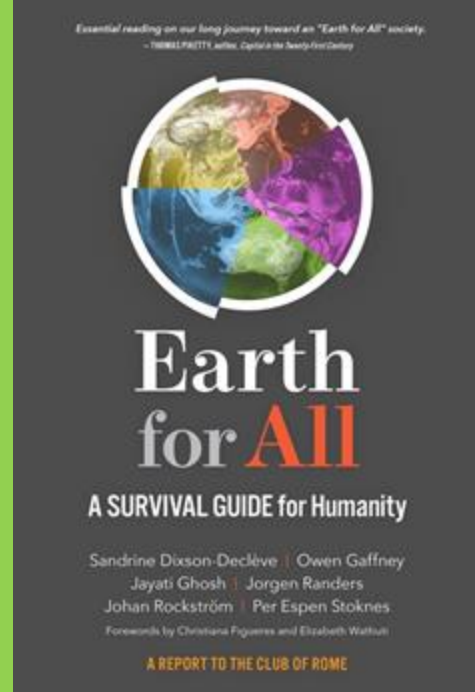
1972



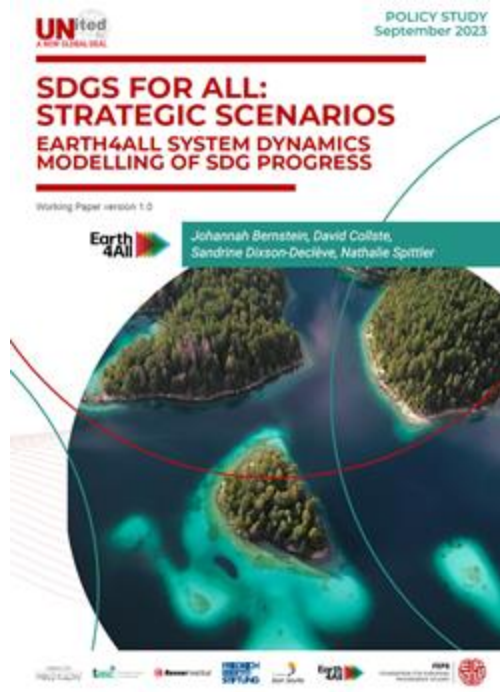
2009



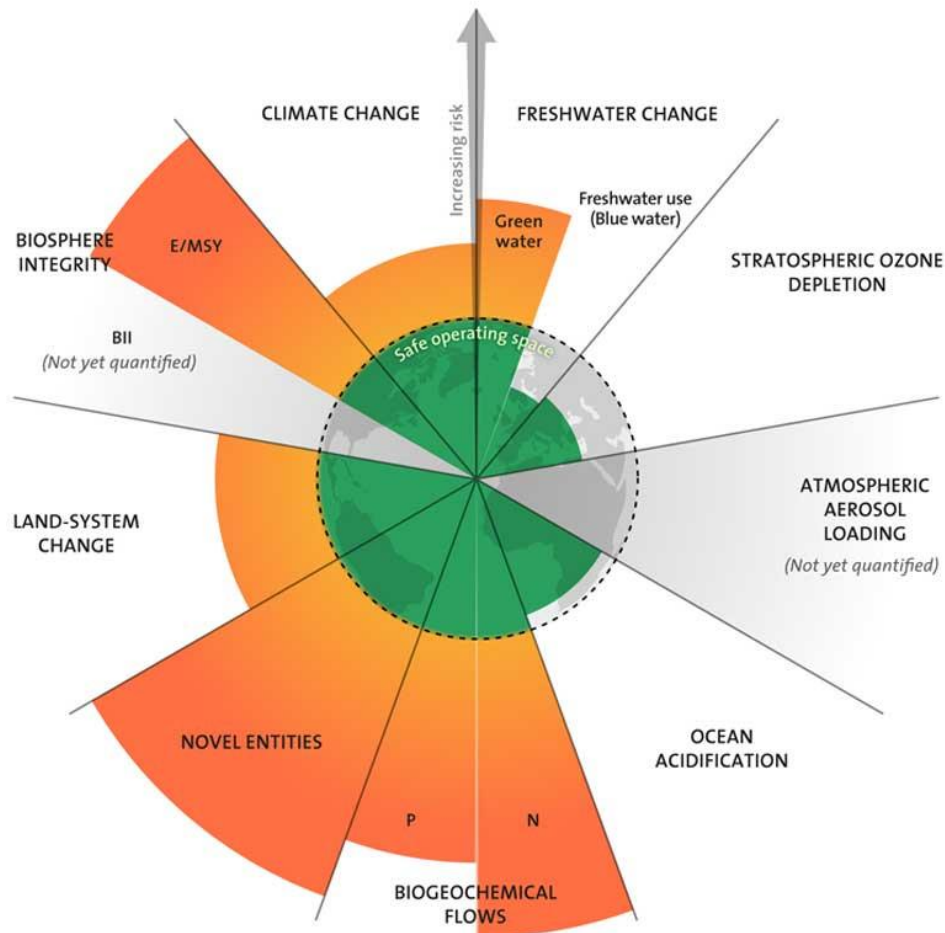
2022



2023



One future, one choice, two scenarios.



SCENARIO 1:

Too Little Too Late:

