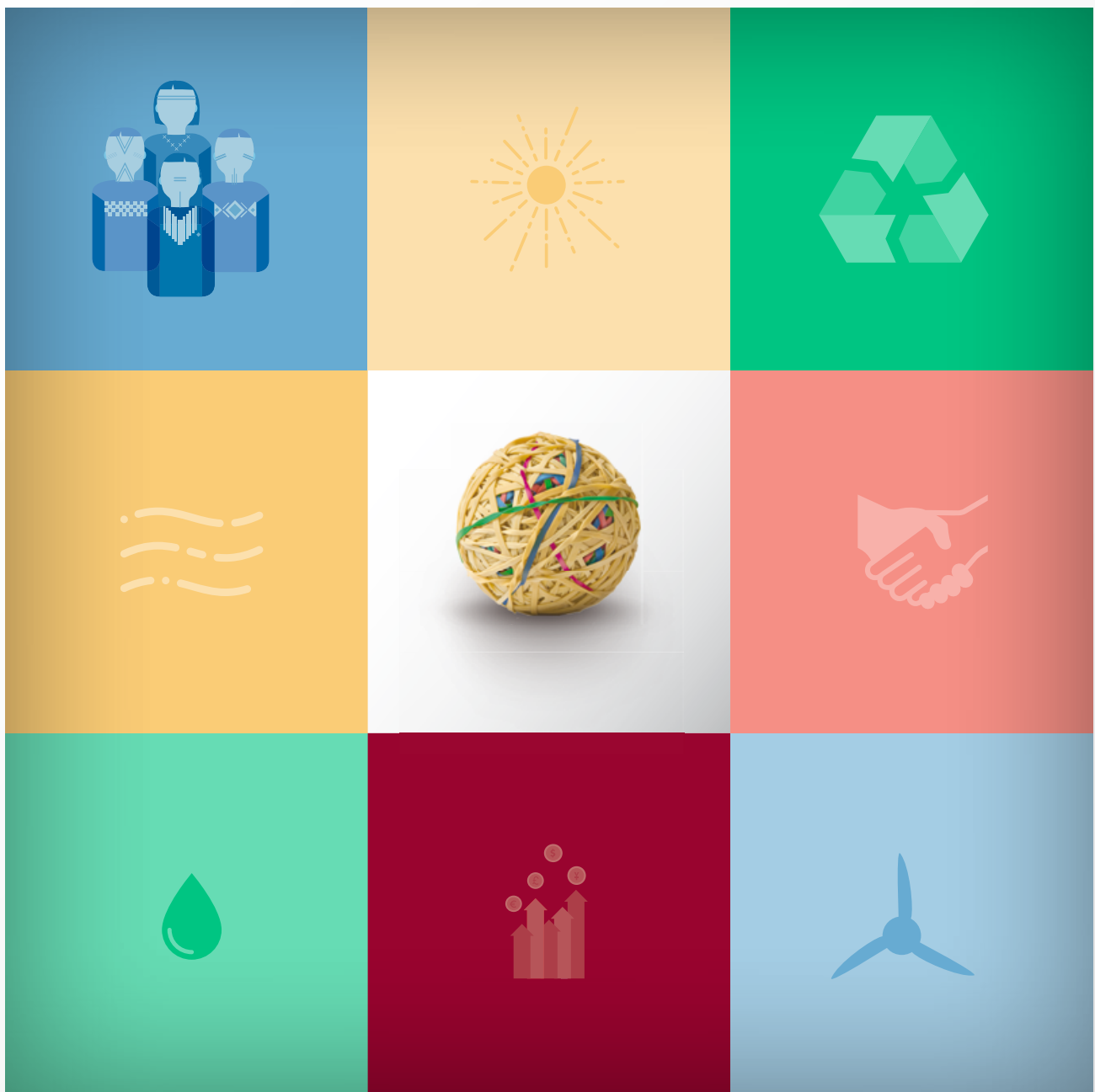# A NEW PARADIGM
FOR SUSTAINABLE DEVELOPMENT?

Summary of the deliberations of the Club de Madrid Working Group
on Environmental Sustainability and Shared Societies

The Club de Madrid welcomes this and the other documents of the Working Group as an important contribution to the debate on these issues, without endorsing all the views expressed in them.

The Club de Madrid´s Environmental Sustainability and Shared Societies Working Group was formed to explore and advocate for a holistic approach to development that integrates social, economic and environmental dimensions to create sustainable development and Shared Societies. The Shared Societies Project is a Club de Madrid global initiative that has identified the necessity of creating a truly inclusive and response society that meets the interests of all sectors. The Shared Societies Project (SSP) has focused on bringing to leaders of international organizations and governments worldwide the need to promote the effective management of ethnic, cultural, religious and other identity differences in countries such as Kyrgyzstan and South Africa. At the global level, the UN has acknowledged the Shared Societies message and given these ideas a prominent role in the Agenda 2030.

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FOREWORD

A NEW PARADIGM FOR SUSTAINABLE DEVELOPMENT?

In order to examine the nature of the link between an inclusive Shared Society and environmental sustainability, which was the task of the Club de Madrid Working Group, it was necessary to explore many other topics, concepts and conceptual frameworks, some at more length than others. This paper summarizes key insights and reflections, though individual members may hold a different opinion on particular points or the weight that should be given them. These insights relate to three main themes:

1. It was clear from the start that environmental challenges had to be put in the context of overall sustainable and equitable social and economic development,[1] as social, environmental and economic progress are closely intertwined and interdependent.

2. Major attention was given to an important critique of the current dominant discourse on economics and development, from the perspective of inclusion and sustainability. The Working Group concluded that its fundamental tenets are not fit for the purpose of ensuring a fair, prosperous and sustainable future for the planet and all of its inhabitants. Specifically, it concluded that the current economic and development model will not deliver the transformative elements of **Agenda 2030**.

3. While it was not the remit of the Group to articulate a specific new development paradigm more conducive to achieving sustainable development, it identified the following key elements that would shape such a paradigm: shared values, shared responsibility and shared leadership. These are very closely aligned with the concept of **Shared Societies** as defined by the Club de Madrid, and the Group found the ideas developed by its **Shared Societies Project** very pertinent to their discussion.

This document summarizes the Working Group's discussion on positive elements of a new paradigm to better achieve a more sustainable and just society. Part 1 gives an overview of how **Agenda 2030** aligns with the Group's vision and the **Shared Societies** concept; and Part 2 gives a more concrete critique of the fundamental building blocks of the world's current development paradigm.

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[1]   The Members of the Club de Madrid Working Group believe that development is only sustainable if it is equitable, and use the term "sustainable development" in this way throughout this paper.

# KEY COMPONENTS OF A NEW EQUITABLE AND SUSTAINABLE DEVELOPMENT PARADIGM FROM A SHARED SOCIETIES PERSPECTIVE

A. SHARED SOCIETIES, ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

The Working Group agrees that there is a link between the creation of **Shared Societies** and the sustainability of the environment, but puts this connection in the wider context of sustainable development. **Shared Societies** have the potential to be environmentally friendly. They not only contribute to the protection and restoration of the planet and its ecosystems; at the same time, they are inclusive, providing opportunities for everyone to achieve their potential in sustainable ways. Conversely, the absence of inclusion leads to multiple interlocking and reinforcing disadvantages. In other words, sustainable development will not be attained without **Shared Societies**.

This appreciation of the holistic nature of sustainable development resonates with the vision of **Agenda 2030**,[2] whose 17 goals and 169 related targets aim to address the world's challenges and put humanity on a more sustainable course, leaving no one behind. While there are questions about how far it can achieve its ambition while accepting current political and economic orthodoxies,[3] **Agenda 2030** repeatedly emphasizes that sustainable development means economic, social and environmental wellbeing, and that these three dimensions are interrelated and mutually dependent. Fundamental to achieving the Sustainable Development Goals (SDGs) is an integrated approach, in which each
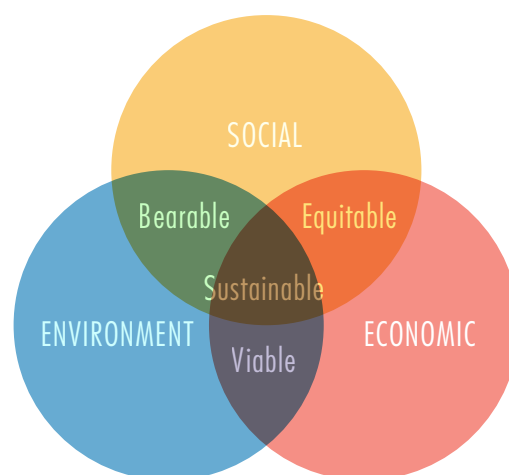
dimension is pursued in a way which ensures the achievement of the other elements – not in a way which disregards and undermines them, as has happened with much economic and industrial activity to date. There are many transversal links across goals and targets; for example, the strong integration of the environmental dimension across the SDGs is welcome, as are the specific goals on energy, sustainable consumption and production, climate change and protection of terrestrial and aquatic ecosystems. From their own experience, members of the Working Group have seen that focusing on some desirable goals without considering how they impact on the achievement of others will lead to unintended consequences and fractured and disjointed progress towards the goals.

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2   United Nations (2015) *Transforming our World: The 2030 Agenda for Sustainable Development A*/RES/70/1 New York: UN, para 10.
3   See Part 2 of this document.

For example,[4] while environmental conditions have improved for some, they remain worse for poorer individuals and children. This negatively affects their health and earning capacity, particularly in financially challenged countries and regions. Across the world, far too many deaths are still due to poor environmental conditions such as inadequate housing, air and water pollution, and exposure to hazardous substances. Poor environmental conditions can in turn introduce or exacerbate inequalities and poverty; for instance, environmental pollution can lead to illnesses such as chronic respiratory conditions, which undermine quality of life and earning potential and, for the state, increase the cost of healthcare. Children are particularly vulnerable in such circumstances, the afterm burden of disease (EBD), a measure of the environmental burden on society in terms of health, shows high levels of environmental deterioration, particularly in emerging market economies. In all economies the burden falls most heavily on those who are already the most vulnerable in society – the poorest, the most marginalized, the youngest, the oldest, and women.

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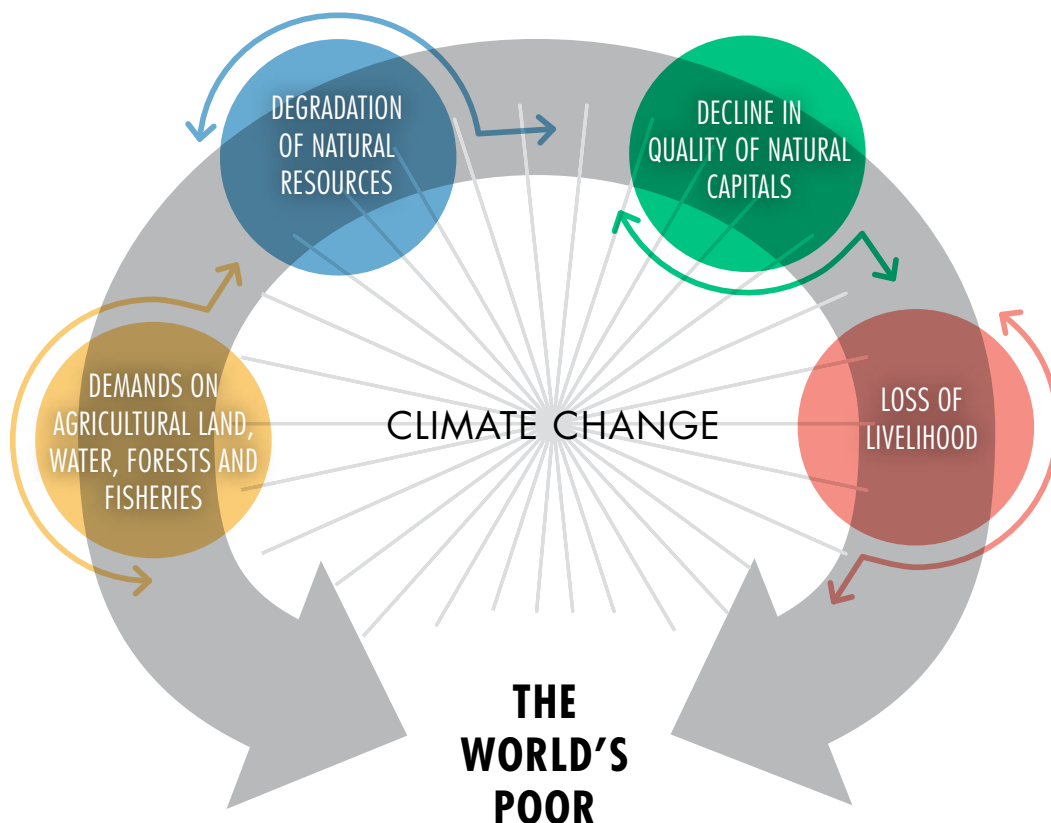
4   OECD (2015) *All on Board: Making Inclusive Growth Happen*, Paris: OECD, http://www.oecd.org/economy/all-on-board-9789264218512-en.htm

The world's poor are also threatened by the trend in degradation of natural resources. Increasingly, they live in rural areas – often called "pockets of poverty" – where much of the quality of natural resources is degrading. Especially in developing countries, the demands on agricultural land, water, forests and fisheries are increasingly unsustainable. Declining quality deprives the rural poor of adequate "natural capital" to support sustainable livelihoods. Furthermore, in these pockets of poverty, climate change impacts are adding to the loss of livelihood through higher temperatures and extreme events such as drought and flooding. It is often pointed out that subsistence economies – i.e. those that make the least demands on the world's resources and are by definition the most sustainable – are the most affected by the actions of those who are more advantaged. The communities, cultures and languages of indigenous peoples are regarded as among the most vulnerable in the world. The combined pressures of environmental degradation, climate change, unfettered economic development, inequality and human rights abuses threaten their cultural integrity, or risk the complete destruction of their distinct communities. Small island states face potentially devastating rises in sea levels as a result of climate change caused by carbon emissions in larger, wealthier and more powerful states.

This poverty crisis is separate from – and in addition to – the biodiversity loss that characterizes the modern and manmade so-called "sixth extinction".[5] Many believe that we are approaching a possible ecological collapse and that we are living through the erosion of our planet's ability to sustain life in some vulnerable ecosystems and regions. Perhaps that possibility has not been sufficiently recognized and internalized by the bulk of the world's population, and more effort needs to be made to bring that message home. It represents an ultimatum which should force the world's population at all levels to take action.

5   E. Kolbert (2014) *The Sixth Extinction: An Unnatural History* New York: Henry Holt and Company; Gerardo Ceballos, Paul Ehrlich and Anne Ehrlich (2015) *The Annihilation of Nature: Human Extinction of Birds and Mammals* Baltimore: John Hopkins University Press.

KEY COMPONENTS OF A NEW EQUITABLE AND SUSTAINABLE DEVELOPMENT PARADIGM FROM A SHARED SOCIETIES PERSPECTIVE

PART 1

B. THE SHARED SOCIETIES PERSPECTIVE ON VALUES, RESPONSIBILITY AND LEADERSHIP

An integrated approach to development is necessary and would be most effective because, fundamentally, all aspects of development require the same underlying conditions if they are to be fully realized. These conditions are all elements of a **Shared Society**: the primacy of shared human values; awareness of our shared future and shared responsibility for that future; and shared leadership along with the political will to take the necessary actions together.
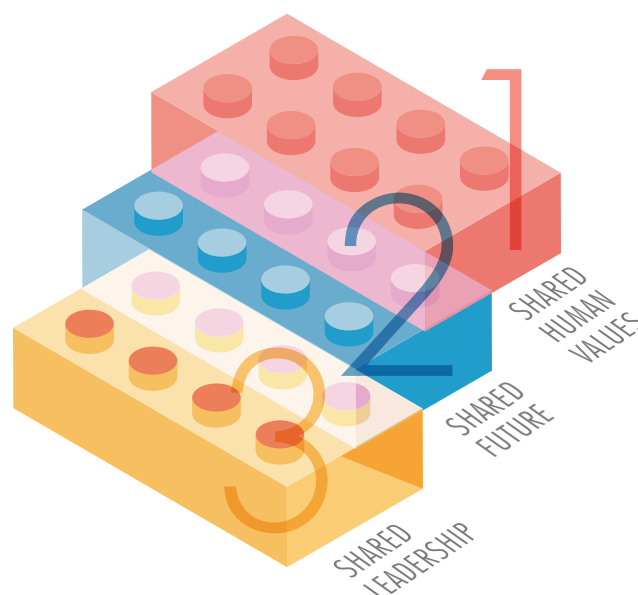
1 Shared values are important.

