



## **Globalization – There are a Thousand Alternatives**

When the G20 meets in Hamburg in July 2017, it will not claim to be the global government. However, it represents the major share not only of the world's population, but also of the global economy. Whatever the legitimacy of the G20, it pulls the strings that determine how globalization is designed and managed and what the rules of a globalized economy are. Those countries are crucial to implementation of the 2030 Agenda and the Paris Agreement. The Summit is a time to assess their balance sheet: are they up to the job? Can they meet the challenges ahead?

Any sober assessment shows that globalization, as we see it today, is not well managed or even headed in the right direction. Its design is flawed; it is in crisis mode. The world has never seen such massive inequality: eight super-rich individuals now own as much wealth as half of the world's population. The gap between rich and poor is widening in most countries around the globe. This is also reflected in the persistent gender inequalities. Corporations are not properly regulated. More and more people feel excluded from the benefits of economic globalization. They see governments saving banks with many billions of euros and dollars, yet they have less and less money for the concerns of ordinary people. Rural areas, whole regions and countries are losing out. The ecological crisis is getting worse - this global economy is destroying the planet. As a consequence of all that, in most democratic countries, trust in institutions and politicians is eroding. Increasingly, people feel their interests are not represented. Democratic rights are under pressure in more and more countries, including those of the G20. The space of civil society is shrinking.

So we say: we need change. The neoliberal design of globalization is flawed, and the G20 leaders have a responsibility to re-design it. The German G20 agenda shows they see many problems, yet at the same time they promise business as usual in their inherently unsustainable economic policies. This cannot work. One cannot solve problems without addressing the root causes. The G20 leaders realize that there is massive and rising discontent with their model of globalization. Citizens in many countries are turning to autocratic leaders to express discontent, yet they are unaware that these leaders would double down on the dangerous aspects of globalization. The ranks of the disenfranchised could grow. International effective cooperation not nationalism is needed. The G20 often gives the impression that it believes that there is only a public relations problem. It wants to communicate its policies more effectively. We don't want to have policies sold to us which increase inequalities and destroy the planet; we understand them very well and we see their results. After 35 years of neoliberalism as the general paradigm of a wild globalization, we say: it is time for reassessment.

Alternatives abound. Governments signed onto one: The 2015 UN Agenda 2030 sets the path towards inclusive social and sustainable development for the world, leaving no-one behind. Its 17 Sustainable Development Goals can be achieved by the year 2030 – if the world works for them and if the necessary policy changes are adopted. But, at their 2016 G20 Summit, the G20's Action Plan on the 2030 Agenda shows that most G20 nations take a haphazard approach to implementing the 2030 Agenda domestically. Meanwhile, the G20 asserts that its own 15 Sustainable Development Sectors will achieve many of the goals of the 2030 Agenda, but without describing how this will be possible.



The global climate crisis is a symbol of inequality as well as of the destruction of our common home, the planet. Ten percent of the richest people on this planet emit about half of global emissions. But the poorest 50%, which emit only 10%, have to carry the main burden. Now we need a rapid and simultaneous strategic long-term implementation of the Paris Agreement. And the G20 with about 80% of global emissions has to play a major role in implementing its three goals: Pursuing efforts to limit global temperature rise to 1.5 C, increasing the ability to adapt to adverse impacts and building resilience. Shifting “from billions to trillions” must make global financial flows compatible with these goals. G20 countries should be the first ones to be pursue national and cooperative actions based on justice and equity, especially with the most vulnerable and poor countries. They should present ambitious 2050 long term strategies to ensure global decarbonisation in the context of adequate socio-economic development, building resilience for the poorest and most vulnerable as a priority, building new infrastructure and addressing existing carbon intensive infrastructure.

At present, there is no coherence between economic and financial policies, on the one hand, and sustainability policies, on the other. We call for coherence and integrity. Sustainability requires an overhaul of policies based on different economic priorities: not just an obsession with shareholder value and the greed of capital owners. There is an urgent need to prioritise social value and ecological survival.

Much heralded capital flows to the Global South and particularly to Africa, are first of all motivated by interest rate differentials between South and North. Their developmental effects are often questionable, and their flip sides are rising debt levels in the recipient countries. As a result we presently see a sovereign debt crisis emerging, which is very similar to the one we saw in the 1980s. With an effective and rule-of-law-based debt workout mechanism still missing, the world is as unprepared to deal with the escalating economic and social catastrophe as it was thirty years ago. We therefore urge the G20 to positively respond to efforts from the UN to develop an appropriate debt workout mechanism.