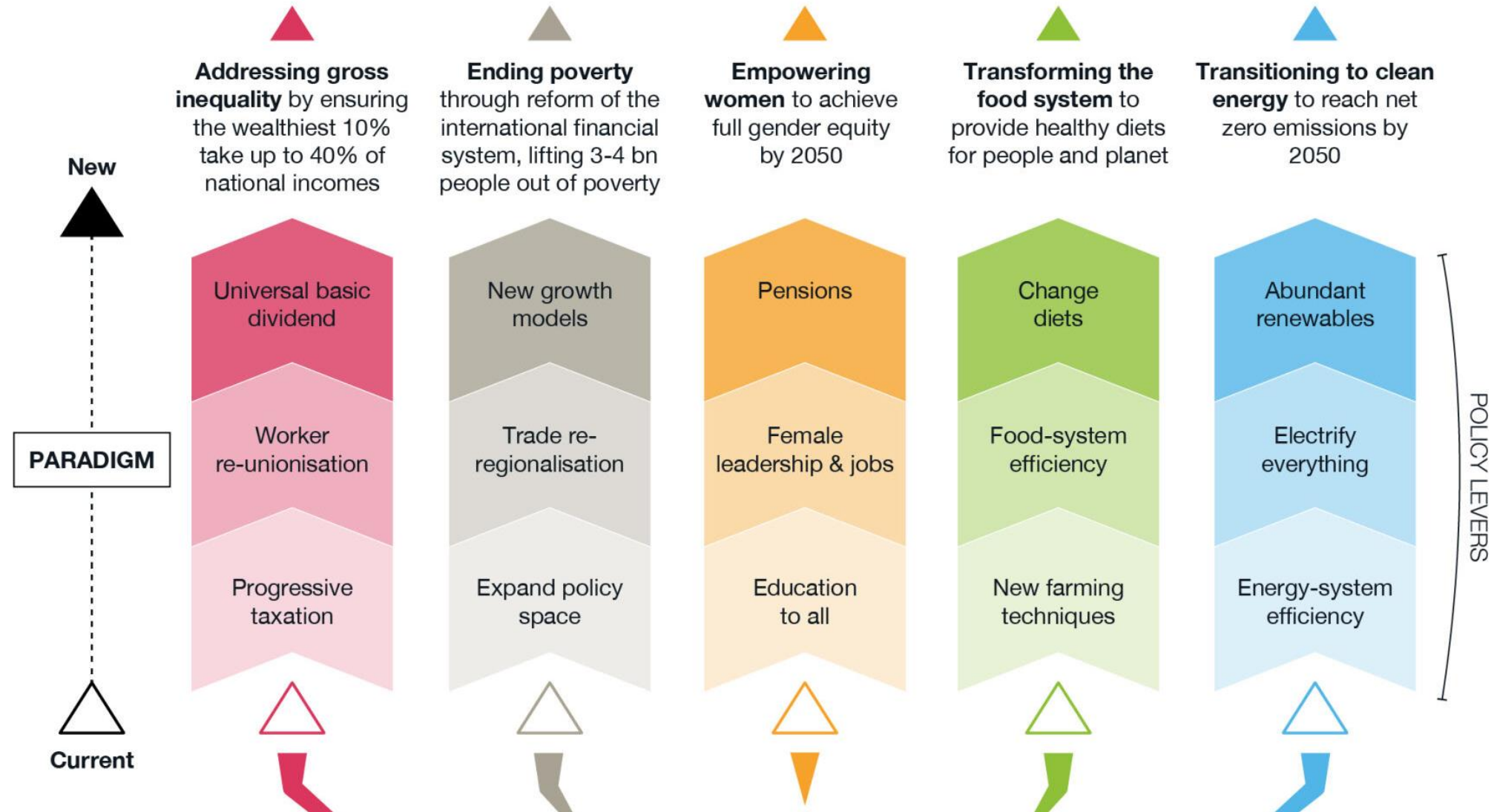
What if we continue on our current destructive path?

SCENARIO 2:

The Giant Leap:

What if we achieve the fastest economic transformation in history?

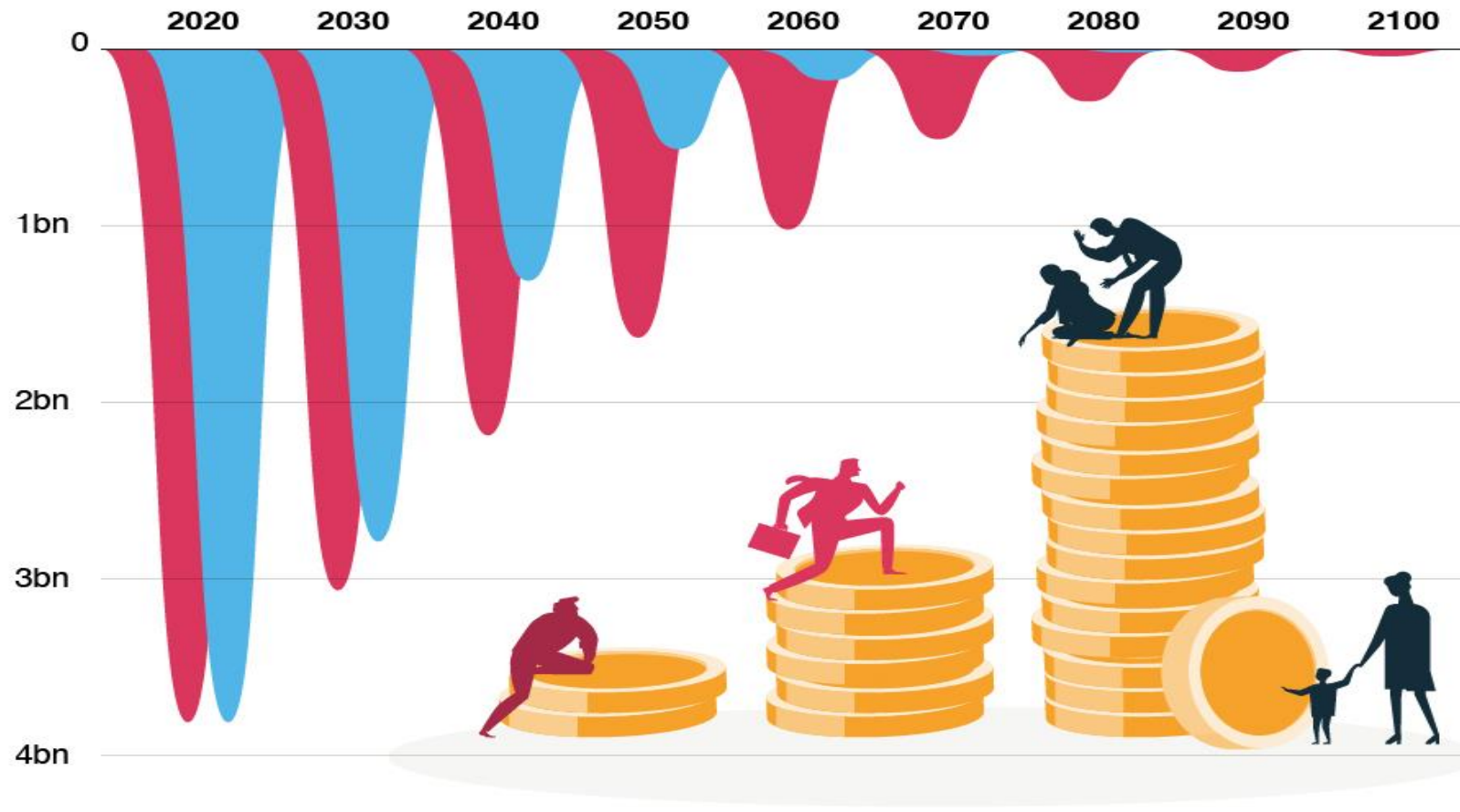
15 Policy Actions



Global **poverty** would be drastically reduced by 2050 with a **Giant Leap**

Millions of people below \$6.85 per day

● **Giant Leap** ● **Too Little Too Late**



Source: *Earth for All: A Survival Guide for Humanity* (2022)
www.earth4all.life

A world with less **inequality** with a **Giant Leap**

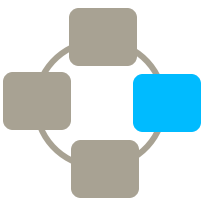


Footnote: The Earth4All inequality index measures the relative size of workers' incomes in relation to the incomes of capital owners in the Earth4All model.