Values may not always be clearly articulated, but they govern actions and behaviours. The current dominant values across the world are not conducive to the holistic, inclusive approach that is needed to realize "the future we want for all".[6] They give primacy to the accumulation of wealth, competition, individualism, self-interest, short-termism, consumerism and access to power as the main drivers of human action, to the point that such characteristics seem to be the innate nature of humanity (while they are part of human nature, they are by no means the whole). The impact of these values on sustainable development is negative, and they are unable to de-escalate harmful trends. By putting individuals and their own reference group first, these values are atomizing and fuel identity conflicts. Seeking short-term advantage is detrimental to the environment and the needs of others, including indigenous peoples and traditional farming and fishing communities. Competitiveness accepts inequality as inevitable and precipitates division and tension between individuals, states and commercial interests; while reliance on power and force to influence others compounds harmful trends such as authoritarianism and violent extremism.

Current structures and systems reward these dominant values and the attitudes, traits and

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6   United Nations (2012) *Realizing the Future We Want for All: Report of the UN System Task Team on the Post-2015 Development Agenda*, New York: UN, http://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/realizing-the-future-we-want.html

behaviours associated with them. We are told they are the necessary drivers of progress, yet they are not in tune with protecting the planet or facilitating the empowerment of weaker and disadvantaged sections of society to fulfil their potential and contribute to the community. This suggests that the current definitions of "progress", "development" and "success" need to be rethought. The Working Group believes that the concepts of "wellbeing" (in its broadest sense) and "prosperity" provide more meaningful criteria for human achievement – compared to the acquisition of power, wealth or status viewed in isolation – and are more consistent with sustainable development and respect for the environment.

The underlying values of the **Shared Societies Project[7]** are very similar to those required to achieve environmental sustainability. These same values are needed if we are to achieve an economy which works for all and protects the environment. Therefore, with a few small additions to explicitly address environmental issues, they are proposed here as a very helpful and pertinent framework.

SHARED SOCIETIES FRAMEWORK

» Respect for the dignity of every individual

» Respect for human rights and the rule of law

» Altruism and identification with the needs of other individuals, of the community and of future generations, in a spirit of solidarity and collective action

» Equity, fairness and inclusiveness

» Democratic participation in a way which enhances the ability of all sections of society to express their aspirations and their needs

» Individual and community self-reliance and autonomy in their own affairs, along with networks of interconnectedness, caring and sharing

» Respect for the environment and the rights of nature and all species

» Respect for the earth's natural boundaries

» Recognition of the irreplaceability of the global commons – for example, sea, freshwater, air and space – and therefore that their protection takes precedence over other considerations

» Modesty and restraint in consumption, lifestyle and use of the earth's resources

» Peace and harmony

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7   Club de Madrid (2009) *A Call to Action for Leadership to Build Shared Societies*, http://www.clubmadrid.org/img/secciones/The_Shared_Societies_Project_Booklet_160910.pdf

These values and principles are familiar, traditional, and still very much alive and practised in some traditional local communities, particularly amongst indigenous peoples, small island communities and poor rural communities. Such communities display many elements of a truly **Shared Society**, that can teach us much about effective social, economic and political organization, sustainable development, and managing and safeguarding the environment. These values are still widely held as ideals and are laid down in the Charter of the United Nations, the Universal Declaration of Human Rights, subsequent conferences and summits, and most recently in **Agenda 2030**. However, they are not sufficiently embraced as guiding principles for the attitudes and actions of all, and instead are squeezed or pushed to one side by the current discourse and existing structures and systems.

To redress this trend, it is imperative to build the sense of belonging to multiple **Shared Societies** both locally and globally, along with the shared values that will

be necessary to deal with current local and global challenges. It is not expected that current tendencies in attitude and behaviour can be quickly reversed and that the current orientation will suddenly change to embrace these values and principles, given all the countervailing pressures. Instead,

> the immediate goal should be to create a policy and educational framework informed by shared values that will guide decision making,

and consequently actions and behaviour. This may facilitate the rediscovery of appropriate values, particularly if they are seen to be more effective in creating a prosperous, sustainable and inclusive society for the benefit of all and the recovery of the environment.

The socio-economic system should therefore be reset to favour economic solutions that will help make this vision a reality. It should be values-driven, and any regulatory measures

should be tested for their capacity to contribute to the realization of that vision and principles. This requires that incentives and rewards respond to and at the same time motivate and encourage the co-operative, compassionate, altruistic, ethical and aesthetic aspects of human nature to meet the challenges facing the global community today. It follows that money would be regarded as a means of exchange, and its accumulation would not be seen as a sign of achievement.

New ideas[8] are emerging in local communities, think tanks, academia, a few national governments and in intergovernmental institutions, but as yet they have had only limited impact on the wider public consciousness or the economic system itself. They are designed to encourage and release the potential of humankind to work for the wellbeing and prosperity of all, and factor in non-negotiable requirements for true sustainable development such as respect for the environment, decent work and a decent life for all.

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8   For example: *Report of the Commission of Experts of the President of the UN General Assembly*: www.un.org/ga/econcrisissummit/docs/FinalReport_CoE.pdf; A. Kothari, F. Demaria and A. Acosta "Buen Vivir, Degrowth and Ecological Swaraj: Alternatives to Sustainable Development and the Green Economy" in *Development* (2014) 57(3-4), (362-375); New Economics Foundation at www.neweconomics.org; The Solutions Journal at https://www.thesolutionsjournal.com/

2 A sense of shared responsibility,

particularly for living within natural boundaries and supporting other people and living creatures, complements and reinforces the shared values. The development community and those fighting climate change and environmental degradation face the conundrum that people and communities know that some of their behaviours have a negative impact on the environment, but often do not change these behaviours unless their effects touch them directly and personally. Examples range from simple action like turning off taps and lights to save water and electricity, to reckless dumping of waste by major companies and government agencies.

It is worrying that many people are unwilling to make such minimal efforts in their personal lives, though of course large institutions have the biggest impact on societies and the environment. Individuals have responsibility for the impact of their own actions and also for the influence they can assert on big institutions.

With globalization, it is even more the case that no person, group or country is "an island", as the poet John Donne said. Everyone makes a difference for better or for worse. Many people are not yet aware of the implications of their actions. Consumerism, the media and social pressures encourage people to ignore the harmful consequences. Even when those consequences are understood, a "culture of convenience" tempts them to ignore their responsibility and take the easy option, despite knowing that greater personal effort will contribute to the greater good. Modern communities tend to be more amorphous and impersonal and people are disconnected from the impact of their own attitudes and behaviour.

There are examples of how particular images in traditional and social media compelled people to pause for reflection, changed the narrative and shifted public attitudes, at least for a short time. The publication of pictures of the body of three-year-old Syrian refugee Alan Kurdi[9] is a case in point, which shows that people can be moved by the plight of others to accept their share of responsibility; the next step is to make that a more systematic and sustained awareness. This is another reason why

it is imperative to build the sense of belonging to multiple Shared Societies, locally and globally. The sense of being a valued part of an entity, big or small, motivates engagement with issues, concerns, the needs of others, and with the ecosystem that sustains the community.

It was noted that this sense of shared responsibility is still found amongst indigenous peoples and other small, self-sufficient communities, though of course financial pressures may induce them to accept development projects that are not in their community's best interests, and from which they are likely to gain little benefit. The direct contact of members of such communities with each other and with their environment may be an important factor in helping to inculcate the sense of personal responsibility for the impact of their actions. This relates to a point made by Ostrom *et al.,* that:

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9   https://en.wikipedia.org/wiki/Death_of_Alan_Kurdi

> **Users who depend on a resource for a major portion of their livelihood, and have some autonomy to make their own access and harvesting rules, are more likely than others to perceive benefits from their own restrictions, but they need to share an image of how the resource system operates and how their actions affect each other and the resource.**[10]

Indigenous peoples are also very directly aware of the traditional practices, customs and stories of their communities, which instil the sense of sharing and commitment to the community and the environment, as inheritors from the past and guardians for the future. These qualities have been hard to upscale and replicate, though the Working Group considered positive experiences from Bhutan and Costa Rica, and members are aware of other examples[11] of building a social, environmental and economic model around shared values and a sense of shared responsibility. However, such approaches are by no means the norm.

Agenda 2030 rightly emphasized that not only are the SDGs inclusive, but they also require fostering a sense of shared responsibility across societies. **Agenda 2030** argues that the SDGs will not be achieved unless all sectors of society are involved in the efforts to reach them. Ban Ki-moon, the former UN Secretary General, has said: "the success of the 2030 Agenda will depend on whether adolescents and young people become agents of positive change,"[12] and then went on to note:

> **"People are the central agents of their lives and are the first and last responders to any crisis. Any effort to reduce the vulnerability of people and strengthen their resilience must begin at the local level, with national and international efforts building on local expertise, leadership and capacities. Affected people must be consistently engaged and involved in decision making, ensuring participation by women at all levels. Legitimate representatives of communities should be systematically placed at the leadership level in every context. People must also be able to influence decisions about how their needs are met.**[13]

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10   E. Ostrom, J. Burger, R. Norgaard and D. Policansky "Revisiting the Commons: Local Lessons, Global Challenges" in *Science* (1999) 284(5412): 278-82, page 281.

11   For example, R. Levins (2008) *Talking about Trees: Science, Ecology and Agriculture* in Cuba, Delhi: Leftword.

12   Ban Ki-Moon (2015) *One humanity: shared responsibility, Report of the Secretary General for the World Humanitarian Summit*, A/70/709 New York: UN, para 101.

13   Ibid., para 114.

Many of the obstacles to meeting current challenges and realizing the SDGs are compounded by the lack of meaningful engagement of all relevant parties in shared analysis of the problems and the development of shared solutions. At present, decision making is too often concentrated in the hands of elite groups of politicians and commercial interests, who are committed to their narrow concept of progress. They cannot understand why their plans should be opposed, even when they impact negatively on the lifestyles and human rights of others and are open to serious criticism. They see their opponents merely as a barrier to their concept of progress rather than as the champions of more sustainable, inclusive progress. The majority of people are not consulted, but they should be – not only because it is right and just to do so, but also because it would lead to more engagement and therefore to more effective and sustainable policies and more efficient implementation.

3 Shared leadership and the political will to introduce change

can mobilize institutions and people in order to bridge a gap in commitment. Many of the challenges and threats are recognized in terms of rhetorical statements, but are avoided and not substantively or consistently addressed. At all levels, there is a lack of public commitment and political will to take them as seriously as they need to be taken. This lack of political will means that known solutions are not applied. It requires honest, courageous leadership to admit past mistakes, the consequences of which are still to be put right. It requires leadership to say to one's supporters that there must be a change in current practices, such as the over-exploitation of resources or disregard for the impact of consumption patterns on poor and disadvantaged communities, and to acknowledge that these changes may cause some minor inconvenience at home but are necessary to meet goals and solve problems elsewhere. It is challenging to persuade people that while such changes are not intended to meet immediate self-interest or demands of citizens, in the long run they will be in everyone's interest and will create a better social, ecological and economic environment for all. It is not easy to say to big corporations that their activities will be regulated for the greater good. It is difficult to confront populist chauvinistic rhetoric, often amplified by populist leaders and media, and instead make the case for interdependency. Equally, it requires leadership at the global level, where there may be some measure of consensus on the future we want for all, but not on the best way to achieve it and respond to the current threats.

It is challenging but necessary to call on people and states to share power and give up privileges, and to commend those who do.

Lack of leadership for inclusive **Shared Societies** feeds uncertainty and inflames fear, frustration, lack of trust and hostility towards those who seem different. How does one build political support and motivation? How does one engage people in new ways of looking at things? Where is the political will? Positive leadership can gain support for altruistic policies, provided they are fair and equitable and the case is made openly and transparently. Leaders need to build awareness that the challenges are shared challenges, and the responsibility for change is shared by all sectors. The Club de Madrid established the **Shared Societies Project** to promote – and it continues to promote – this kind of leadership at all levels. Such leadership can be found in any section of society, including those that are currently marginalized, and can be most effective when it is shared and dispersed across society. There are many examples of people collectively mobilizing to transform their lives for the better and claim their rightful role in decision making.

The nature of the interaction between leaders and the community is crucial. The current challenges cannot be resolved by leaders alone, but require the mobilization of the whole community; therefore, enabling leadership is called for that supports and encourages all sectors to play their part. Leaders will also need community support in challenging divisive tendencies; without this, they can easily become captured by and dependent on those interests. Members of the Club de Madrid said:

> *"Shared Societies are achieved when all parts of a community value and feel committed to their shared achievements. The most effective way is through a partnership between the state and political leaders, civil society, religious institutions and the private sector."*[14]

These sentiments equally apply to the efforts to achieve sustainable development. The situation is critical, and change is urgently required.

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14   Club de Madrid (2009) *A Call to Action for Leadership to Build Shared Societies*, page 33, http://www.clubmadrid.org/img/secciones/The_Shared_Societies_Project_Booklet_160910.pdf

TRANSFORMING SYSTEMS UNFIT TO MEET CURRENT AND FUTURE TRENDS AND CHALLENGES

PART 2

This section of the paper gives a more concrete critique of the fundamental building blocks of the world's current dominant development paradigm. It also aims to illustrate why the Working Group concluded that this paradigm is inadequate to achieve a fair, prosperous and sustainable future for the planet and all of its inhabitants. It summarizes discussions in the Working Group, using an inclusive perspective, on the concepts that underlie and shape economic and development policy, such as growth, consumption, wealth, competition, efficiency, the market, pricing, the functioning of the joint stock company, the planning horizon and government regulation.

Many of these concepts are basic tenets of neo-classical economics, which still dominate the prevailing view in the global financial system and in many national economies. They are closely interlinked and create a set of feedback loops which mutually reinforce existing assumptions and the status quo. Therefore, it is important to approach them in a fresh and critical way, with a particular eye towards their impact on sustainable development. In this section, a number of other concepts relevant to environmental sustainability and sustainable development are also considered, such as land tenure, technology and innovation, the global commons, ecological boundaries, inclusion and inter-disciplinary cooperation.

The current dominant thinking is based on assumptions about human nature and the functioning of the economy. These may or may not be at least partially correct, but they lead to tensions and outcomes that run counter to the objectives of sustainability

and **Shared Societies**, which need to be addressed. For example:

The current dominant thinking assumes that the only way to harness human potential is through a growth model that creates wealth. However, we know that the planet cannot sustain current levels of growth and exploitation, and that much of the wealth created is not made available for improving economic, social and ecological wellbeing.

It assumes that human beings are inherently selfish and that self-interest and the profit motive are the most effective way to incentivize people. In contrast, we also know that self-fulfilment and a sense of achievement can be more important than monetary incentives, and we are also becoming more aware of the limitations of self-interest as a self-organizing principle.

It is argued that increased taxes reduce growth, but this is not necessarily the case; it is also known that people are willing to accept increases in taxes to provide for those things they consider important, such as healthcare and education.

In recent times, austerity and reduced spending have been promoted as necessary to deal with deficits, but the consequences invariably fall on the weak and vulnerable who are least able to bear the costs and who, not coincidentally, have the least political influence to challenge spending priorities.

Gross Domestic Product (GDP) is considered to be the best measure of national progress, but recent surveys in 11 countries show that only 23 percent of people think that governments "should measure national progress using money-based economic statistics because economic growth is the most important thing for a country to focus on".[15]

Current thinking also often fails to take account of the impact of expected trends in human development. These include:

- Improved living standards leading to growing expectations in housing, access to goods and services, and energy consumption.

- Reduction of fertility and lower mortality as wellbeing, health and standards of living improve.