Economic growth is not the solution. In the advanced G20 economies, there is little economic growth anymore, and the growth rates of the past won't come back. Governments have tried all kinds of instruments to stimulate growth, most of them have failed. In most emerging economies it is slowing down. Especially given digitization and automation, economic growth rates will not create sufficient jobs nor bring about a sustainable increase in the well-being of all people. Just the contrary: we observe a growing marginalization and exclusion of broad sections of the population.

The G20 should keep in mind that growth rates also say nothing about the depletion of finite resources, the overheating of the earth, or the sustainability of such an economic model. For instance, in 2016, the G20 enshrined its model in its Enhanced Structural Reform Agenda, which is comprised of 9 largely misguided principles. Unfortunately, for the G20, this Agenda is more central to its work than the 2030 Agenda for Sustainable Development.

The G20's mantra of reviving consumer-driven economic growth is deflecting attention from the real issues. When the benefits of increasing productivity and economic growth end up almost exclusively with shareholders and management, rather than employees or society as a whole, we don't need it.

We need a radical break with the ideology of neoliberalism and austerity. The organized system of tax evasion and avoidance by multinational corporations and super-rich individuals must be ended. Proper taxation of multinationals and super-rich individuals must be a priority task for the G20. Globalization must work for small and medium-sized enterprises not only in the countries which are export champions, but everywhere - and if it doesn't, it must be redesigned.

The global economy has been and is being liberalized mainly to benefit corporations, while the “right to regulate” and protect in the public interest is being undermined. All projected »free-trade agreements« must be put on hold and reassessed. This is not a call for protectionism - but to use trade as an instrument to improve social and ecological conditions. It is high time that global value chains are regulated to ensure decent jobs and environmental sustainability – by design, global value chains today are almost impossible to regulate.

In terms of environmental sustainability, the G20 governments still have not kept their 2009 promise to abolish fossil fuels subsidies that keep dirty energy artificially cheap. We therefore need a concrete timetable for every country to phase out fossil fuel subsidies as quickly as possible, not later than 2020. The cost of failure to take action is unthinkable. The IMF estimates the cost of subsidies at an enormous level: \$5.3 trillion – a sum which undermines the possibility of renewable energies supplanting the fossil fuels that are wreaking havoc on our environment, health and livelihoods. Just the opposite, we need a CO2 price that tells the ecological truth.

The liberalization of agriculture markets has been a disaster for smallholder farmers all across the globe. Large-scale, corporate-driven, high-input agro-industry is destroying livelihoods and communities, wreaking havoc on biodiversity and forests, and driving climate change. The »free-trade agreements« in the “pipeline” of the G20 governments are a direct continuation of this disastrous policy. A global market for milk or meat is nonsense, when it destroys farm gate prices and food sovereignty. It is high time to stop this fallacy. Farmers and consumers across the world assert that: the future is farming in the region for the region, often by smallholder farms not by globalized agribusiness corporations.

With regard to health, we see rising alarm regarding the inability to respond to pandemics in an era in which the funding and capacity of agencies, such as the World Health Organization (WHO) have been undermined. We also see antibiotics at risk of losing their beneficial value for billions of people. Current policies, including the use of antibiotics in agriculture, increase those risks. The G20 should empower the responsible and representative global governance institutions (such as the WHO). At the same time, the G20 should not limit its concerns to crisis management. Every person has a right to health. As the G20 members have committed to the principle of leaving no one behind, it is imperative that any G20 global health initiative support the SDGs. This requires a resurgence in public research and development (R&D), since private R&D. The rise of private rather than sees little commercial benefit in ensuring basic health care and tackling the diseases that plague the poor.

The austerity ideology has had disastrous social consequences in many countries, including in the EU, where every Euro zone government would rather lose the next election than challenge it. Even the IMF is now questioning this ideology. No government has pushed harder for austerity policy than the German government, but the policy needs to change soon.



The growing authoritarianism in many G20 countries is a clear indicator: governments pursue the wrong policies which lack popular and democratic support. A government with the right policies does not need to become a police state or violate human rights in order to implement them.

The G20 leaders should not be surprised if a majority of the world's population (or even their own populations) do not feel represented by them. Some governments participate in free public discourse, however more and more governments jail people who dissent. Yet diverse as the G20 member countries are, they share a commitment to an outdated model of neoliberal globalization – a model that doesn't work.

Global civil society is diverse too, but this is what unites us: we call for and demand a model of globalization that works for the benefit of ALL, not for a few, as well as of the planet. A model that promotes the well-being of the poor and excluded, a model that respects the planetary boundaries, a model that is supported by the majority on this planet. Another globalization is not only possible, it is necessary.