Source: *Earth for All: A Survival Guide for Humanity* (2022)
www.earth4all.life



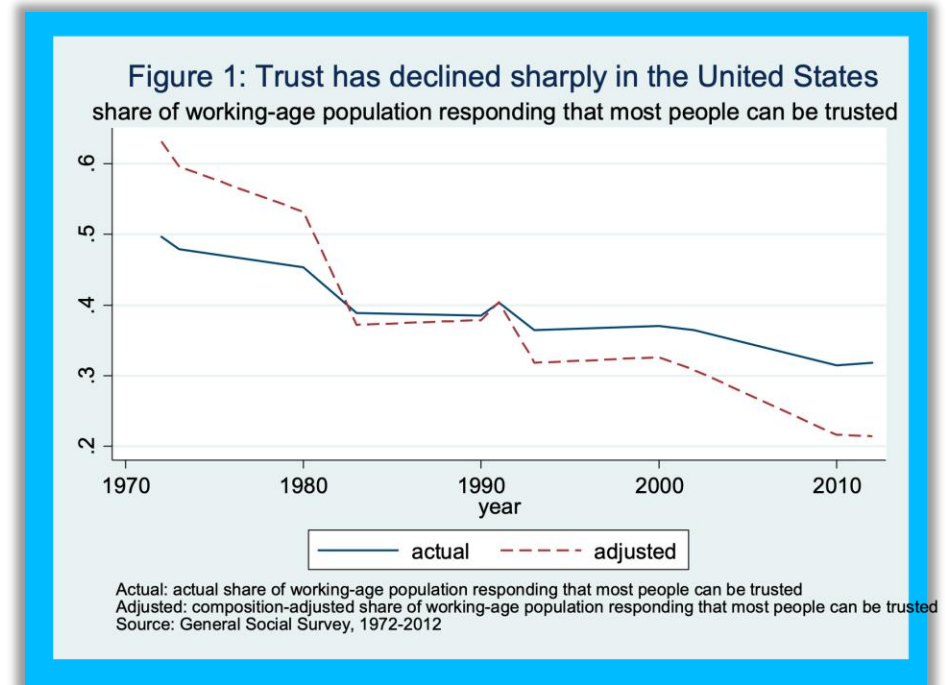
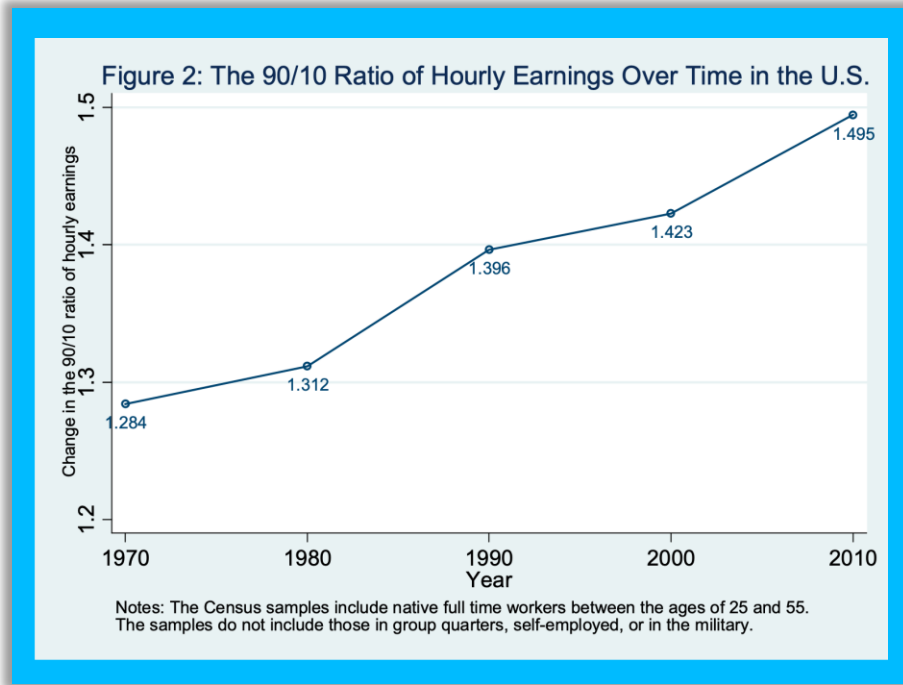
Inequality Reduces Trust



Wage inequality (based on 90/10 ratio) in the US has **increased 14%** between 1970 - 2010 and since 1978 US CEO salaries have increased by 1460%; employee salaries by 18.1% (EPI, 2022)



At the same time, surveys of US citizens show **decreasing levels of trust** in people especially government and business



Sources: IMF - Gould, Eric D, and Alexander Hijzen. Growing Apart, Losing Trust? The Impact of Inequality on Social Capital. International Monetary Fund, 2016.

Achieving **wellbeing** for all with a **Giant Leap**

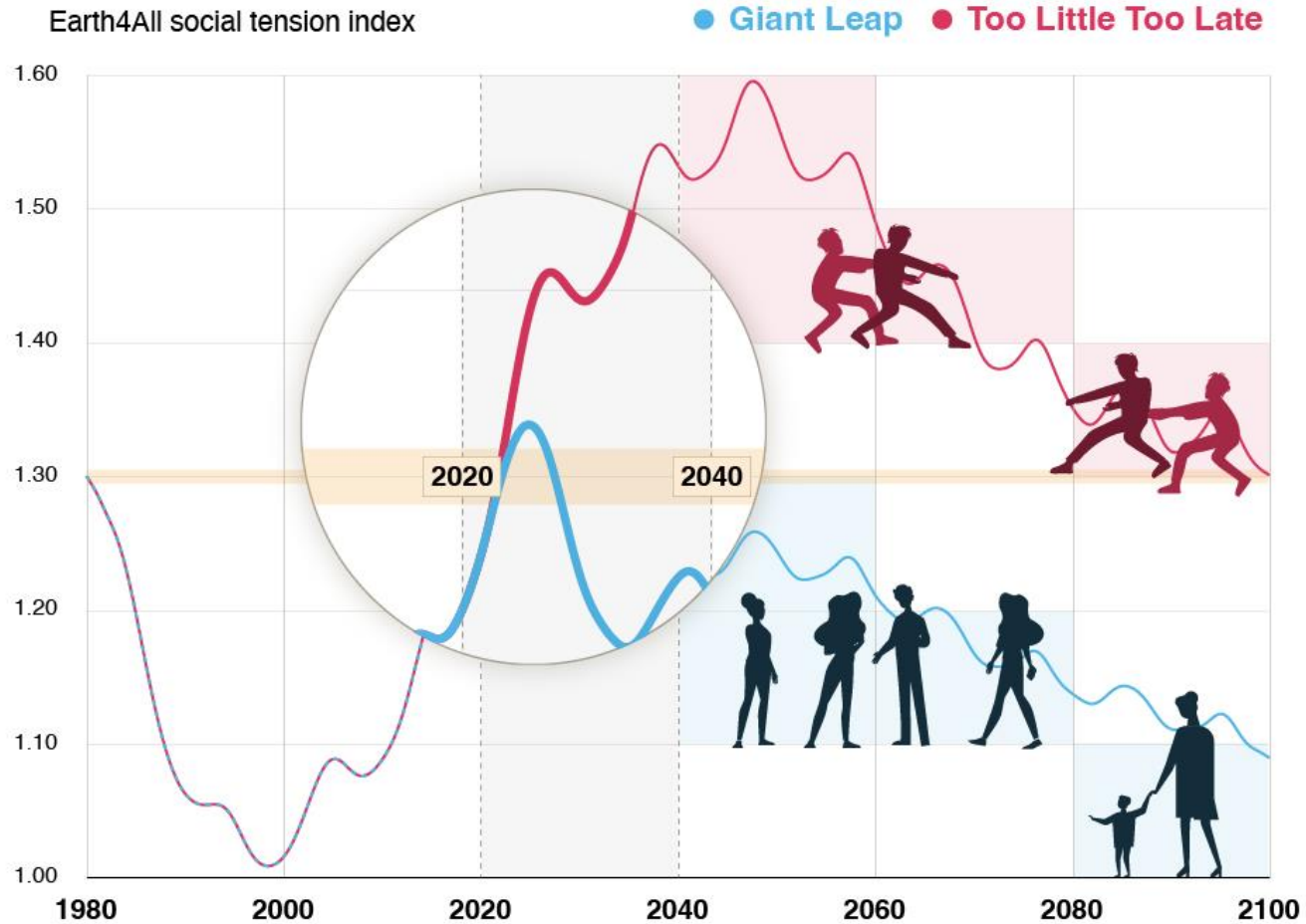
**G20
survey:
74% of
citizens
would
prefer a
well being
economy
(Ipsos,
2022)**