- Shift from rural areas to urban areas.

- Shift from subsistence and exchange economies to monetized systems.

- Continued existence of small, traditional, self-sufficient communities with limited access to resources.

- New technology and access to it.

- Access to education.

- Improved capacity to measure and assess national progress that is more multi-dimensional than recording GDP.

There are many sources of friction between the processes of human development and environmental sustainability, especially where the model for human development assumes large increases in the consumption of physical products. On the other hand, the two processes can create virtuous circles of mutual reinforcement: low-carbon energy economies; reduction in population growth; increasing economies of scale in provision of infrastructure and services as people migrate to larger, more accessible population centres (although there are also downsides to increased urbanization, and challenges in enhancing living conditions and opportunities in rural areas). All of these trends are to a large extent self-organizing, with limited government direction, but responsive (negatively and positively) to government policy. They produce outcomes, threats and opportunities – some fixed and inevitable, some avoidable, and some to be encouraged and enhanced.

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[15] http://globescan.com/news-and-analysis/press-releases/press-releases-2013/98-press-releases-2013/278-public-backing-for-going-beyond-gdp-remains-strong.html

The failure of current national policies and their underlying assumptions to respond effectively and deal with many of the challenges facing the world has led to a renewed critique of current orthodoxies. Yet there are strong forces that resist alternative perspectives, arguing when current strategies have not delivered that it is necessary to redouble efforts rather than question if the approach is inappropriate and needs to be reoriented. There is a need to focus on the deep roots of economic and social justice. This means focusing on systemic issues – tax systems, harmful behaviour by firms and companies (such as rent seeking and rent capture) – and on how to maximize opportunities for individuals and communities through education, skills, access to decent work and job quality,[16] and access to financial support.

For that reason, the rest of this section focuses on the three groups of systemic issues listed below. It concludes by looking at appropriate approaches to a fourth range of issues that will help to shape the future, for better or worse.

A. THE ECONOMY

1 The growth model and GDP

A new perspective on development is needed that reflects the reality that our economies are dependent on natural and human resources and cannot operate beyond the limits of ecological boundaries. The purpose of the economy is to serve the people and planet in terms of overall satisfaction, prosperity, wellbeing and happiness, and therefore is not an end in itself.

Most current development models give pre-eminence to economic growth, measured as Gross Domestic Product (GDP). This is justified on the assumption that growth is needed to create wealth and provide employment opportunities, which in turn can drive further growth. As a result, the financial bottom line becomes the main focus of attention and GDP is used as a convenient

measure of the functioning of the economy, and an indicator of success. However, if this measure is used too narrowly and in isolation, it leaves many factors out of consideration – including the impact of growth on the environment, on inequality, on sustainability and on how wealth is used. A more accurate frame of reference is needed that reflects the reality that our economies are dependent on natural and human resources and cannot sustainably operate beyond the limits of ecological boundaries.

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16   For a more detailed discussion of job quality, see the OECD job quality database: http://www.oecd.org/statistics/job-quality.htm

Additionally, the purpose of the economy is to be a tool to meet people's needs. Therefore, the goal of economic policy must be to serve the people and planet, but – crucially – it is not an end in itself. The economy is one of the three dimensions of the SDGs, but not the prevailing one at the top of a hierarchy. Similarly, from the Shared Societies perspective, the hierarchy of the dominant discourse is reversed so that the economy is not at the pinnacle but is subject to environmental, societal and human concerns. Some members of the Working Group tended towards a zero-growth model, globally and in affluent economies, while others believed that sustainable growth is possible, but all agreed that

> **growth alone should not be the primary aim of economic policy.**

The measure of GDP has been seductive, as the data is readily available and provides a convenient comparative index. We acknowledge that GDP is relevant and will continue to be useful, but only if it is refined and takes more account of the costs and damage caused by production, distribution and the loss of natural capital. GDP should also be used in conjunction with other significant measures of human wellbeing, prosperity and environmental sustainability.

It is a positive sign that there is recognition of the importance of the qualitative aspects of wellbeing and significant interest in developing other measures, such as the Happy Planet Index, the Genuine Progress Indicator, Indigenous Human Development Indicator and the Social Progress Index.[17] The OECD, for example, has been developing a number of approaches to economies, societies, productivity and growth that go beyond GDP and focus on putting people at the centre of its development models. Its report, *"All on Board: Making Inclusive Growth Happen"*[18] introduces a new approach to economic growth that goes beyond traditional monetary indicators and shifts the focus to multidimensional living standards (MDLS). Its *"New Approaches to Economic Challenges (NAEC) Initiative"*[19] also seeks to push macroeconomic models to place greater emphasis on the measurement of stocks (of wealth, natural and social capital, etc.), beyond focusing solely on flows (i.e. growth), as well as to give adequate consideration of both stock and flow concepts in analyses.

17   See the *Report by the Stiglitz Commission on the Measurement of Economic Performance and Social Progress*: http://www. stat.si/doc/drzstat/Stiglitz%20report.pdf; see also section 14 of this document.
18   OECD (2015) *All on Board: Making Inclusive Growth Happen*, OECD Publishing, Paris: http://www.oecd.org/economy/all-on-board-9789264218512-en.htm
19   OECD (2015) *NAEC Synthesis Report*, OECD Publishing, Paris: http://www.oecd.org/mcm/documents/Final-NAEC-Synthesis-Report-CMIN2015-2.pdf

and exchange basis, and trade has been one of the drivers of imperialism. Modern communication and transport systems have allowed an exponential growth in global trade, and have broken down the role of the state in mediating relationships between suppliers in one country and buyers in another. While this has lifted many people out of poverty and offers the possibility of independent suppliers and consumers co-operating and realizing their own potential in a **Shared Societies** way, the reality is that the change has mainly benefited large global companies that are now bigger, more powerful, and with more concentrated financial resources than many countries.

This has led to many distortions which work against sustainable development. These companies straddle borders and many cultural, legal and regulatory environments, and are difficult for any state or institution to regulate. They can electronically move their profits around the world so that they are not fed back into the countries where the profits were made. The movement of profits also allows the companies to pay only minimal taxes, thereby restricting the funds available for national budgets.

Global companies have the power and resources to lobby national governments effectively to ensure free trade and light regulation. National governments are negotiating trade agreements which facilitate trade and favour companies with global reach: at a global level in the World Trade Organization, and in free trade agreements between states such as the North American Free Trade Agreement, Trans-Atlantic Trade and Investment Partnership and the Trans-Pacific Partnership, all three of which have been promoted by the USA – at least until recently, when opposition to free trade agreements in their present form was a feature of Donald Trump's successful presidential campaign.

2 Globalization and trade

Large global companies are now bigger, more powerful and with greater financial resources than many countries, resulting in many distortions which work against sustainable development. The unwillingness of the most powerful national governments to address these distortions and protect the weak against the strong means that free trade currently does not mean fair trade. To change this imbalance and avoid negative impacts at the local level there needs to be co-operation between civil society movements and multinational institutions; this is also needed to achieve greater democracy in international trade bodies and greater transparency in the operation of large global companies.

"Globalization" is a recent addition to the lexicon of terms which guide economic activity, but it is a natural result of maximizing growth. If growth is desired then the more opportunities there are to produce and sell, the better it is for business. Interregional and intercommunity trade has existed since time immemorial, mainly on a barter

As presently conceived, such agreements give companies easy access for sourcing supplies and for selling their goods and services, but this is often at the expense of local employment and the local environment. They create a competitive environment in which the strongest succeed and the weakest suffer, deepening inequality and undermining the achievement of the SDGs. For more than a decade, concerns have been expressed by labour organizations and international NGOs,[20] among others. In 2006, Rafael Correa was elected President of Ecuador as a vocal opponent of unfair free trade, following protests by workers and indigenous peoples to a free trade agreement being promoted by the USA. In 2014 he said,

> **We don't believe in free trade. It is the most anti-historical thing that exists; almost no developed country used it. But we do believe in mutually beneficial trade."**

It is not surprising that protectionism seems a better alternative for those disadvantaged by free trade – there is a trend back toward localization of production to serve the local community. It is important to ensure that this is not done in a way which protects the disadvantaged in a developed country at the expense of even more disadvantaged communities in developing countries.

The problem is not global trading links, as the ability of poor people in remote areas to be able to trade and sell their surplus provides them with resources to improve their life chances. The problem is the unwillingness of powerful national governments to protect the weak in developing countries for reasons of national self-interest, so that free trade currently does not mean fair trade. To change this imbalance requires co-operation between civil society movements and multinational institutions to achieve greater democracy in international trade bodies and greater transparency in the operation of large global companies.

In addition, the growth in global trade with long supply chains increases the environmental costs of transporting products around the world, and also makes it difficult to monitor unethical workplace and environmental practices in distant locations. There is growing awareness of these problems and growing civil society movements to challenge negative features of the supply chain. The largest companies have been forced to change their practices as a result of such campaigns, but much more needs to be done to ensure ethical and sustainable practices are adhered to across companies of all sizes.[21]

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20   For example, see: https://www.foe.co.uk/sites/default/files/downloads/no_deal.pdf
21   See page 26 for a fuller discussion.

Internationally agreed standards are crucial, and examples include the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises (MNEs) on Responsible Business Conduct. The OECD guidelines, backed by governments, cover all major areas of business ethics, including topics such as information disclosure, human rights, employment and labour, environment, anti-corruption, and consumer interests. Building on the MNE guidelines, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas[22] provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. This has become the de facto international industry standard for companies working in the field, that are looking to assure mineral supply chain transparency and integrity.

3 Consumption

Fundamental changes are needed in the ways that our societies produce and consume goods and services, which will require ways to manage consumption and other aspects of personal choice and socio-economic behaviour that are currently unsustainable and inequitable.

If it is argued that growth is important because it creates wealth, one must then ask how that wealth is used. Orthodox thinking about growth requires maximum consumption, because increased consumption generates economic growth. However, consumption is heavily skewed towards the wealthy, even as billions have unmet basic needs. While some private expenditures are invested in productive and socially desirable ends, much is diverted to resource-depleting conspicuous consumption. Current distribution systems and marketing priorities target the affluent and are not geared to getting adequate basic goods to those most in need, since that requires greater distributional effort, often with low profits.

Almost by definition, overconsumption creates increasing amounts of waste, a sure sign that the world's resources are being used up unnecessarily. It is ironic that when we are more aware than ever before of the need to conserve the planet's resources, much of those resources end up as waste, polluting the air, water and soil, and contributing to global warming – a striking illustration of the transformation of natural resources into deadly threats to the planet and all living things. People recycle more than they did in the past, it is true, but this may be a sign that the affluent buy more than they need. It would be preferable if they did not have so much "stuff", which is surplus to their requirements, in the first place.

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22   OECD (2016) *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition*, OECD Publishing, Paris.
http://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf
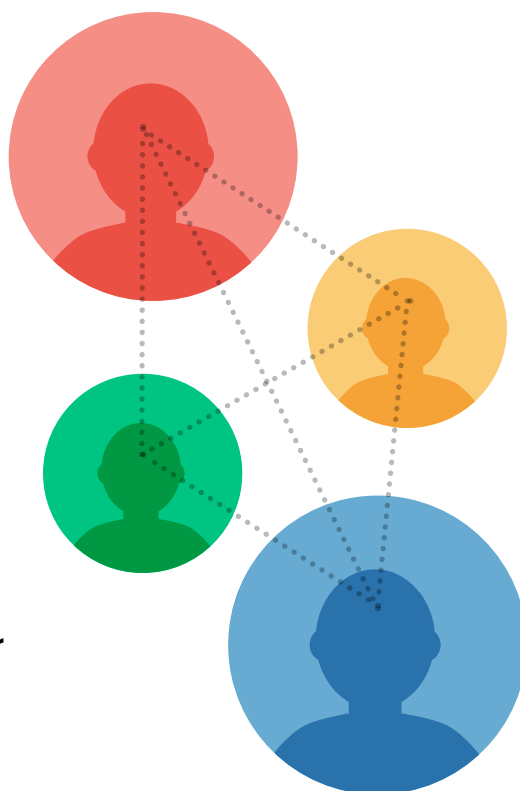
In **Agenda 2030**, the UN Member States recognize the problem and "commit to making fundamental changes in the ways that our societies produce and consume goods and services."[23] It is important that they make good on this undertaking, which will require them to find ways to manage consumption and other current aspects of personal choice and socio-economic behaviour that are unsustainable and inequitable.

4 Competition

Competition can be a driver of innovation and improvement, but can have direct perverse effects on sustainable development. Collaboration may be equally, if not more, effective. The value of collaboration must be recognized and encouraged through education and in society, and governments need to create more incentives for collaborative approaches.

Competitiveness is highly valued and encouraged by many, as it is believed to be the best way to develop new products, services and technologies, ensure higher quality and, as a result, enhance economic performance. The modern competitive economic system therefore encourages initiative and entrepreneurship. Unfortunately it also encourages other traits, such as individualism, acquisitiveness, selfishness and short-term thinking, which are less conducive to building an inclusive sustainable future.

Competitiveness often has a negative effect at a human and social level. The norms, values and behaviours associated with competitiveness, which put the individual and his or her reference group first, are atomizing, at a time when we need more collaboration and inclusiveness to tackle the challenge of sustainable development. Competitiveness encourages single-mindedness, ignoring incidental damage and the concerns and interests of others, and as such is antithetical to the holistic orientation of **Agenda 2030**. It also leads to stress and overwork. Competition for resources can cause tension, conflict and wars. The relentless effort to reduce prices to gain competitive advantage has many undesirable consequences, as will be seen in the next section.

However, other more collaborative traits may improve the working environment and be equally, if not more, effective and sustainable. For example, teamwork may produce more creativity and innovation, as seen for example in the development of open software, the Creative Commons movement and initiatives like Wikipedia.

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23 Op. cit., para 28.

> **The value of collaboration must be recognized and encouraged in society and through education,**

and governments need to create more incentives for collaborative approaches.

Competition can be wasteful at a time when we are becoming increasingly aware of the finite nature of available resources. Competing groups are duplicating each other's efforts by working on similar products at the same time; and in the case of the least successful, all their investment of time, resources and effort may be abandoned.
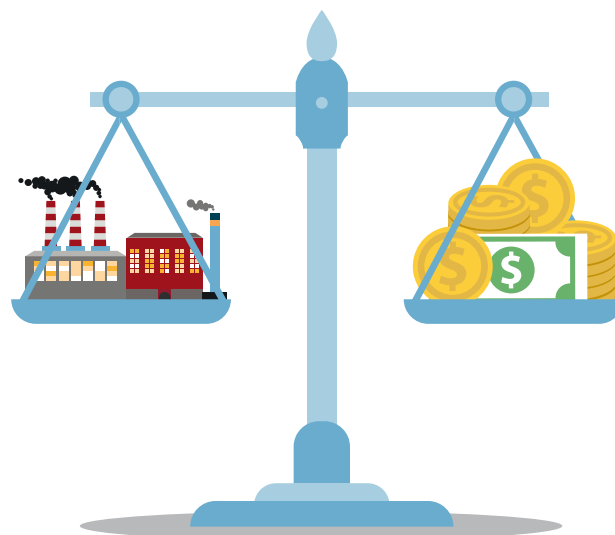
Competition is often less genuine and fair than it appears. It is often disrupted by powerful interests that can use their market position to build monopolies that prevent small and medium-sized firms from benefiting from a level playing field.[24] These powerful interests can also bring additional economic and political resources to bear, or manipulate the situation so that the brightest and the most creative initiatives do not always win out, and the most socially useful ideas often come to nothing.

5 Costs and pricing:

Many of the real costs of production and consumption, such as environmental degradation and pollution, are often treated as externalities and fall on someone else or on future generations. They need to be viewed more comprehensively, looking at both the wider impacts of current practices and the long-term costs and benefits. The pressure to meet targets for climate change mitigation, Agenda 2030 and the Decent Work for All campaign, if they are taken seriously, could help bring about this change of orientation. Public bodies and civil society organizations must play their part in ensuring that these frameworks are central to future assessments of costs and benefits.

