

# How can we create the new economy after the old one collapsed ?

GBE conference London, July 2009

Dr Paul E. Metz  
INTEGeR... consult, NL  
Board of e<sup>5</sup>

## What after this recession – or depression ?

- **State fiscal incomes eroded, even imploded**
  - cannot freeze or reset, but must innovate society
  - 'transition' = Schumpeter's creative destruction & renewal
- **Robert Reich: economy will never recover, we need to make a new one**
  - non-fossil energy, renewables
  - more efficient use of all resources, water, energy, land
- **Fairness for People & Planet**
  - new scarcities - air, water, land, forests, fish
  - guarantee minimum purchasing power for all

***Political inaction on FAIR PRICING and FAIR INCOMES is not acceptable for this recovery***

INTEGeR... consult - GBE - London July 2009

## How to protect resources and budgets ?

- **Ethics** – "voluntary", "partnerships"  
– good learning, not effective
- **Direct regulation** – standards  
– no direct price effect
- **Fiscal regulation** – direct pricing by better taxes  
– but what with revenue ?
- **Trade regulation** – cap on use, give/auction & trade allowances -> price ?

***What is best for urgency and state budget ?***

INTEGeR... consult - GBE - London July 2009

## Tax or Trade ?

- **SFR** x tax on 'bads' e.g. pollution, noise, land and resource use, NOT on 'goods' like energy, food, income and savings
  - revenue 'recycling' for double dividend – high enough ?
- **ET** x "grandfathering" does not make polluter pay – until 2012 ( only full auctioning or allocation to citizens will do )
  - creates international market for a global problem -> slow
- **Conclusion** x both CAN comply with "polluter pays" ( = law # 1 )
  - taxation is national option and generates revenue

***Progress 'fair pricing ' is slow & uncertain needs acceleration urgently***

INTEGeR... consult - GBE - London July 2009

## Alaska Permanent Fund

- Revenue from oil & gas to the citizens
- Independent fund since 1970
- Sustainable: will pay dividends 'forever', also after running out of fossil reserves
- Per capita in 2002 USD 1900,-
- Good way to recycle ecotaxes, Tobin Tax
- Good option for fair emission trade

*Alaska is a lesson learned for free*

## Earth Dividend

- Only states organise "the economy"
- Use global commons within limits of sustainability – by Tax or Cap & Trade
- Make companies compete on 'good' efficiency, not on 'bad' speculation
- All citizens are shareholders – get a dividend from taxes or 'coupons'

*Is Profitable for Planet and People*

## Benefits of Earth Dividend

- Self-interest of users to protect Nature
- Applies the Polluter Pays Principle
- Makes emission trade a 'fair' trade
- Makes Tax Reform really revenue-neutral
- Generates bottom-up purchasing power
- Brings non-corrupt, local growth in SMEs

## Political and NGO agenda

- Give Sustainable Globalisation and ethics 'new' financing instruments - urgently
- States and citizens need income certainty
- Sources Eco & Social Tax & Subsidies Reform, Tobin Tax, Land Value Tax, etc
- Base year for revenue neutrality – 2007 ?

# Contact

INTEGeR... consult, NL

*Helping you do business the right way !*

Projects “Entrepreneurs for Equity – B4FET”  
“Make emission trade a FAIR trade”  
“Desertec – integrated energy  
system”

Info & contact [www.integer-consult.com](http://www.integer-consult.com)

INTEGeR... consult - GBE - London July 2009