Footnote: The Earth4All wellbeing index is inspired by the Wellbeing Economy Alliance's framework and includes measurements for dignity, nature, institutions, fairness and inequality, and citizen participation.

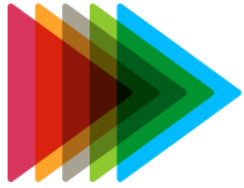
Source: *Earth for All: A Survival Guide for Humanity* (2022)
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Reduced **social tension** by 2030 if we take a **Giant Leap**



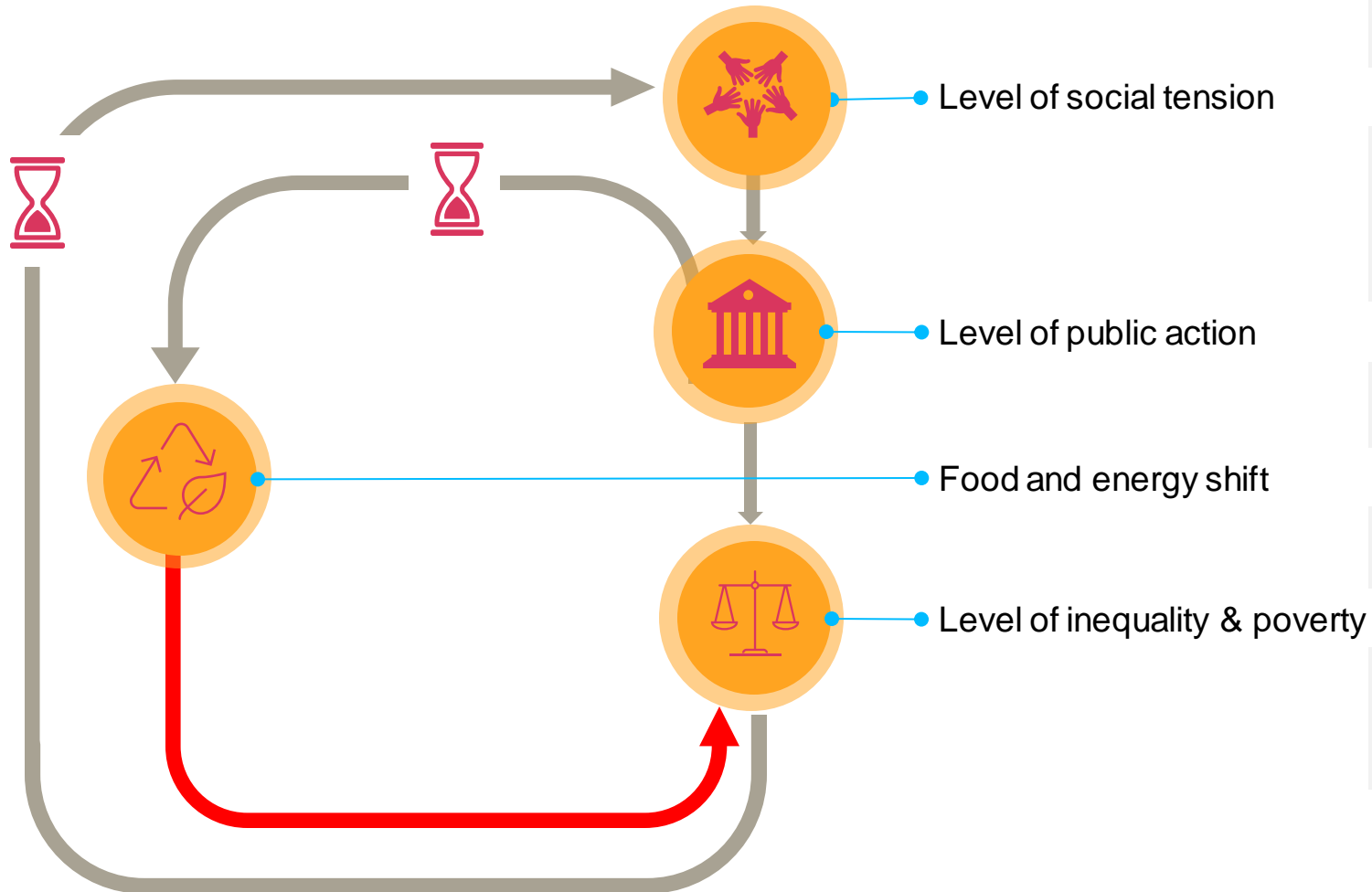
Footnote: The Earth4All social tension index measures the inverse of people's perceived rate of progress, defined as the rate of change in the Earth4All Wellbeing Index.

Source: *Earth for All: A Survival Guide for Humanity* (2022)
www.earth4all.life



The Critical Feedback Loop

Action on planetary boundaries is a function of action on inequality and poverty



Social trust influences the political space available for transformative public action

How effectively the state intervenes to reduce inequality and planetary breakdown