Prices theoretically reflect supply and demand – people will pay more for products that are in short supply. Price plays a big part in purchasing decisions, especially if there is little difference in quality or performance. In these circumstances, suppliers look for ways to keep prices low by reducing or avoiding costs, with unfortunate consequences.

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24   See OECD (2015) All on Board, op. cit. chapter 4.3, http://www.oecd.org/economy/all-on-board-9789264218512-en.htm

Many consequences of production, such as environmental degradation and pollution, are not considered costs and therefore fall on someone else or on future generations:

> **"We are stealing the future, selling it in the present and calling it GDP. We can just as easily have an economy that is based on healing the future instead of stealing it.**[25]

The mounting costs of the damage or repair costs resulting from misguided development programmes can no longer be ignored. They need to be costed accurately in any production process so that the cost falls on the most appropriate party. At the same time, there is some concern that more accurate pricing could have the perverse effect of legitimizing continued overexploitation of resources. Herman Daly[26] has pointed out that trying to put a price on these consequences of development through taxation or some form of market mechanism

can have unpredictable results. He therefore favours capping resource use. This will require concerted intergovernmental action.

Reducing costs also leads to poor working conditions and drives down wages and prices for commodities, generally at the expense of the communities affected. These are short-sighted measures. The International Labour Organization, which has promoted the **Decent Work Agenda**, has shown that decent work is not only fair and just but also strategies which focus on promoting decent work opportunities tend to yield sustained development results[27]. A fair wage and a fair price for supplies also increases workers' and primary producers' spending power.

In thinking about costs, societies sometimes accept achieving one goal (say, growth) even if it means postponing an alternative goal or accepting negative consequences. From the perspective of the Shared Societies Framework set out earlier,[28] it is not adequate to accept such trade-offs as inevitable. Greater effort must always be made to find win-win solutions. Costs and benefits need to be viewed more comprehensively, looking at both the wider impacts of current practices and the long-term costs and benefits. The pressure to meet targets for climate change mitigation, the goals of Agenda 2030 and the Decent Work for All campaign, if they are taken seriously, should bring about this change of orientation. Public bodies and civil society organizations must play their part in ensuring that these frameworks are central to future assessments of costs and benefits.
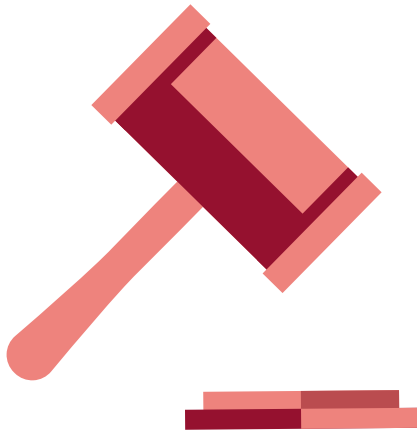
25   Paul Hawken, Commencement Address, University of Portland, 2009
https://www1.up.edu/commencement/honorary-degrees/hawken.html
26   H. Daly and J.C. Farley (2010) *Ecological Economics: Principles and Applications*, 2nd ed., Washington, D.C.: Island Press.
http://onlinelibrary.wiley.com/doi/10.1002/wow3.47/pdf
27   International Labour Organization (2014) "Productive transformation, Decent Work and Development", pages 65-82, *World of Work Report 2014*, Development with Jobs, Geneva: ILO Publications
28   See Part 1 of this document and *Sharing Our Planet: Today and Tomorrow: Key Insights of Club de Madrid Working Group on Shared Societies and Environmental Sustainability*, page 6-7.

disadvantage in comparison to others, but at the same time are willing to accept tough regulatory frameworks and taxation regimes if they apply to all companies.

Regulatory and political processes are susceptible to capture by powerful elites, giving them a privileged and preferential role in setting the agenda on a whole range of issues, and influencing policy design in ways which are not consistent with sustainable development or the needs of the general population or the environment. One example of this is the situation of the Yup'ik fishermen of south-western Alaska. They follow age-old sustainable fishing methods but are restricted by the regulations imposed by distant State of Alaska fisheries managers, who have no idea of the benefits of the centuries-old practices involved. In contrast, the fisheries authorities do not interfere with large-scale catches of the same fish by commercial fleets on the open sea from Washington State, Japan and elsewhere.[29] Powerful interests are also able to subvert regulatory and tax systems that do exist and to ensure that harmful activities, like rent seeking and tax avoidance, are tolerated.

6 Regulation and taxation

Ensuring fair regulatory and taxation systems requires strong political will, backed by a clear sense among the population of the importance of these measures in ensuring more fair and sustainable systems. At the international level, individual countries need an enabling international economic environment if they are to be able to develop effective regulatory policies for sustainable development; this is what Agenda 2030 calls a *"Global Partnership for Sustainable Development".*

As the previous sections have made evident, *the current economic system is not "fit for purpose"*. It will not deliver sustainable development, meet the needs of the planet, or fulfil the aspirations of most of its inhabitants. Therefore, regulation and taxation is often necessary to provide restraints on negative behaviour and incentives for good practice. There is often resistance to regulation or increases in taxation, even when there is agreement on the need for more sustainable and fair practices. Leaders in the corporate sector have often said they will resist such measures and take advantage of any gaps in the rules so as not to put their company at any possible

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29   For a report on Yup'ik fishermen being brought before the courts, and the arguments on both sides, see: https://www.adn.com/rural-alaska/article/yupik-alaskans-trial-violating-salmon-fishing-restrictions-claim-religious-rite/2012/11/13. The fishermen were ultimately found guilty.

These interests often rely on ideas from neo-liberalism, which have proved politically persuasive; however, the Working Group is satisfied that its supporting arguments are invalid, lead to undesirable outcomes and must be challenged. As the Stiglitz Commission on Reforms of the International Monetary and Financial System found, in reference to the "flawed policies" that helped to create the 2008 crisis:

> **"Underlying many of these mistakes, in both the public and private sectors, were the economic philosophies that have prevailed for the past quarter century (sometimes referred to as neo-liberalism or market fundamentalism). These flawed theories distorted decisions in both the private and public sector, leading to the policies that contributed so much to the crisis and to the notion, for instance, that markets are self-correcting and that regulation is accordingly unnecessary. These theories also contributed to flawed policies on the part of Central Banks.**[30]

As far back as 1961, Gore Vidal described the US economic system as "free enterprise for the poor and socialism for the rich,"[31] where "the rich have been increasingly protected from the market forces, while the poor have been more and more exposed to them".[32] By that, he meant that states bail out investors, hand out sweetheart contracts, and impose austerity to keep bondholders whole, but demolish trade unions and tariffs that block imports from countries with low wages and weak environmental and safety rules, so that wages and working conditions in these countries further decline.[33]

To overcome these tendencies requires strong political will backed by a clear sense among the population of the importance of measures to ensure fairer and more sustainable systems. Tax evasion and avoidance, for example, have for decades been depriving governments of significant resources that could be directed to things that matter and fund the policies that can help promote equity and inclusion: education, healthcare, infrastructure and tackling environmental degradation. For example, revenue losses resulting from tax base erosion and profit shifting (BEPS) are conservatively estimated at US$100-240 billion annually, or anywhere from 4-10 percent of global corporate income tax (CIT) revenues. Individual countries have difficulty in dealing with such practices by transnational corporations in isolation.

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30   United Nations (2009) *Report of the Commission of Experts of the President of the UN General Assembly*, www.un.org/ga/econcrisissummit/docs/FinalReport_CoE.pdf
31   Gore Vidal (1972) "Edmund Wilson, tax-dodger" in *Homage to Daniel Shays: Collected Essays 1952-1972*, p.153. New York: Random House.
32   C.J. Polychroniou: "Exposing the Myths of Neoliberal Capitalism: An Interview With Ha-Joon Chang", http://www.truth-out.org/opinion/item/39393-exposing-the-myths-of-neoliberal-capitalism-an-interview-with-ha-joon-chang
33   Cory Doctorow: "A succinct, simple, excellent description of the problems of neoliberalism and their solution", https://boingboing.net/2017/02/10/a-succinct-simple-excellent.html

The OECD and G20, working in partnership with many weaker countries, developed a package of measures that will reduce opportunities for aggressive tax practices by firms, including BEPS. The aim is to ensure that profits are taxed where economic activities take place and value is created.[34] These measures were endorsed in 2015. At the same time, the OECD has also undertaken efforts, in collaboration with international partners, to promote the *Automatic Exchange of Information* (AEoI)[35] betw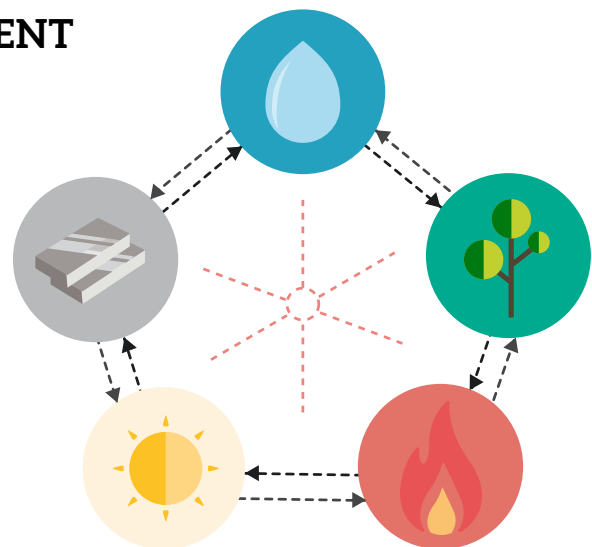een different countries' tax authorities to improve transparency in the international system of taxation and limit opportunities for individuals to conceal taxable income in low-tax jurisdictions. This emphasizes that individual countries need an enabling international economic environment if they are to be able to develop effective policies for sustainable development – what **Agenda 2030** calls a *"Global Partnership for Sustainable Development"*.[36] The Global **Shared Societies Agenda**[37] provides a template for such an enabling global system.

B. NATURAL RESOURCES AND THE ENVIRONMENT

7 Managing the commons

The commons are increasingly challenged by over-exploitation and pollution. Efforts to develop Shared Societies must be intensified in order to ensure widespread support and action, and political will, to restore and preserve them.

The global commons – oceans, air, water, wildlife and all natural ecosystems – are not ultimately owned by any one individual or state, but belong to humankind. In recent times, digital commons can be added to the list. They are the common heritage of all people. They need to be treated with care and respect, and communities need to take collective responsibility for using them wisely and sustainably. Some are regional or local resources that need to be managed in terms of local and regional collective interests, but others, such as the circumpolar Arctic region and the Amazon Rainforest, are global resources on which the whole world depends,

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34   OECD (2017) *Background Brief: Inclusive Framework on BEPS*, http://www.oecd.org/tax/background-brief-inclusive-framework-for-beps-implementation.pdf
35   OECD AEoI: http://www.oecd.org/tax/transparency/automaticexchangeofinformation.htm
36   Sustainable Development Goal 17 (and see this document, section 12).
37   See section 12.

and for which we must all take responsibility. In the past, to those who did not live close to nature, they seemed to be a limitless resource. But traditional indigenous communities have always been acutely aware at the local level of the commons' fragility and unpredictability. Of course, much effort, which is not recognized or costed in financial terms, makes an important contribution to environment and habitat protection, including the efforts of traditional farmers and indigenous fishers.

The commons, and all of us who depend on them, are increasingly challenged: first by over-exploitation which is driven by the push for growth and competition, and second by the effort to drive down costs, as was noted in section 5. There is an urgent need to find ways to impose the full costs of production and consumption on producers and consumers, otherwise there is a perverse incentive to continue over-exploitation. Significant initiatives are underway which aim to internalize these externalities – ranging from

regulation and pricing to strict education, conservation and behavioural changes. Furthermore, internationally agreed methods to account for material natural resources like minerals, timber and fisheries also help, such as the UN Statistical Commission's System for Environment and Economic Accounts and the World Bank Wealth Accounting and Valuation of Ecosystems Services.[38] In order to reach realistic figures, valuations should reflect the key principles and questions of the **Shared Societies** approach to sustainable development[39] and the fundamental values of a sustainable and just society, as articulated above.[40]

Another solution advocated is to recognize property rights, and require and incentivize the owner, whether private or public, to maintain sustainability. This has happened at the national level with the creation of Exclusive Economic Zones, which give a coastal state "the right to exploit, develop, manage and conserve all resources found in the waters, on the ocean floor and in the subsoil of an

area extending 200 miles from its shore".[41] However, any such arrangement could give exclusive access to the commons at the expense of access for others.

A cautionary example from the USA is the allocation of Native American tribal land to individual members of the tribe, under the *General Allotment Act 1887*. Whatever the original intention, the result was that Native American landholdings dropped from 138 million acres in 1887 to 48 million acres by 1934 when allotment ended, and the land lost through individual ownership included important sacred sites and the best agricultural areas. As a result, the community lost the benefits of its sustainable use and productivity.

Some members of the Working Group argued that the global commons are irreplaceable and non-negotiable, and therefore their preservation takes precedence over other considerations. No use should be permitted if it causes any permanent change.

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38   https://www.wavespartnership.org/en/natural-capital-accounting
39   See: *Sharing Our Planet: Today and Tomorrow: Shared Societies contribution to Agenda 2030: A message for World Leaders and Governments*, page 5.
40   See Part 1 of this document.
41   *The United Nations Convention on the Law of the Sea,* https://www.un.org/Depts/los/convention_agreements/convention_ historical_perspective.htm
It should be noted that the Convention also has important chapters on protection of the marine environment.
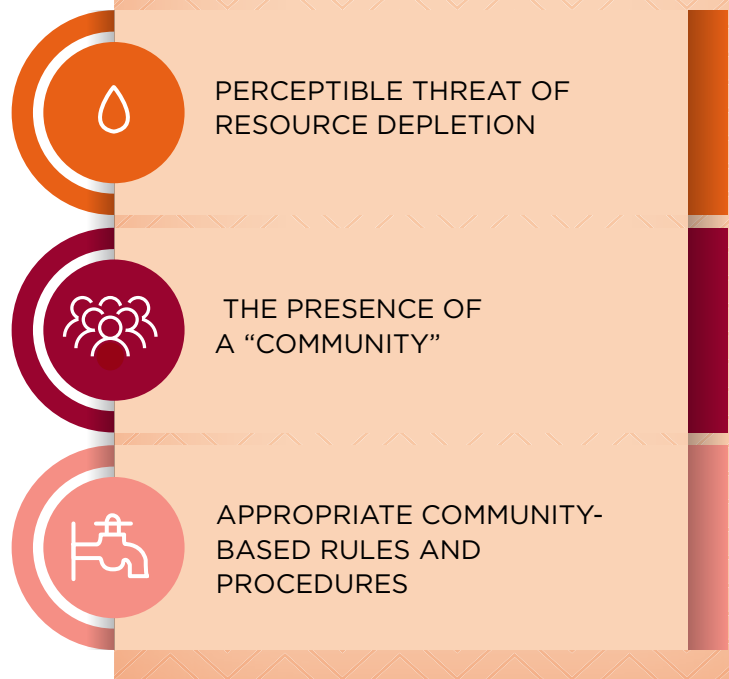
The need to protect the global commons is not only driven by exploitation, but also by pollution. Governments and societies have not been able to manage the levels of pollution. We are told that there will soon be more plastic bottles in the sea than fish.[42] Algal bloom caused by overuse of fertilizers is widespread in the world's lakes, and acidification of waterways is increasing. Illnesses caused by air pollution claim the lives of nearly six million people each year, with the vast majority of deaths occurring in low- and middle-income countries. Other forms of water pollution, contaminated agricultural land and toxic waste have further health and life-threatening consequences.[43]

FACTORS FOR AN EFFECTIVE PRESERVATION OF THE COMMONS

PERCEPTIBLE THREAT OF RESOURCE DEPLETION

THE PRESENCE OF A "COMMUNITY"

APPROPRIATE COMMUNITY-BASED RULES AND PROCEDURES

Today, as the modern world is pushed to the limits of what the earth can absorb without ecological collapse, there is a growing awareness of the need to protect it. People in the community can work together to use productively common pooled resources,[44] and more dispersed and diffuse users can also act co-operatively when they see the need to do so.[45] Elinor Ostrom, who was awarded the 2009 Nobel Prize for Economics for her work on the management of "common pool resources", which is the term she used, identified with her colleagues a number of factors conducive to effective preservation of the commons.[46] One of these was a perceptible threat of resource depletion, and it has been noted already[47] that it may be important to bring home to people that the world faces an ecological

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42 World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company (2016) *The New Plastics Economy: Rethinking the future of plastics*, http://www.ellenmacarthurfoundation.org/publications/the-new-plastics-economy-rethinking-the-future-of-plastics

43 See pages 2-3.

44 A. Kothari and P. Das, "Power in India: Radical Pathways" in (2016) *State of Power 2016, Transnational Institute*, 183-202, https://www.tni.org/en/publication/state-of-power-2016

45 Andy Coghlin, "Canadian cod make a comeback" in *New Scientist*, 27 July 2011.

46 Ostrom *et. al,* op. cit.:278-82.

47 See pages 5-6.

collapse. Two other factors identified by Ostrom and her colleagues are, firstly, the presence of a "community" – a small and stable population with a "thick" social network and social norms promoting conservation – and secondly, appropriate community-based rules and procedures with built-in incentives for responsible use and punishments for overuse. It is not necessary for these rules and procedures, incentives and sanctions to be formally written down: the important thing is that they are recognized and respected.

The most effective custodians of the commons are local communities, many of which are indigenous, because in a globalized world people often do not see the effects of their actions as they are experienced far away. But for that very reason, it is equally important to raise awareness in wider populations so that they reduce the pressure they put on local communities and the commons for which they are caring. This sounds very like a **Shared Society**, and is an additional reason why efforts to develop **Shared Societies** must be intensified in order to ensure widespread support and action, and political will, to restore and preserve the global commons for all living things.

8 Land tenure

UN Member States must fulfil their commitment in the SDGs to give access and control of land to poor people[48] and women[49] and to halt degradation and restore and conserve land,[50] though it is noted that they make no specific reference to crucial indigenous peoples' rights, interests and traditional use in relation to land.[51] Achieving this ambition will require clear and unequivocal rules and robust systems or oversight and enforcement.

Land is an important resource which could be considered as a global common, but much of it is held by individuals or corporate entities. In some places it is held in common by, for example, indigenous peoples and traditional communities. The form of ownership and the way the land is used will have significant impacts on the environment. It is also now well recognized that access to land is a key factor in many people's opportunities for personal progress and development.

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48   Sustainable Development Goal 1.
49   Sustainable Development Goal 5.
50   Sustainable Development Goal 15.
51   http://www.un.org/esa/socdev/unpfii/documents/2016/Docs-updates/backgrounderSDG.pdf

There have been many forms of tenure historically and in the modern era. Many of these have led to anomalies which limit the potential to achieve sustainable development. Land is often unequally divided, with some holding vast tracts of land, much of which is not used productively, and many have no access to land which would allow them to become economically active and contribute to their communities. There are clashes between people with different interests in the same land (such as pastoral and arable farmers, or mining companies and agriculturalists). Owners may exploit their land through deforestation, large-scale monoculture, unsuitable choice of crops, overgrazing, release of hazardous substances, soil impoverishment and erosion, without regard for the effect on others and the environment.

The value in land can fluctuate widely as a result of demand, planning decisions and resources in the land, among other factors. These changes in value often accrue to the current holder of the land as an unexpected windfall, or may influence land use which does not support sustainable development, such as speculation, displacement of users, over-exploitation or hoarding. Historically, limitations have been placed on the use of land, regardless of the ownership model, through planning regulations, conservation obligations, redistribution schemes etc., usually for the common good. But there are wide variations in how these restrictions are observed, and powerful landowners can use their influence to ensure they are not rigorously applied.

All these tendencies show the importance of ensuring broader oversight of land tenure and land use, and an inclusive approach to the achievement of fairer, equitable and sustainable land use and management, which needs to be operationalized in clear and unequivocal rules and robust systems or enforcement. Taxes on land and on transfer of land should be reviewed to ensure that they incentivize sustainable use of land and are a means to share the wealth in land more equitably. UN Member States must fulfil their commitment in the SDGs to give access and control of land to poor people[52] and women,[53] and to halt degradation and restore and conserve land.[54]

Since **Agenda 2030** has no specific reference to indigenous peoples' rights, interests and traditional use in relation to land,[55] there is an urgent need to address this gap and protect indigenous peoples from the pressures already outlined. The benefits of collective community tenure of land and other natural resources have been recognized in international instruments such as the *UN Declaration on the Rights of Indigenous People* (2008)[56] and the *Food and Agriculture Organization Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security* (2012).[57]

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[52]   Sustainable Development Goal 1.
[53]   Sustainable Development Goal 5.
[54]   Sustainable Development Goal 15.
[55]   UN Declaration on Rights of Indigenous Peoples, preambular paragraphs 6, 7, 10, and 12 as well as articles 8, 10, 25, 26, 27, 28, 29, 30 and 32. Article 25 specifically states: Indigenous peoples have the right to maintain and strengthen their distinctive spiritual relationship with their traditionally owned or otherwise occupied and used lands, territories, waters and coastal seas and other resources and to uphold their responsibilities to future generations in this regard.
[56]   http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf
[57]   http://www.fao.org/docrep/016/i2801e/i2801e.pdf

C. SOCIETY AND GOVERNANCE

9 Nature of leadership

Political leaders have many tasks. They need to challenge vested interests and at the same time engage with all sectors to gain their support for the common enterprise to create a more equal inclusive society and protect the planet. They also need to create an enabling environment that supports small local communities to help themselves. Local leadership should be promoted, and inclusive and sustainable economic growth should be built from the bottom up. City governments are taking an increasingly significant role in citizen's lives – not least because populations are increasingly concentrated in metropolitan areas – and citizens voices should be heard at the highest levels.

There are a number of challenges, sometimes contradictory, facing leadership for sustainable development. On the one hand, leaders need to challenge vested interests, while on the other they have to engage with all sectors and, as far as possible, gain their support for a common enterprise to create a more inclusive society and sustainable economy. They also have to create an enabling environment that supports small local communities to help themselves, and to encourage affluent communities in both rural and urban areas to be more modest in their use of resources. The *OECD Coalition of Champion Mayors for Inclusive Growth*, for instance, was created in recognition of the critical role local leaders play in contributing to more sustainable, inclusive outcomes for our societies. This initiative brings together "champion mayors" from across the world to elevate the voice of cities in the global inclusive growth agenda. In addition to this political pillar, the initiative promotes knowledge-sharing between the mayors and city governments, supports local authorities with expert research and analytical input, and offers targeted support to cities. The areas for targeted support include helping local governments to align social inclusion with environmental and climate-related objectives.

Strong political will and commitment is required, as well as sensitivity. Vested interests can be very powerful and resist change which seems to affect their priorities, even though they may recognize that ultimately an inclusive and sustainable Shared Society is right and fair, and that it is in everyone's interest. It has already been noted[58] that leaders of the corporate sector can accept more regulation if this is also

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58 See section 11.

applied fairly and consistently to their competitors. But in the present paradigm they feel the need to compete to the limits of existing boundaries, and not limit themselves. Historically, the most powerful voices have set the parameters for development, but strong leadership can create a more balanced approach by helping to create an informed public (which relates to the discussion below on education and alternative narratives[59]) and ensuring that there is participation, as of right, in policy discussion and decision making. The latter can be achieved in particular through increased local control and decentralization of decision making, including within rural and remote areas across the globe.

10 Participation

Meaningful participation and public debate allow the reconciliation of competing interests and also create stronger commitment to the decisions that are made. Devolved decision making facilitates meaningful participation, which in turn requires management of the power imbalances between stakeholders.

It should be clear from the consideration of the other dimensions of the current development paradigm that they are antithetical, individually and collectively, to meaningful public participation. Yet an inclusive approach to development is essential, not only because it is fair, but also because taking into account all sectors and interests usually result in better decisions. Full participation of all sections of society, in the sense of access to decision-making bodies and the right and capacity not only to take part but also to set the agenda, does not guarantee better decisions in every situation, but it does have a number of features which facilitate better decision making.

It allows different perspectives to be included, which should lead to more appropriate and sustainable decisions. Local people and local governments also tend to have a more intimate knowledge of the situation, and know how inappropriate development may destabilize the ecosystem and the habitat. Their detailed knowledge often led local communities to make more accurate assessments of future risks and outcomes than professional environmental appraisals. Full participation and public debate allows the reconciliation of competing interests, raises awareness of the issues and creates more commitment to the decisions that are made. Ostrom *et al.*[60] in their work on managing commons, noted that government intervention by

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[59] See section 16.

establishing rules and procedures could be ineffective because the users of the commons did not feel ownership of the arrangements and were willing to avoid the rules if they could. Participatory planning in Nepal[61] is one example of how an inclusive approach fosters greater commitment from those directly affected and leads to better outcomes. To summarize the outcome statement following a UN High-Level Meeting on implementing the SDGs,[62] key to the successful implementation of the **2030 Agenda** are institutions that are more responsive to the needs and priorities of the people; and greater capacities by government, civil societies and the private sector, and their coordination and cooperation.

All these considerations underlie the

concept of "subsidiarity": the application of the principle that decisions should originate at the local level or be devolved as far as possible.[63]

Devolving decision making facilitates meaningful participation by all stakeholders. Several members of the Working Group have been involved in such processes: some are the continuation of traditional practices; some are part of devolution of local government by the state; and some are situations in which local people have taken control of their own affairs.[64] They show that such systems are viable and can ensure more sustainable decision making. They point the way to fully participatory societies.

Because of the special relationship that indigenous peoples have with their ancestral and customary territories and their sense of responsibility for passing them on to future generations, particular attention has been paid to their participation in decisions that affect their lands. The right of indigenous peoples to give or withhold "free, prior and informed consent" is enshrined in international law (for example, the UN Declaration on the Rights of Indigenous Peoples[65] and Convention 169[66] of the International Labour Organization) and in some national laws (for example, Australia and the Philippines). Article 3 of the *Declaration on the Rights of Indigenous Peoples* recognizes the right to self-determination and, by virtue of that right, freedom to determine their political status and freedom to pursue their economic, social and cultural development. The World Bank, in its system of project appraisal,[67] refers to ensuring "broad community support", but this is not a very specific term.

60 Ostrom *et al.*, op. cit.

61 https://assets.helvetas.org/downloads/issuesheet_pa_nepal_a4_0414.pdf

62 *Chisinau Outcome Statement on Strengthening Capacities and Building Effective Institutions for the Implementation of the United Nations Post-2015 Development Agenda*, https://www.worldwewant2030.org/node/481165

63 *UN Declaration on Rights of Indigenous Peoples*, Article 4: Indigenous peoples, in exercising their right to self-determination, have the right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.

64 A. Kothari and P. Das, op. cit.

65 http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf

66 http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169

67 World Bank Operational Policy 4.10 on Indigenous Peoples.

The ability of indigenous peoples not only to maintain their own cultural context but also to fulfil their responsibilities to future generations, demonstrates the significance of their own local government systems. Their right to participate in decision making[68] in matters that affect indigenous peoples will ultimately result in programmes and policy that will have greater, long-term, positive impacts on both the environment and society overall. While not all marginal groups have the same identification with an ancestral homeland, they too are stakeholders who need to be involved in decisions that affect their welfare, and similar provision could be made that recognizes that human rights are inherent in one's legal status and are not "given".

In considering participation for all sections of society, the question arises: **"Who speaks for the planet?"** In one way, the planet is speaking for itself by showing that there are limits to its capacities to renew itself and there are consequences if we ignore those limits. But many are not listening, and so it is important to amplify those messages. The Rapporteur's briefing paper[69] for the Working Group drew attention to ways that some countries are vesting

decision makers with explicit responsibility for the needs of vulnerable communities and even future generations. Ecuador was the first country to set out in its constitution explicit and enforceable rights for nature.[70] When we speak of informed consent that includes ensuring that all parties to decision making are informed about and aware of the consequences of those decisions for the planet, and developing stronger instruments for environmental impact appraisal to inform these debates.

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68   Article 18, *UN Declaration on Rights of Indigenous Peoples*.
69   Katherine Trebeck, "Rapporteur Discussion Paper of Club de Madrid Working Group on Environmental Sustainability and Shared Societies", forthcoming.
70   *Constitution of The Republic of Ecuador*, chapter 7, http://pdba.georgetown.edu/Constitutions/Ecuador/english08.html

The caveat has to be made that consultation and participation is not always meaningful, especially if the agenda is predetermined and certain ideas are ruled out a priori. Even with declared recognition of and compliance with the right of free, prior and informed consent, the wishes of indigenous peoples and others are often ignored.

Discrimination and inequalities of power may make participation ineffective. Poor, weak communities may agree to proposals against their better judgement because of the financial or other inducements offered. They may accept payments in return for access to their resources in spite of the costs to them and the environment, because they have no other sources of income. As a result, they feel compelled to compromise their values and long-term interests and have not really made a free choice. Therefore, meaningful dialogue and the efforts to obtain consent require management of the power imbalance to avoid asymmetry of outcomes.

There will also be power imbalances within communities, and it is difficult to know who speaks for and fully represents the feelings of the local community. Individual community leaders may be co-opted to support proposed initiatives. Therefore, participation should be as wide, inclusive and well-informed as possible. This may take time, but the consequences of a poor process may be disastrous for the environment and the community that depends on it.

Participation is a core element in the **Shared Societies** concept,[71] because through participation people can express their needs and concerns, pursue their aspirations and play a full and active role in their society.

11 Shareholder model of corporate governance

The shareholder model encourages tendencies and trends that are antithetical to sustainable development and protecting the environment. Political leaders and all stakeholders are encouraged to work with the business sector to find ways in which the sector can help promote better social outcomes, empowerment of individuals, and sustainable development.

The publicly traded company was devised as a means to mobilize capital and provide investment for commercial enterprises, and at the same time allow individuals to use their surplus capital to support such enterprises. Trading companies in the 16th and 17th century and industrial corporations in the 19th century became the main mechanism driving economic development and, as conceived at that time, there were strong incentives to maximize production

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71   Club de Madrid (2009) *Commitments and Approaches for Shared Societies,* Commitment II: http://www.clubmadrid.org/img/secciones/SSP_Commitments_and_Approaches_for_Shared_Societies_260609.pdf

and increase profits. Companies had to create value to survive and make a profit, in order to provide returns for their owners – the shareholders – who would otherwise invest elsewhere. It was also an effective way to share risk. But those same incentives encourage tendencies and trends that are antithetical to sustainable development and protecting the environment. They reward a narrow focus on profit and a disregard for other issues or concerns, including fair treatment and welfare of staff, customers, suppliers and the environment. They encourage a short-term perspective, as it is often necessary to satisfy shareholders immediately.

The idea that shareholders actually exercise oversight of a company has become something of a fiction, as they may not have sufficient information or interest to exercise effective oversight. Shares are often held for only short periods, meaning that the owners of those shares have little opportunity or interest in exercising oversight. Increasingly, the bulk of shares are in the hands of hedge funds and institutional investors, who themselves are senior corporate managers and bring that perspective to their role as shareholders. Angel Gurría, Secretary General of the OECD,[72] has pointed out that institutional investors control over US$93 trillion in long-term assets in OECD countries alone, and the pattern of these investments could either play a decisive role in financing the transition to a low-carbon economy or be used to entrench existing practices.

All these factors reinforce an exclusive focus on share price, regardless of the fundamental strength of the company – encouraging speculation on the price of shares on the stock market rather than investment in socially useful activities. Modern computer systems have allowed high frequency trading which has massively increased the potential for speculation, so that the stock market now facilitates profit-taking more than getting capital into the hands of producers who need it. These negative tendencies are widely known and various efforts have been made to address them, both within and outside the shareholder model.