The regulation of the food and energy system impacts inequality

Inequality drives social tension

Rentier Capitalism

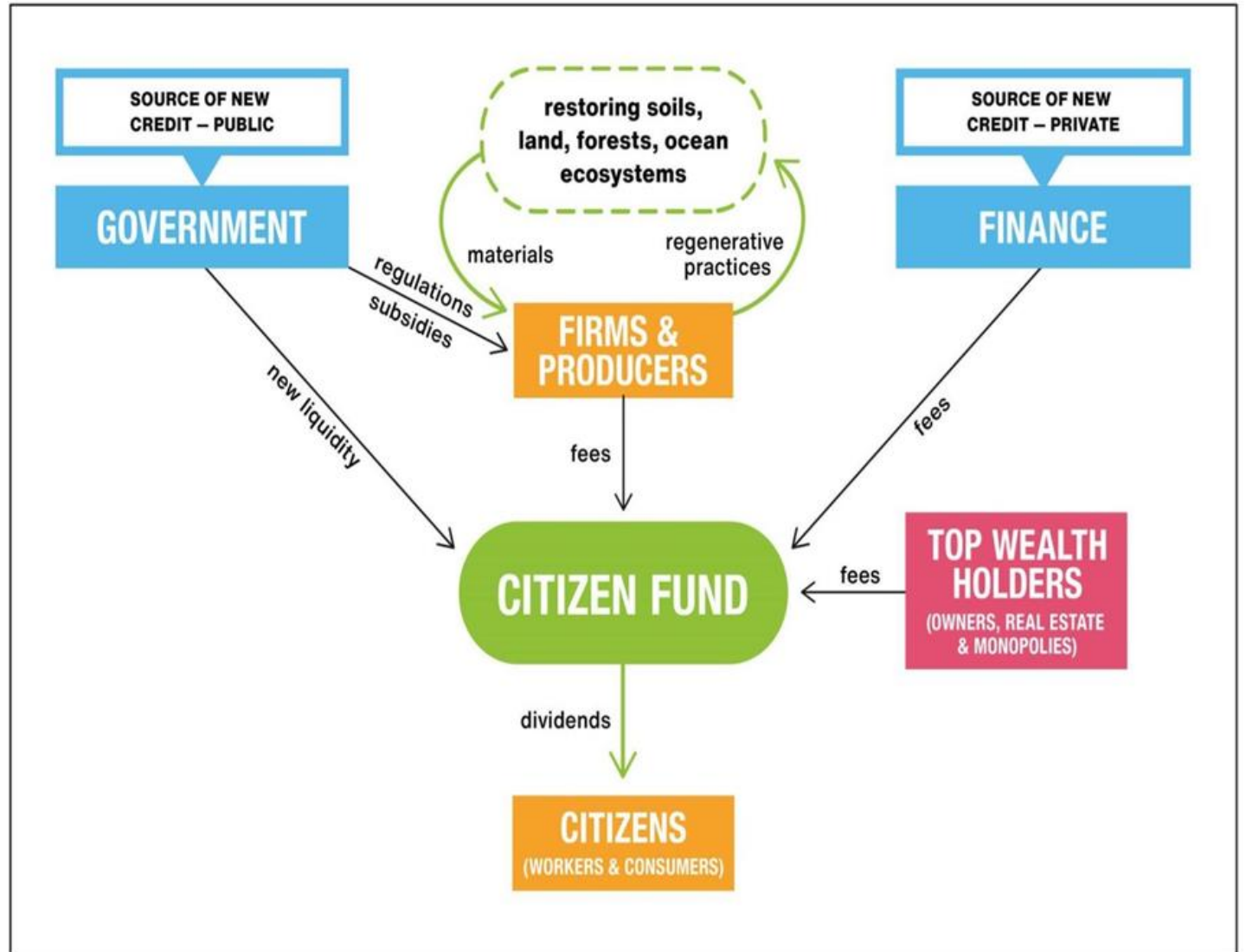
“Gone is the economy most people think we have – one organized around production, consumption, and exchange. Money is made on money and the shifting value of various assets from stocks and bonds to real estate to intellectual property and crypto. The manipulation of these financial assets now dominates economic decision-making across the globe”

- Earth4All, pg.149



Redrawing the Gameboard

- Setting up citizen funds to distribute the wealth of global commons fairly.
- Government measures (subsidies, incentives, regulations) to expedite restructuring.
- Reforming the international financial system.
- New progress indicators in the context of well-being economies.





“We need to redesign our financial system in order to be able to take into account vulnerability and not only GDP”

UN SECRETARY-GENERAL ANTONIO GUTERRES

System diagnostic – why we need to “change finance”

- the current financial system is a major hindrance in phasing out the old economy, and;
- a new financial paradigm is critically important in enabling a new economy that is fair and just, enhances prosperity and will operate within the planetary boundaries.

Financial asset holdings in the euro area
(EUR trillion)

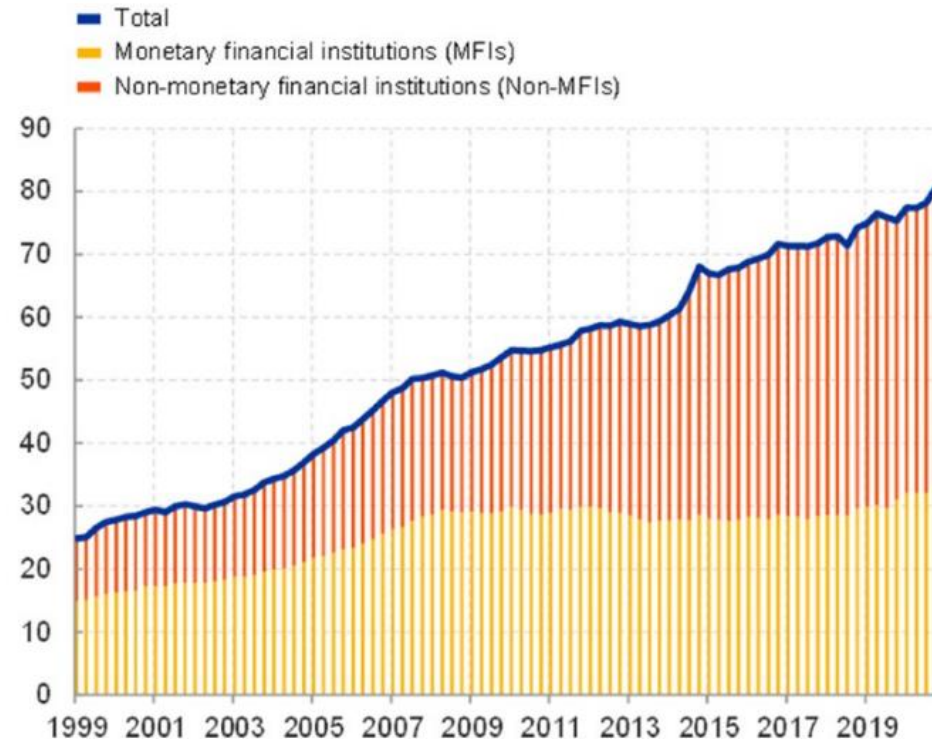
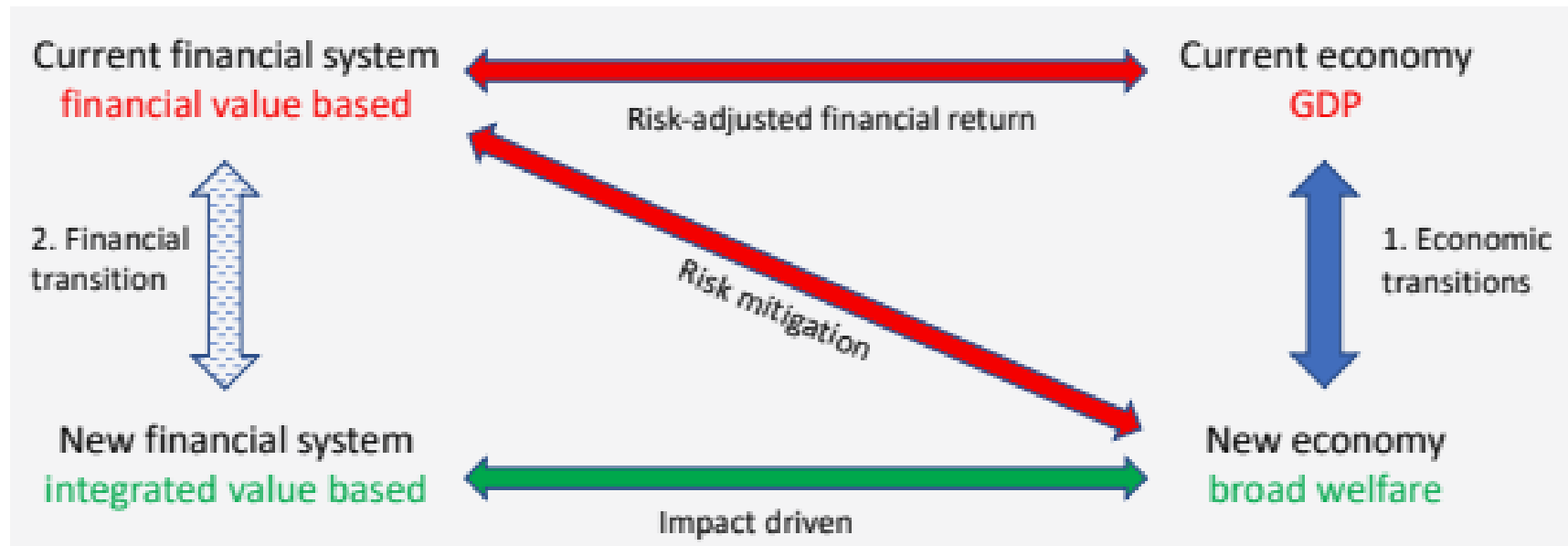