Corporate Social Responsibility (CSR) has become a significant factor in many companies' strategies, emphasizing care and respect for employees, customers, the environment and other stakeholders. Financial advisors are now integrating CSR in their reports as well as noting exposure and risk in relation to human rights violations.[73] Indigenous peoples have been able to use the concept to challenge companies to respect their rights to land, territory and resources. It is a self-imposed code of conduct and as such is vulnerable to other pressures and circumstances, including the profit motive, and open to different interpretations. Sometimes CSR can be little more than a public relations exercise. It could be argued that directors of a company are failing in their duty to shareholders if their profits are reduced by CSR activities without the agreement of shareholders, who can put pressure on directors to deliver dividends and increases in share price.

72   http://www.oecd.org/environment/rethinking-fiduciary-duty-for-a-more-sustainable-planet.htm
73   United Nations (2013) *A Business Reference Guide: United Nations Declaration on the Rights of Indigenous Peoples*, UN Global Compact Business Reference Guide to the UN Declaration on the Rights of Indigenous Peoples. This guide "helps business understand, respect, and support the rights of indigenous peoples by illustrating how these rights are relevant to business activities"; See also Amy K. Lehr and Gare E. Smith (2010*) Implementing a Corporate Free, Prior, and Informed Consent Policy: Benefits and Challenges*, Talisman Energy, Implementing a Corporate Free, Prior, and Informed Consent Policy: Benefits and Challenges

However, not only is a socially responsible approach ethically correct, but it is also good business. If employees and suppliers are treated well they are likely to be more loyal and more productive. Ethical practices are good for the image of the company and attract customers – which is why CSR activities are often highlighted in marketing. Negligence in relation to the environment may lead to heavy costs if the company has to repair the damage.

Businessman Peter Georgescu has stressed that values must matter for business, both for more inclusive growth and because values are good for business: businesses need to be able to walk in customers' shoes, understand their needs and values, and learn compassion for the customer. These values are vital for the success of a business, and this kind of compassion and value-based model for the private sector can help improve the lives of customers and employees. Georgescu also stresses how corporate responsibility and aligning sustainable outcomes with business models also demands a different approach to company ownership, and more precisely a move away from shareholder primacy. Shareholder primacy – wherein quarterly returns to shareholders become the driving governing principle of companies – holds a real risk of companies cutting wages, reducing investment in research and failing to commit to innovation. Fair wages, research investment and innovation are all building blocks for inclusive growth in the business sphere, but also for businesses that grow and flourish in the long term.

See: https://www.youtube.com/watch?v=z56eSEwetcw

Companies also are under other pressures to act responsibly. Campaign groups have used the potential power of shareholders to challenge company practices by lobbying institutional shareholders with whom they have influence, such as universities, and by purchasing shares in the company and attempting to raise issues at shareholder meetings. They have also been effective on occasion in bringing about divestment from undesirable activities, most recently with the fossil fuel divestment campaign.[74] Workers, organized through trade unions, have a long tradition of demanding fair treatment and decent work, though companies have on

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74 http://www.theguardian.com/commentisfree/2014/feb/17/carbon-divestment-emissions-climate-change

75 R. Harrison "Consumer action and the economic empowerment of marginalised groups" in C. McCartney and W. Naudé (eds.) (2012) *Shared Societies: The Case for Inclusive Development*, Madrid: Club de Madrid, http://www.clubmadrid.org/img/secciones/SSP_Publication2012_Maastrich.pdf

balance been more powerful and have been able to suppress such demands, often through co-operation with legislators to restrict union action, media campaigns and sometimes through statutory or private use of force. The ethical consumer movement has attempted to use purchasing power and choice to influence retailers and producers.[75] While it is difficult to mobilize consumers, campaigns have stimulated the availability of organic and fair trade foods and convinced customers to switch brands for reasons such as a company's use of animal testing of its products or avoidance of tax.

The internet facilitates communication within such movements and between them and the wider community. It also allows the possibility of new, alternative business models such as crowdfunding, open-source software development and the "shift economy",[76] though these do not necessarily have intrinsic social or environmental values. Some see the potential of the internet to facilitate contact between strangers to their mutual advantage, and to allow everyone to be a creative entrepreneur, shifting power away from big corporations. While this is true, past experience demonstrates that those who are first to find ways to monetize these services and products use the new technologies to compete and assert their control over competitors, and resist regulation and government oversight of their activities in ways not unlike those adopted by traditional corporations. All these diverse movements are in some sense the free market at work; as effective as these efforts have been on occasion, there is still a need for public scrutiny and government regulation to avoid unwanted outcomes.

Even recognizing the enlightened approach of some managers, the balance of power is very much weighted against the protection of the environment and promotion of sustainable development. Business leaders often say they are willing to work within the laws and regulations that are laid down provided they apply fairly to all companies, but find it difficult to take the risk of implementing socially responsible practices if their rivals are not also doing so. They may argue against restrictions but at the same time acknowledge that they need and want clear regulation and incentives, through fiscal policy and other means, to stimulate more broad-based sustainable practices that are sensitive to wider social concerns. There is a clear need for government to enhance the contribution of the business sector to inclusive, sustainable and equitable economies. We urge political leaders and all stakeholders, including the business sector, to work to find ways in which the sector can help promote better social outcomes, empowerment of individuals, and sustainable development.

[76]   H. Shaughnessy (2015) *Shift: A User's Guide to the New Economy*, Boise, Idaho: Tru Publishing.

12 Global governance

An inclusive governance system at national and local level is impeded if it is not replicated at the global level. There are many weaknesses in the current global governance architecture, which need to be tackled if the global community is to realize Agenda 2030. Therefore, the call for a new Global Partnership is welcome, and the UN is urged to engage without delay all relevant parties – intergovernmental, governmental and non-governmental – and begin the process of bringing this about.

Participative, shared governance models are not only appropriate within states, as is discussed in section 10, but are relevant to all levels of decision making and all sectors, including government, business, civil society and intergovernmental bodies. There are many weaknesses in the current global governance architecture. A number of powerful international and global processes (for example, on trade) are separate from the UN but can make decisions that undermine global agreements on issues such as the environment, human rights and justice. Bodies like the *World Trade Organization* can

impose sanctions, but such sanctions are much weaker in relation to agreements on environmental and social issues. The limited power to enforce such agreements is a matter for concern, and another example of how protection of economic and commercial interests takes precedence over addressing serious social and environmental threats.

All intergovernmental bodies are dominated by the more powerful states. It has to be recognized that local communities and small states are often affected by external decisions and impacted upon by activities elsewhere, impeding their own efforts to build

sustainable **Shared Societies**. For example, global warming and the resulting rising sea levels are global phenomena which particularly affect small island states, but their governments cannot legislate to prevent the causes and have only limited capacity to ameliorate the impacts. They need to be able to engage internationally, and to some degree are able to do so at the UN, though sub-national governments do not have the same right. The Working Group supports further consideration of the proposal of a "global peoples' assembly", where diverse peoples of the world can be represented, with links to the UN decision-making process.

These are major challenges that need to be tackled if the global community is to realize a new Global Partnership as envisaged in **Agenda 2030**:

> **The scale and ambition of the new Agenda requires a revitalized Global Partnership to ensure its implementation. We fully commit to this. This Partnership will work in a spirit of global solidarity, in particular solidarity with the poorest and with people in vulnerable situations. It will facilitate an intensive global engagement in support of implementation of all the Goals and targets, bringing together Governments, the private sector, civil society, the United Nations system and other actors and mobilizing all available resources."**[77]

How is this to be realized? While recognizing "that there are different approaches, visions, models and tools available to each country, in accordance with its national circumstances and priorities,"[78] they "need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems, and strengthened and enhanced global economic governance".[79] The Club de Madrid worked with partners to develop an outline of the elements that would constitute such an inclusive global system, the **"Global Shared Societies Agenda"**.[80] Such an inclusive approach in the spirit of solidarity would be in line with the ideas proposed in the present document and a real paradigm shift, and therefore is to be welcomed; at the same time, there has not been a great deal of evidence that powerful nation states and other interests are willing to make such a shift. However, as is argued here, **Agenda 2030** will not be fully realized without a strong and meaningful partnership of all relevant parties. The UN is urged to engage without delay all relevant parties – intergovernmental, governmental and non-governmental – and begin the process of bringing this about.

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77   United Nations (2015) *Transforming our World: The 2030 Agenda for Sustainable Development* A/RES/70/1 New York: UN, para 39.
78   Ibid. para 59.
79   Ibid. para 63.n,
80   Club de Madrid, Friederich Ebert Stiftung and Center of Concern (2012), *Towards a Global Shared Societies Agenda to Promote Long-Term and Inclusive Sustainable Growth:*
http://www.clubmadrid.org/img/secciones/Global_Shared_Societies_Agenda_2014.pdf

The world needs an alliance of countries and regions (supported by progressive companies and social groups) that is committed to fostering a development model that focuses on human and ecological wellbeing rather than narrowly defined economic output. A number of Working Group members are already supporting the idea of an alliance of "Wellbeing Economies", called the "WE7" in obvious reference to the G7, that responds to this need for change. The WE7 will give status, recognition and leadership to countries and regions that champion human and ecological wellbeing in their economic policies. Countries and regions that join WE7 will be those that recognize that size and growth of GDP is not a good measure of success. They are either entities that have shown the capacity to marry a low-impact economy with high living standards or that are sincerely committed to achieving this in future policy decisions.

ALLIANCE OF WELLBEING ECONOMIES: THE WE7

» INTERNATIONAL CO-OPERATION

» FAVOUR COMMON POSITIONS IN CRITICAL AREAS OF GLOBAL GOVERNANCE

» MUTUAL LEARNING AND CO-OPERATION

» SHOWCASE OF CHAMPIONS WITH DIFFERENT DEVELOPMENT MODELS

» EMPHASIZE NEW NOTIONS OF PROGRESS

This informal alliance will create synergies in international co-operation, favour common positions in critical areas of global governance (e.g. at the UN level or within other groups such as the G20 and the OECD). It will also encourage mutual learning and co-operation within the alliance itself, for instance through technology transfer, industrialization policies, reciprocal foreign direct investment and development aid. It will showcase champions of a different development model and emphasize new notions of progress, beyond the size and growth of GDP. By showing that a different approach to development is possible (and desirable), and by providing a different model for global leadership, the WE7 informal alliance would be a source of inspiration and a role model for other countries and regions, and a champion of the SDGs (for example, by integrating its goals and targets in day-to-day policy making).

13 Disciplinary and professional boundaries and fragmentation of development efforts

To be effective, disciplines and agencies must be able to work outside their traditional boundaries to develop synergies and pool knowledge and expertise with other agencies and professionals. They require new models of teamwork, which will have implications for education, training and recruitment.

In the same way that the challenges facing the planet cannot be dealt with by agencies and states working in isolation from each other, multi-disciplinary approaches are also required. All aspects of development are interrelated and interdependent: progress on one aspect of development and any one of the SDGs is dependent on progress on the others. Equally, progress on **Agenda 2030** will be affected by other events, including natural and human disasters. The World Humanitarian Summit in May 2016 endeavoured to transcend the "humanitarian-development divide", as articulated in the UN Secretary-General's synthesis report[81] for the summit, which makes the connection between **Agenda 2030** and humanitarian activities.

81 United Nations (2016) The Road to Dignity by 2030: Ending poverty, transforming all lives and protecting the planet, A/RES/70/1 New York: UN, para 14, http://www.un.org/disabilities/documents/reports/SG_Synthesis_Report_Road_to_Dignity_by_2030.pdf

82 See Part 1 of this document and Sharing Our Planet: Today and Tomorrow: Key Insights of Club de Madrid Working Group on Shared Societies and Environmental Sustainability, pages 6-7.

This orientation has implications for professions and disciplines, including economics, social development, natural science, law and human rights protection, rural and urban planning, participatory development planning and peace-building. It is ironic that as disciplines become more specialized, they become more narrow and therefore need to be interdependent. To be effective, professionals must be able to work outside their conventional boundaries to develop synergies and pool knowledge and expertise with other agencies and professionals with other forms of knowledge, skills and expertise. They must also engage meaningfully with all stakeholders, including local communities, asking themselves and their interlocutors the kind of questions that reflect the principles of the **Shared Societies** Framework.[82] This will require new models of teamwork and will have implications for education, training and recruitment.

However, there is a tendency for each discipline to remain in a silo, targeting its own particular concepts, principles, assumptions and approaches, applying that frame to the tensions and challenges that it identifies, and selecting its priorities. The Working Group has discussed the limitations of such an approach, but the image of "silos" is potentially misleading. It postulates that they are equal but distinct policy areas, isolated from the others, but in fact they do impact on each other and one discipline can come to dominate the others. For at least the last 200 years, policy debates in the West have given primacy to economists. The arguments of the security sector are also powerful,[83] and we will see[84] how the possibilities offered by science and technology are increasingly adopted without questioning of their wider impacts. However, current challenges show the limitations of a development paradigm in which the economic or security dimensions are dominant.

The environmental dimension is central because it sets limits which we go beyond at our peril. The social dimension is critical because dysfunctional societies do not have the capacities and resilience to be able to tackle global challenges, even if the resources exist to do so.

Each dimension also needs to incorporate the best thinking of the others. It is necessary to move beyond an economic model based on competition and therefore inequality, a social model based on power and therefore exclusion, and an environmental model based on maximum exploitation of the planet and therefore leading to ecological collapse. Those who drafted **Agenda 2030** are to be commended for trying to achieve that conceptual shift in the preamble, and we urge policy makers and the academic community in other fields to reorient their thinking and critically reassess the "accepted truths" and "received wisdom" of their disciplines in a more holistic context.

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[83] See section 18.
[84] Section 17.

14 Monitoring mechanisms

Good monitoring mechanisms will guide and encourage states to take the necessary initiatives to achieve the SDGs. In identifying sources of data to monitor progress, equal attention should be given to more subjective measures, including assessment of wellbeing, and the application of the key principles and questions of the Shared Societies approach to sustainable development.

It is widely understood that progress towards the SDGs needs to be monitored and that good monitoring mechanisms, data collection and analysis will guide and encourage states to take the necessary initiatives to achieve the goals. The UN High-Level Political Forum on Sustainable Development is the most relevant body to provide the necessary stimulus and strategic coordination between relevant organizations. It is intended that peer review will take place between countries in the same region, and large international NGOs and the Cities Alliance[85] will also contribute. Particularly in the early stage, the focus will be on the systems and structures that are being created to meet the goals and targets of **Agenda 2030**, rather than the outcomes, which will take longer to become evident. The Working Group cautions against too much reliance on the projected outcomes in national development plans (though it is important), but also to audit strategies and proposals in terms of the Key Principles and Questions for a **Shared Societies** Approach to Sustainable Development, as outlined below.

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[85] OECD Champion Mayors for Inclusive Growth initiative: http://www.oecd.org/inclusive-growth/champion-mayors/

KEY PRINCIPLES AND QUESTIONS
FOR A SHARED SOCIETIES APPROACH TO SUSTAINABLE DEVELOPMENT

1. **Participation:** Are all sectors of society involved in developing sustainable policies and programmes, beginning with joint assessments of the issues and concerns, rather than only seeking support for preconceived solutions?

2. **Transparency:** Is there transparency and full access to information for all stakeholders?

3. **Shared benefits:** Does everyone and the natural environment benefit from policies and projects, or are some affected negatively?

4. **Affirmative action:** Does the proposed initiative benefit groups that are marginalized, whether on grounds of physical location, identity, gender or for other reasons? How will they be negatively affected and left behind?

5. **Long-term perspective:** Are the long-term ecological, social and economic consequences of policies and programmes positive? Are they sustainable in the long term?

6. **Responsible pollution mitigation:** Do those who are responsible for negative consequences, including environmental degradation, bear the cost of repair? How will that obligation be enforced?

7. **Disaggregated monitoring data:** Are provisions built into the systems of monitoring programmes and projects for sustainable development to ensure the collection of disaggregated data in terms of ethnicity, race, religion, gender and other aspects of identity, in order to identify quickly what groups are being left behind and introduce corrections?

The answers to these questions will indicate the extent to which policies promote consideration of values; encourage dialogue and participation; create awareness of the challenges; impact on the environment; and impact on all sectors so that no one is left behind.

It is recognized that considerable work is ongoing, both within and outside the UN system, on what will be appropriate indicators.[86] As mentioned above, it is also important that the data is disaggregated to compare the situation of different groups, including in terms of gender, race, ethnicity and culture, location, language and religion, to identify if any specific groups are being left behind. Equal attention should be given to broader measures, including assessment of wellbeing. The OECD has been examining new data and metrics which aim to encapsulate what matters for people, looking at the relevance of concepts such as wellbeing, equity, happiness and environmental sustainability. In its *"All on*

Board" report,[87] it addresses inequalities in income and opportunities, and proposes a new metric to gauge people's prosperity more effectively – a measure of "multidimensional living standards" (MDLS). Using this tool, it is evident that countries with higher GDP are not necessarily the best at converting their wealth into improvements in living standards for their citizens: for example, France and Germany registered almost the same per capita GDP growth between 1995 and 2007, but living standards grew 1.7 times faster in France. Additionally, the OECD Better Life Index[88] (BLI) is an interactive tool that measures wellbeing and progress, and allows users to visualize wellbeing outcomes according to the priorities that the user inputs. Both the MDLS and the BLI are part of the wider OECD effort to measure progress beyond GDP.[89]

It has been pointed out that care must be taken that the focus does not shift to what is measurable and making

that the goal, rather than working out really important but hard-to-measure indicators of progress, including qualitative data, and developing ways to obtain that data. There is concern that statistical data has the potential to "have a reductionist effect on the overall vision" of the **2030 Agenda**.[90] The Working Group stresses that participation by all stakeholders is not only important in the planning and implementation of projects, but also in the monitoring process and the identification of indicators. Save the Children, in its recommendations on the preparations for national-level reviews within the **Agenda 2030** framework, stressed the importance of following the principle of "leave no one behind" by being open, inclusive, participatory and transparent; this includes seeking the views of economic and social groups that are furthest behind, and highlighting policies and strategies to reach the furthest-behind first.[91]

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86   For example, the Commission on the Measurement of Economic Performance and Social Progress, http://www.stat.si/doc/drzstat/Stiglitz%20report.pdf

87   OECD (2015) op. cit., http://www.oecd.org/economy/all-on-board-9789264218512-en.htm

88   http://www.oecd.org/statistics/datalab/bli.htm

89   See also the indexes referred to on page 32.

90   http://www.humanrights.dk/sites/humanrights.dk/files/media/dokumenter/sdg/dihr-fur_paper_final_draft_29_02_16.pdf

91   Save the Children Fund (2016) Recommendations on the Zero Draft Resolution of 6 May 2016 on the Follow-up and Review of the 2030 Agenda at the global level, https://sustainabledevelopment.un.org/content/documents/21190Save%20the%20Children2.pdf

D.

LOOKING TO THE FUTURE

15 Planning horizon

A short-term perspective is harmful to long-term development, and other mechanisms are required to encourage long-term planning. Taxation and other means can discourage a short-term planning horizon.

It follows from the discussion of shareholder governance[92] that this model encourages short-term thinking, and other factors also play a part. The political system also contributes, because in many political systems politicians have a limited term of office and may then have the option of seeking re-election. As a result, they are mindful of the need to satisfy public opinion or the ruling elite by producing quick results, and may be less concerned about long-term consequences which will become the responsibility of future leaders. It has been noted already that a short-term perspective is harmful to long-term development, and that pricing, taxation and other mechanisms are required to encourage long-term planning and discourage a short-term planning horizon.

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92   See section 11.

16 Learning and education

Education and learning has an important contribution to make to the achievement of inclusive sustainable development,[93] but it will require new approaches and a fundamental shift in education systems across the world. Effective education should encourage critical reassessment of current thinking and ideas through new experiences and interaction with others and with the environment.

Following the 2008 financial crisis, people with higher rates of education were less affected by unemployment, and the already wide gap in earnings between people with higher education and those with lower levels actually grew.

Good education provides individuals with the environment that nurtures their talent, allows them to develop their skills and knowledge, and equips them to seek decent work or establish their own business.

In order to help all individuals to fulfil their potential and equip them with valuable skills for the workplace, policy needs to be informed by comprehensive and comparative data that can facilitate the sharing of best practices between countries. To this end, the OECD has developed the *Programme for International Student Assessment* (PISA),[95] a comprehensive international comparison of the skills and knowledge of 15-year-olds around the world in mathematics, science and

Learning and education in all its forms, from pre-school to life-long learning, has a key role to play in all areas of human endeavour and can make an important contribution to the efforts to achieve inclusive sustainable development. The Millennium Development Goals promoted access to education, and **Agenda 2030** maintains that goal with an emphasis on the quality of education available.[94] Formal education can help to empower poor and marginalized individuals and communities, reducing inequality. Young people from poorer families are badly under-represented in higher education, which risks exposing them to a lifetime of reduced earnings and undermines the foundations of wider prosperity and wellbeing.

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93   See Target 4.7, Agenda 2030.
94   Sustainable Development Goal 4.
95   OECD PISA: http://www.oecd.org/pisa/home/

reading. The PISA survey has both drawn attention to the significant differences in educational outcome within and between countries – for instance, there are large differences in numeracy scores within countries, with students from disadvantaged socio-economic backgrounds registering significantly lower scores than the average – and pointed to effective policy interventions. The PISA programme has shown that children who were enrolled in pre-school education perform better throughout their education life. Similarly, the OECD Survey of Adult Skills (PIAAC) shows that the skills distribution among the adult population is also heavily determined by socio-economic background. For example, PIAAC 2013 showed that parental levels of education – a strong measure of socio-economic background – influence literacy proficiency scores in all countries.

The interaction between education and skills training, and job quality, must not be forgotten. People in formal employment spend many hours each week at work, and an increasingly larger share of their adult lives in paid work, which means that work is strongly related to the quality of individuals' lives and wellbeing. The OECD framework on job quality looks at it in terms of

"earning quality" (the extent to which earnings contribute to workers' wellbeing in relation to average earnings and their distribution), labour market security and the quality of the working environment, and gives a comprehensive and holistic assessment. Matching skills and training to employment roles is again vital, and is key for individual wellbeing; however, the OECD PIAAC in 2013 pointed to the existence of significant mismatches between skills and their use at work.

The Working Group focused particularly on how learning can inspire, nurture talent and creativity, raise awareness, encourage appropriate values and stimulate critical thinking. These qualities are characteristics of a mature, well-rounded individual and will be needed if he or she is to contribute to sustainable development through work and free time. Therefore, Target 4.7 of Agenda 2030 should be stressed as central to achieving the whole vision:

"By 2030 ensure that all learners acquire the knowledge and skill needed to promote sustainable development, including among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and culture's contribution to sustainable development.

Many educationalists support this perspective, but achieving it will require new approaches and a fundamental shift in education systems across the world.

Effective education should encourage critical questioning of current thinking and ideas through new experiences and interaction with others and with the environment. Members of the Working Group have been involved in various forms of critical dialogue, and techniques were shared such as mindfulness, appreciative inquiry, scenario building, resource training, etc. The challenge is to extend the application of such approaches more widely and in different settings, including through distance communication using electronic media.

Unfortunately, education often fails to provide those opportunities, and individuals and groups remain static. Everyday interaction with colleagues, friends and acquaintances tends to confirm existing ideas and attitudes, reinforcing the current way of doing things because no new perspectives are introduced. Formal education tends to transmit, without questions, current orthodoxies including neo-classical economics and existing power relationships, without also introducing alternative perspectives as is advocated in Target 4.7 of **Agenda 2030**. It often undermines traditional knowledge[96] and culture, in particular minority languages. These messages are not only conveyed through the curriculum. A lack of diversity in teaching staff at all levels of education sends its own message. For example, 80 percent

of teachers in the USA are white women. These tendencies are additional reasons why involvement by local communities is important, including in the establishment and management of schools that share with the children their commitment to local culture and language,[97] while at the same time ensuring this does not lead to ghettoization.

It is important to recognize **the power of narrative** in shaping thinking in general, and its relevance to shifting perspectives on the challenges of sustainable development. How a story is told shapes and then reaffirms understanding of the story. It is through narrative that people understand their past and are aware of their future. But all narratives are partial. Often only some stories are heard – stories of the more powerful, the articulate and

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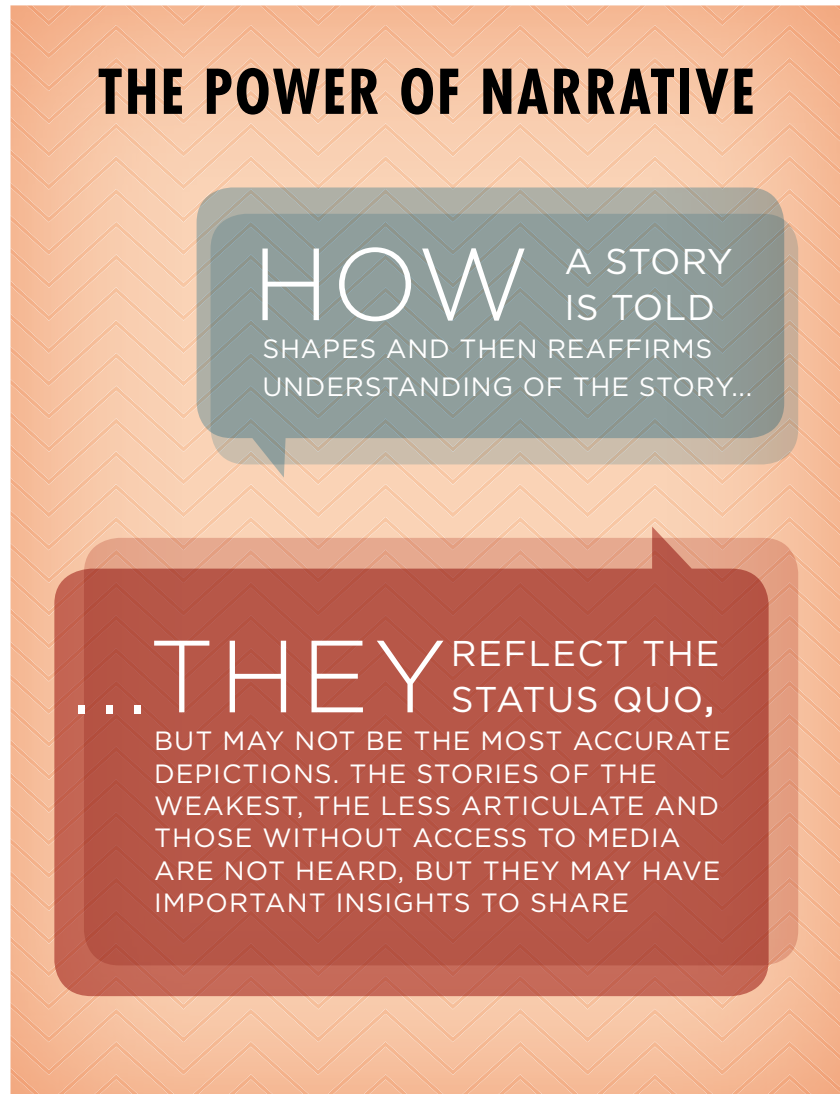96   UN Declaration on the Rights of Indigenous Peoples, Article 31:
1. Indigenous peoples have the right to maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, as well as the manifestations of their sciences, technologies and cultures, including human and genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, designs, sports and traditional games and visual and performing arts. They also have the right to maintain, control, protect and develop their intellectual property over such cultural heritage, traditional knowledge, and traditional cultural expressions.
2. In conjunction with indigenous peoples, States shall take effective measures to recognize and protect the exercise of these rights.
97   UN Declaration on the Rights of Indigenous Peoples, Article 14, confers the right to establish and control educational institutions. For a recent example of an agreement under which the Navajo Nation will control their schools, see: http://indiancountrytodaymedianetwork.com/2016/09/28/obama-administration-gives-historic-control-education-system-navajo-nation-165937

those who have access to the means to disseminate them. They reflect the *status quo*, but may not be the most accurate depictions. The stories of the weakest, the less articulate and those without access to media are not heard, but they may have important insights to share. A member of an indigenous tribe living deep in a tropical jungle may understand the consequences of indiscriminate logging, but his or her voice is not heard. Someone living near the edge of melting shore-fast ice above the Arctic Circle or on a coral atoll in the Pacific is more aware than most of the consequences of global warming, but few people are listening or want to know about their plight. Someone living in poverty and ill health in a declining industrial wasteland has insights into the real costs of current forms of production, but no way to share that narrative. Equally, there are many communities implementing effective approaches that respect the planet and build Shared Societies, and these stories are also not heard.

Therefore it is important to ensure that these narratives are listened to and not lost in the multitude of other narratives, and that they are shared in a variety of ways, including direct communication, through films, television and the

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printed word and through social media. One image can tell a story – but what story is told and what is our understanding of it? It is important that everyone has the capacity to interrogate narratives, test what they really can tell us and see how they complement each other. We need to understand more about the impact of narratives shared through different forms. The more narratives that are shared and critically examined, the richer and deeper the understanding of the stories they tell and the situations they describe. More opportunities for dialogue around narratives need to be created.

The current dominant narratives increase fatalism and acceptance of the way things have been and how they will be. Narratives of the future are either complacent in their avoidance of future challenges, or doom-laden. They do not inspire or encourage engagement and participation. If they are to enthuse and mobilize the population to take action, they must be more exciting and positive. Such narratives exist, and the means must be found to share them more widely. New narratives can help people to understand the failures and mistakes of the past and how to prepare for different futures. If the alternative narratives are grounded in the type of values endorsed in this paper, then those values will critique the contradictions and failures of the out-of-date stories.

17 Challenge of new technologies

It is important to assess the possible impacts of new technology against a clear set of values and principles such as those identified in this paper. Given the speed of technological innovation, agencies need to be developed, strengthened and given a higher profile in order to oversee and assess technological development with a specific focus on their impact on sustainable development and inclusivity.

Scientific knowledge and technology-based solutions to real or perceived problems are advancing at an exponential rate, and there is no indication that this process will reach a limit in the future. The potential benefits of such innovation are accepted.[98] They can provide cheaper, more environmentally friendly approaches, as well as introducing solutions to what were previously thought to be insoluble problems. There is the promise of further developments in fields such as communications, biotechnology, robotics, health, climate science, clean energy and climate-smart agriculture.

It was not the intention of the Working Group to assess these technologies and expected future innovations in scientific terms, but to
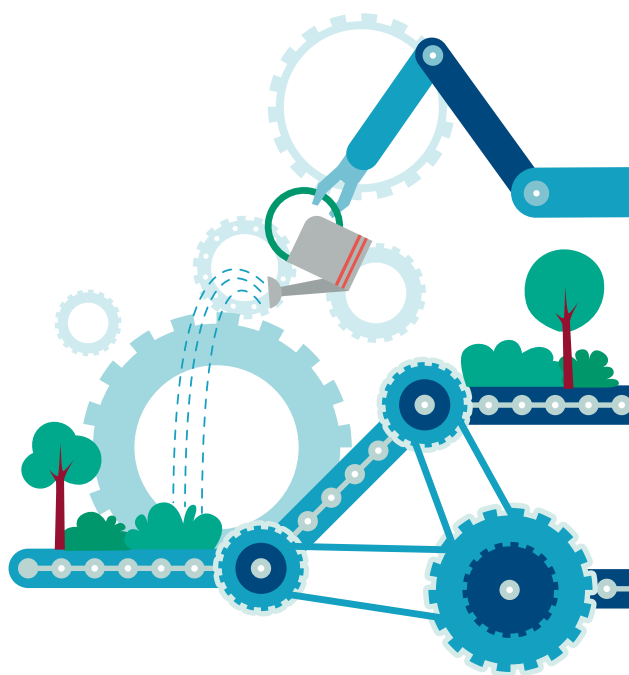
98   United Nations (2016) *Global Sustainable Development Report 2016*, Department of Economic and Social Affairs, New York: UN, chapters 3 and 5, http://sustainabledevelopment.un.org/content/documents/2328Global Sustainable development report 2016 (final).pdf

consider the implications of new technology for the inclusive **Shared Society**, which is advanced here as being at the core of meeting the challenges posed by **Agenda 2030**. New technology can introduce profound changes in individual and social identity. In the past, technology developed slowly and the impact on culture and society was gradual. Since the agricultural and industrial revolutions in Europe in the 18th and 19th centuries technological change has been increasingly rapid, opening up possibilities for access to knowledge and information, and greater geographical and social mobility and opportunities. This has created possibilities of empowerment and advancement for some, and left others more obviously disadvantaged and marginalized. The old social structures and conventions – practical and cultural – have been found unnecessarily restrictive, and have been eroded and ignored, most markedly in the West and in cultures that were most affected by western colonialism. However the impact of these changes on social bonds and interrelationships is not fully understood and taken into account. This tendency is likely to increase with the rapid introductions of new emerging technologies.