Figure 1 – Evolution of bank and non-bank finance (financial asset holdings in the euro area – EUR trillion, ECB 2021).

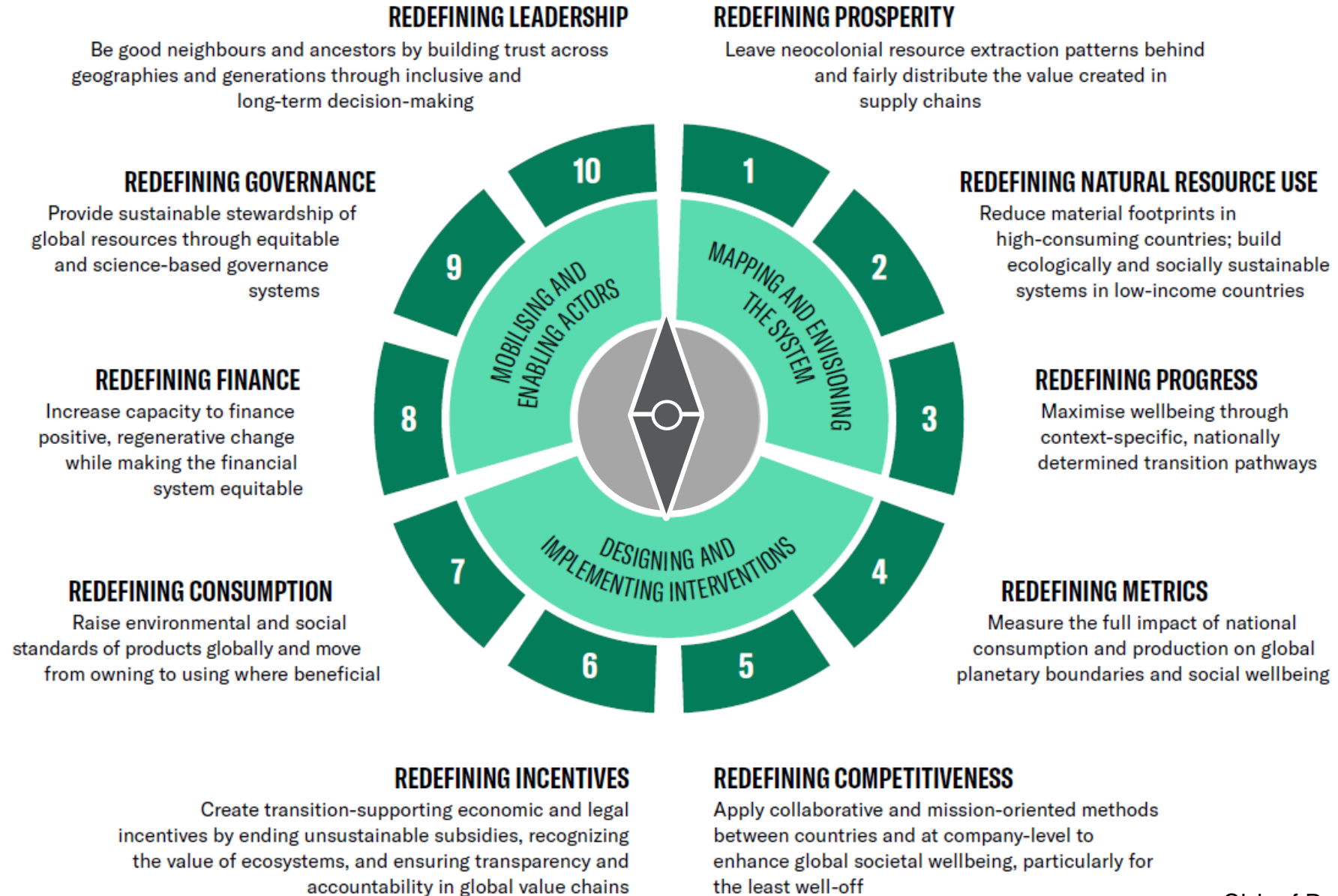
System diagnostic - why we need to “change finance”

- The underlying and reinforcing dynamic of economic growth at all costs has catalysed an overly financialised economic system, thus fostering an economy in support of the financial system rather than the reverse.
- This shift has contributed to lock-in to an unsustainable regime, focusing on maximising financial value creation instead of the optimisation of serving people’s needs.

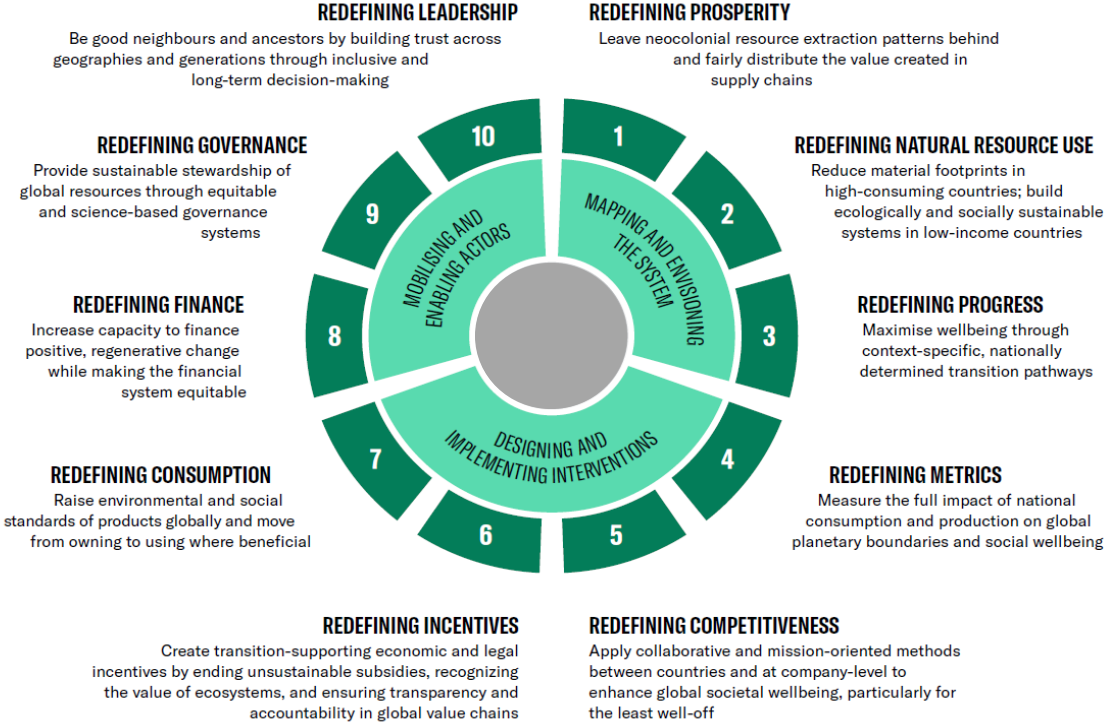


Source: Loorbach, D., D. Schoemaker and W. Schramade (2020), Finance in Transition: Principles for a positive finance future

The Regional and international system change compass



Compass Practical Pointers for Policy Makers:



- *Redefining consumption from owning to using*
- *Redefining production from mass sales to providing efficient functionalities*
- *Redefining core economic incentives such as taxation, subsidies, and public procurement*
- *Integrating **well-being** as the objective across all policies*
- *Measuring **sustainability across the life-cycle** and across policy areas*
- *Activating **financial** potential to enable transition*
- *Encourage **innovation** in categories of economic ecosystems that provide societal functions, rather than in categories of production sectors*

Energy | Ecosystem-level policy orientations



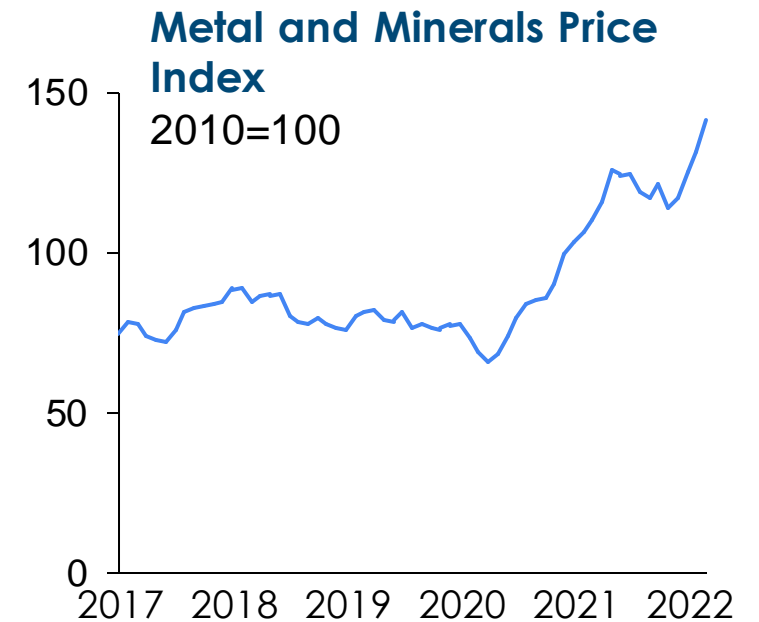
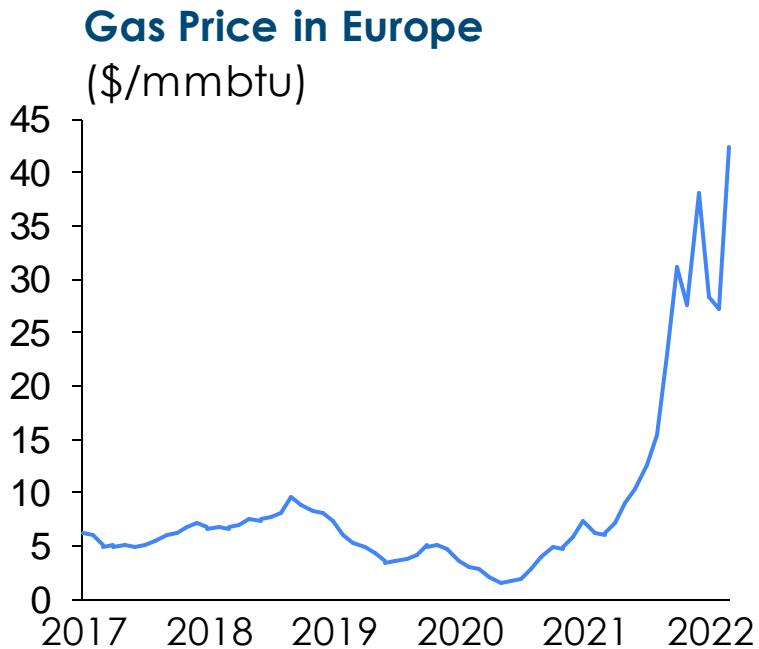
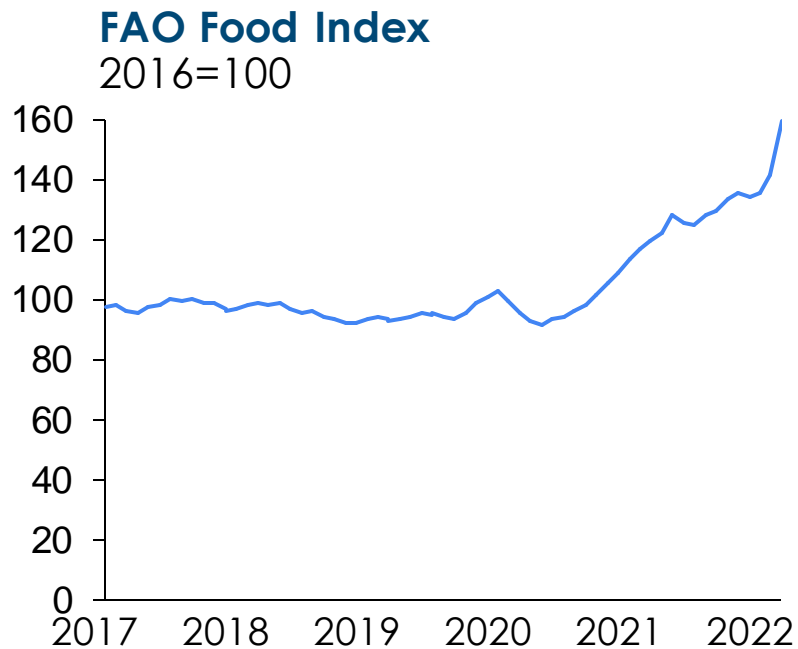
Energy Economic Ecosystem