Today we see a new cultural clash between modernity and tradition. The spread of internet and mobile technology is, paradoxically, bringing the world closer and, at the same time, the virtual world is accused of isolating people from direct physical contact and from problems in their own neighbourhood. It is clear that the internet, smart technology and social media can have a profound impact on our sense of being part of a global community that stands or falls together. Those with less access to state-of-the-art communication technology will be further marginalized, though the extent of the reach of these systems into very remote and traditional communities is remarkable.

For the future, technology can exacerbate existing negative trends if it is not guided by a clear set of people- and planet-oriented values and principles. Most technology is open to misuse for destructive purposes.

> **It is conceivable that new technology could offer the means to solve problems but undermine the human capability to apply those solutions effectively, if it is not guided by the thinking underpinning inclusive sustainable development**.

Dystopian visions in contemporary films and novels articulate the dangers.

This is of particular concern in the field of robotics and bio-engineering. For example, biotechnology is challenging the understanding of what it is to be human and potentially could speed up the erosion of human values, which has already been identified as one of the obstacles to meeting current environmental and social challenges. New diagnostic tools could allow people with limited medical training to treat patients effectively and, through advanced communications, people in remote areas could have virtual access to highly trained doctors. While this may be positive, unequal access to this new technology could reinforce and accentuate current disparities. Robotics could also destroy the livelihoods and self-esteem of those it displaces while enhancing the quality of life of those who have access to its benefits.

Since the industrial revolution, developments in science and technology have marginalized earlier knowledge systems. These have not been totally lost and are still valued by indigenous peoples and traditional communities, among others. Various global agreements recognize the importance of all knowledge systems, and the current ecological and social challenges require the pooling of all forms of knowledge. This is happening in the increasing collaboration between modern scientific institutions and indigenous peoples in understanding and dealing with climate change, or in the creation of holistic health services combining allopathic, ayurvedic and other health and medical systems. Such developments are best served by treating knowledge and information as part of the global commons, and reversing the trend towards privatized and monopolistic control that is inherent in the ownership of intellectual property rights – bearing in mind that much of this knowledge is in any case the product of public investment in research and development.[99]

The speed of development and the urge to try out new ideas and be at the forefront of commercial applications makes it difficult to subject new ideas to rigorous dispassionate assessment, yet it is all the more important to assess their possible impacts against a clear set of values and principles. There are existing bodies that have some responsibilities in this area in some countries and internationally, but none with a specific focus on the impact of new technology on sustainable development and inclusivity. Such bodies need to be developed, strengthened and given a higher profile in order to be able to respond effectively to the global reach and power of modern technology and the organizations that use and promote it.

18 Militarism and the option of force

In wartime, militarism and conflict have very direct and obvious impacts on the environment and development. Even in peacetime, militarism not only justifies and encourages combativeness, but it also distorts the economy. For real progress to be made on sustainable development for all, demilitarization has both a practical contribution to make in freeing up resources, and also an existential contribution in breaking down the barriers of national self-interest and pointing instead to a shared future.

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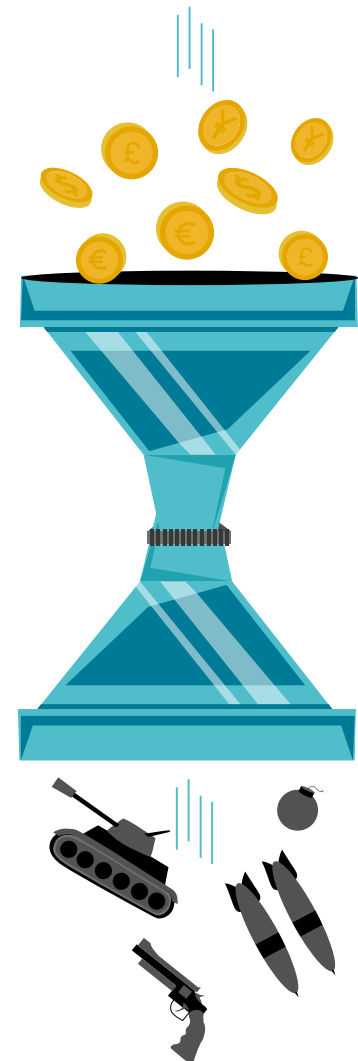
99   M. Mazzucato (2013) *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, London: Anthem Press.
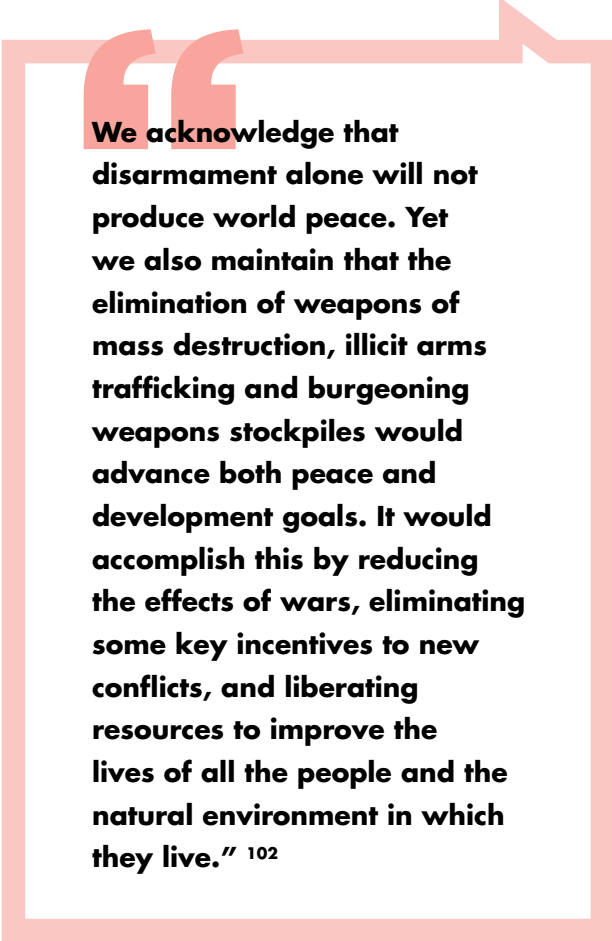
One of the weaknesses of governance at all levels is the dominant role played by those who are more powerful, and the way in which they exert their power. Many (but by no means all) states,[100] communities, corporations and individuals are reluctant to pool their capacities and resources and share power in order to address the challenges. When there is a conflict of interest, the default option is to use financial or military strength to get one's own way. As discussed above, many aspects of current orthodox attitudes and assumptions, such as competition, encourage the belief that exerting one's power is a virtue, and they reinforce the close relationship between the military, industry and politics.

There is a feedback loop between the assertion of power, the acquisition of power and the acceptance of force as appropriate path to success. The desire to assert power leads to the accumulation of power in terms of capital, armaments or both. Having power increases the tendency to use it. The capacity to use or threaten to use power is taken as a validation of the powerholder, and it becomes accepted that the use of power and force is appropriate. The argument is made that a strong military posture is necessary to deal with threats, but in terms of this feedback loop, the military posture increases the sense that violence is the only effective option, and therefore increases rather than decreases the level of threat. In other words, rather than reducing war-like behaviour, militarism actually reinforces it.

In wartime, aside from moral and ethical considerations, militarism and conflict have very direct and obvious impacts on the environment, development and human security. Militarism distorts the economy, and in many countries military expenditure far outstrips expenditure on overseas aid,[101] reducing the resources, capital and labour available for sustainable development. Nuclear weapons are the extreme example because of their destructive power and cost. Most countries selling arms are already affluent, and many of the countries buying arms can ill afford them, so the trade contributes to inequality. Often the buyers are among the most repressive regimes.

As the UN Office for Disarmament Affairs says:

> "We acknowledge that disarmament alone will not produce world peace. Yet we also maintain that the elimination of weapons of mass destruction, illicit arms trafficking and burgeoning weapons stockpiles would advance both peace and development goals. It would accomplish this by reducing the effects of wars, eliminating some key incentives to new conflicts, and liberating resources to improve the lives of all the people and the natural environment in which they live." [102]

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[100] For example, Costa Rica – see forthcoming paper presented to the Working Group by Laura Miranda Chinchilla (2016) *The Costa Rican Experience*.

[101] http://www.globalissues.org/article/75/world-military-spending#Spendingforpeacevsspendingforwar

[102] https://www.un.org/disarmament/vision/

"Disarmament alone will not produce world peace" and a change of orientation is needed in order to bring about a more inclusive, sharing world. The inexorable advance of climate change is the kind of threat that may expose the limitations and powerlessness of a militarized world and demand a rethink. SDG 16 is a very direct response to this challenge, but it was hard won, as some states argued – on this occasion unsuccessfully – that issues of peace and security were not the concern of an agenda on sustainable development. But for real progress to be made on sustainable development for all, demilitarization has both a practical contribution to make in freeing up resources, and also an existential contribution in breaking down the barriers of national self-interest and pointing instead to a shared future.

19 Bringing the approach to scale

The Shared Societies approach is crucial to realizing a holistic vision in which everyone feels that they are part of the whole, are sensitive to the wellbeing of others and feel a shared responsibility. This approach can be found in many small communities and they have much to teach the world community about how to create Shared Societies and to facilitate sustainable development. Their sense of involvement and belonging can be replicated on a wider scale if care is taken to maintain the essential features of these small communities.

A recurring factor, related to all the dimensions of this paper and also in the literature, is the problem of scale. The Shared Societies approach, values and practice, can often be seen within a small-scale community, where all the members of the community are directly known to each other. But is it possible to replicate this on a national or global scale where these personal bonds are absent? This document argues that these values are essential in the modern world. But are they still feasible? If they are, how can they be reactivated and re-energized? They are conspicuously absent in larger, more complex systems, in powerful states and in the global governance system, including the UN and the Bretton Woods Institutions, where there is less direct contact between people, and powerful voices carry more weight.

Ostrom and her colleagues talk about "thick" social networks. How does one create "thickness"? In many indigenous societies and other small communities, there is direct personal knowledge of and connection with other members of the group and the environment around them. These communities have a profound relationship with the environment and natural world, as well as a wealth of intricate knowledge concerning sustainability. Their communities, nations and peoples have manifested distinct values, customs, practices and institutions for centuries. Their different cultural contexts provide a vast array of examples and instructions for maintaining our natural environment and the means to nurture harmony between humanity and our shared planet.

To realize the vision and approaches of this document would require scaling up these practices and insights to larger and potentially more impersonal situations, while ensuring that their essence is not lost. Building the sense of involvement and belonging is crucial, such as: the sense of the group as an important entity; the sense that we matter (that our dignity is respected); and that each person has to and can take responsibility. This requires that people are treated by their leaders and their fellow citizens in ways which nurture that sense of belonging and responsibility. As in small, close-knit communities, this means openness and transparency, raising awareness of the challenges we face, and involving the whole society in a shared project to decide on preferred solutions.

Many of these principles are part of ancient or newly emerging worldviews such as ubuntu and others.[103] They are still relevant, and ways to ensure they inform and enrich mainstream thinking should be encouraged.

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103   For example, *buen vivir, sumac kawsay, ubuntu and swaraj*. See A. Kothari *et. al* (2014) op. cit., (362-375).

TOWARDS A SHARED AND EQUITABLE FUTURE

The approach advocated in this paper requires a paradigm shift. It proposes alternative lenses through which the development process needs to be viewed and key questions that need to be asked. The situation is critical and change is urgently needed, but it is likely that the preferred way forward will be sought in incremental stages appropriate to local circumstances, building on the strengths of local systems in order to minimize features that undermine sustainable development. There are different views on whether that will be sufficient to bring about the changes required. A local perspective may facilitate a holistic view of the overall challenges and needs of each community, but it could also shift the focus towards particular concerns and issues in isolation from the wider dimensions of these issues. In either case, real progress will only be made if the development process is viewed in a new way.

So, what will be the implications of an analytical framework that is more inclusive and incorporates an environmental orientation based on conservation and modest consumption, a social orientation based on inclusion, respect and sharing, and an economic approach based on maximizing wellbeing? It is proposed that while it may not maximize GDP, such a framework may lead to more sustainable development characterized by greater co-operation, environmental renewal, lower levels of intergroup tension and higher levels of wellbeing, all of which will free up wealth for future development. It will be easier to get consensus on the key challenges (e.g. climate change), on starting points for tackling those challenges and holistic approaches to overcome them.

Finding the right way to gain support for these ideas is also critical. What is the most effective way to mobilize people around challenges? Is fear more effective than hope? Or self interest? Or a positive vision? Or solidarity? Or demands for rights and justice? Past efforts have had elements of all these incentives and this will likely continue in the future. Sometimes alliances will be uncomfortable. Those who have felt oppressed are more likely to use the terminology of demands and justice, but that may not resonate with the people whose support they want to enlist to bring about change. Perhaps the most effective message, which can be drawn from the work of the **Shared Societies Project**, is that by working together and pooling our interests, everyone can benefit.

Agenda 2030 is not just the responsibility of political leaders; it is also the responsibility of the whole of humanity which will have to play its part in realizing the SDGs and ensuring that governments and intergovernmental bodies fulfil their tasks. Therefore, this analysis is also commended to people's movements and civic society, in the hope that it will give them perspectives and ideas that will be useful in their work.

MEMBERS OF THE WORKING GROUP ON ENVIRONMENTAL SUSTAINABILITY AND SHARED SOCIETIES

CHAIRS OF THE WORKING GROUP

Laura Chinchilla, President of Costa Rica (2010-2014) and Club de Madrid Member

Zlatko Lagumdzija, Prime Minister of Bosnia & Herzegovina (2001-2002) and Club de Madrid Member

MEMBERS OF THE WORKING GROUP

Jamil Ahmad, Deputy Director, UN Environment, New York Office

Frederic Bontems, Former Director for Development and Global Public Goods at the Ministry of Foreign Affairs, French Ambassador to Ethiopia, France

Roberto Mukaro Borrero, Consultant and Member of United Nations Indigenous Peoples Major Group

Carter Brandon, Global Lead Economist for the Environment and Natural Resources Global Practice, World Bank

Dalee Sambo Dorough, 2014 Chairperson of the United Nations Permanent Forum on Indigenous Issues, Associate Professor at University of Alaska Anchorage.

Thomas Gass, UN Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs in the Department of Economic and Social Affairs (UN DESA)

Lamia Kamal-Chaoui, Director of the Centre for Entrepreneurship, SMEs, Local Development and Tourism at OECD and Coordinator of the OECD's Inclusive Growth Initiative

Ashish Kothari, Founder Member of the Kalpavriksh Environment Action Group, India

Beatriz Merino, former National Ombudsman of Peru and Club de Madrid NetPLUSS Member

David Miller, former Mayor of Toronto (2003-2010) and President and CEO of WWF – Canada. Club de Madrid NetPLUSS Member

Patrick Reinsborough, Special Adviser of the Center for Story-based Strategy

Doug Saunders, Journalist, International Affairs Columist, Toronto Globe and Mail, author of "Arrival Cities."

Sarah Silver, Alan B. Slifka Foundation Executive Director

Youba Sokona, Special Advisor on Sustainable Development, South Centre

Juan Somavía, former Director-General of the International Labor Organization and Director of the Diplomacy Academy "Andres Bello", Chile

Alfred Tolle, Founder and Chairman of Wisdom Together

Katherine Trebeck, Policy and Research Advisor, Oxfam GB Global Research Team

Veerle Vandeweerd, Former Director of the UNDP Environment and Energy Group

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