	Economic	Social	Environmental	Resilience
<p>Ensure fair energy access for the whole population through</p> <ul style="list-style-type: none"> adequate supply of clean energy made available throughout Europe expanding energy distribution grids and establishing sustainable energy sources across the board 	✓	✓	✓	✓
<p>Maximise energy efficiency and simultaneously minimise the need for energy across all products and operations (for example circular materials or built environment) - while maintaining or increasing the quality of life by</p> <ul style="list-style-type: none"> promoting a key lever, the highest energy efficiency in industrial production and private use, e.g., through housing insulation, smart metering, grid integration and energy-efficiency-based paybacks improving systemic services such as better city design, mobility systems, digital connections to reduce travel, shared appliances to set up the energy system for this reduction in volume and shift to revenue-per-functionality 	✓	✓	✓	✓
<p>Shift to a renewable, clean energy mix that</p> <ul style="list-style-type: none"> is comprised of a combination of solar and wind power generation (on- and offshore) as primary sources, complemented by other ocean energy technologies such as wave, tidal and current-based sources and completed by further low-carbon electricity capacity from dispatchable hydro or thermal plants ensures resilience of the energy grid by storage options like batteries for short-term storage and hydrogen for long-term storage provides alternative solutions (e.g., low-carbon hydrogen) for the 30% of total global CO2 emissions from hard-to-abate sectors for which electrification solutions are not currently available 			✓	✓
<p>Compensate negative externalities during the transition period through</p> <ul style="list-style-type: none"> zero-carbon solutions and high-pace deployment compensation of remaining emissions by investment in nature-based solutions, especially regenerative agriculture, contributing to the financing of natural ecosystems alongside development of true “within-sector” decarbonisation options, as the compensations’ potential will naturally plateau over the next 30 years and cannot replace the need for drastic reductions in emissions from fossil fuels 		✓	✓	

03/13/2024

Ukraine invasion: a call to build resilience sustainability

- World leaders must tackle the war's global-reaching economic consequences, especially its disruptions to food supplies, energy markets and materials supply chains already weakened by the pandemic.
- Resulting shortages and price hikes are impacting households and businesses globally, the poorest are hardest hit.
- Responses to the immediate economic hardships of the war that don't take their systemic roots into account risk slowing down, possibly reversing, the crucial global advance towards a net zero, nature-positive and equitable world



Systemic solutions: addressing socioeconomic needs from the war (ETC Recommendations 2022)

Protect vulnerable populations against price spikes immediately	Diversify supply chains and import markets	Accelerate the substitution of increasingly costly imported products through regional and renewable resources	Reduce final demand for increasingly costly resources and products	Enhance resource productivity to get more out of constrained supply
<ul style="list-style-type: none">• Unlock short-term increase in supply of food and energy• Target short-term relief on households & businesses that need it most• Design distribution markets that protect consumers from future price spikes	<ul style="list-style-type: none">• Diversify food varieties and sources of food imports• Diversify sources of fossil and renewable energy imports• Diversify sources for critical materials	<ul style="list-style-type: none">• Re-localise food production• Shift to regional, renewable energy supply• Re-localise material extraction	<ul style="list-style-type: none">• Reduce demand for cereals going to animal feed and biofuels• Reduce demand for fertilizers through regenerative agriculture• Reduce energy & materials consumption through behavioural shifts	<ul style="list-style-type: none">• Reduce food waste• Improve energy efficiency in buildings and industry• Shift to circularity in materials value chains• Ramp-up use of agricultural and industrial byproducts



Key message #12

The next step is
to gather

broad political

support for the

economic

transformation

There is already growing support for action to stop current trends. And emerging initiatives like Wellbeing Alliance, Green Deal, New Deal, Global Deal, Ecological Civilization. The need now is to scale up a major advocacy and public campaign to drive the conversation on economic systems change and open up policy windows.

Earth4All will do its bit.

12

NYC Wallstreet 2022

- Uncontrollable growth and an over financialized economy will crowd fund disaster
- It is time to change the rules of the game so people, planet and prosperity come first before power and profit
- The only way to build resilience to future shocks and stresses is to invest in an Earth for All
- **Mark my words** : There are no stocks, no bonds, no financial assets on a dead planet



**THIS IS THE
DECISIVE DECADE!**

**“ THERE IS TOO MUCH
BAD NEWS TO JUSTIFY
COMPLACENCY.
THERE IS TOO MUCH
GOOD NEWS TO
JUSTIFY DESPAIR “**

D. MEADOWS

THANK YOU!

Earth4All: one future, two scenarios, one choice

New York | September 2022



Coauthors of Earth for All joined a [live broadcast](#) to present the five extraordinary turnarounds needed to achieve wellbeing for all within planetary boundaries. Per Espen Stoknes and Sandrine Dixson-DeClevé introduced the scenarios for the future and the policies and commitments we need from leaders in order to move towards a future of wellbeing for all followed by reflections from Gaya Herrington, Fadel Kaboub and Amanda Janoo.

Earth4All at the New York Stock Exchange

New York | September 2022



In collaboration with partners Newday Impact and Pottinger, authors of Earth for All joined the Newday team in ringing the honorary New York Stock Exchange [closing bell](#).

Swiss Green Economy Symposium

Switzerland | September 2022



Ernst Ulrich von Weizsäcker and Till Kellerhoff presented Earth4All at this symposium in Winterthur.

UK Parliament book launch

October 2022



In collaboration with the All-Party Parliament Group (APPG) on *The Limits to Growth*, chaired by MP Caroline Lucas, the book was launched at a special event at the House of Lords in London. The evening brought together Members of Parliament and representatives of Earth4All to discuss its policy implications.

Five extraordinary turnarounds to save the world

Norway | October 2022



As part of the [Norwegian launch](#), Earth for All authors were joined by policy makers to discuss the role of Norwegian business and Scandinavian governments in taking a Giant Leap. Speakers included Jonas Gahe Stere, Prime Minister of Norway.

Earth4All youth solutions forum

Argentina | October 2022



On 7-9 October the [Local Conference of the Youth \(LCOY\)](#) took place in Argentina, bringing together climate leaders and activists from all around the country. Earth4All and The 50 Percent ran a 2-hour workshop with 70 participants for an introduction to economics systems change in relation to climate change and inequality. This was followed by a deliberative discussion focused on solutions and ways forward.

Outreach

Media coverage around launch

431 News articles, 17M Reach, 4.79K Engagements, 6.28B Impressions, 50 Countries

The collage shows various news articles and social media posts related to the Earth4All launch. Key headlines include:

- Reuters: "Tackling inequality key to climate fight - study"
- Infobae: "Mitigating inequality may lead to diversified societies, new book warns"
- IANS: "Rising inequality risks regional collapse, climate catastrophe: Scientists"
- Daily Mail: "Report says rich must pay bill to avert social collapse"
- New Statesman: "A nuclear scenario isn't enough - we also need to concern how the 'wealth' concept of 'degrowth' could prove key to tackling emissions"

 There are also several creative communication graphics, including one titled "Earth4All is possible and essential" and another about "Overconsumption in high-income countries lies in the surplus".

Selection of launch creative comms