

FROM THE PAMPAS OF ARGENTINA TO THE PORT OF ROTTERDAM; THE LIGHTS ARE GREEN

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1. From Argentina to the Netherlands

For anyone fortunate enough to travel, the impact of the Dutch agricultural model is visible, especially in countries now known as 'emerging economies' – Brazil, Indonesia, the Philippines, Argentina. I have had the good fortune to visit Argentina regularly for more than 25 years. This country, which we know mainly for bringing us Messi, Maxima and Fransisco, is an excellent example of why our current economic model does not work for the people there, for the environment and, ultimately, for the people here in the Netherlands either.

In the early 1990s, when I first set foot in Buenos Aires and took the bus to Asunción, the capital of neighbouring Paraguay, I passed through endless pampas, marshy fields covered with herds of grazing cows. Birds of prey rested on poles alongside the road. When the bus stopped, several buckets of water were required to wash the insects from the windows, while I took the opportunity to enjoy salads made from fresh vegetables.

If I go to Argentina now, there is not a cow to be seen. And the insects have also gone. The pampas are full of soya and the country that was once so proud of its cattle industry now imports meat and has a thriving bio-industry. The vegetables, too, are no longer produced locally. A growing number of people are experiencing health problems because of the excessive and illegal use of toxic agricultural fertilizers. Employment in agriculture is declining. The work is now done primarily by engineers and machines and the soya is traded by international companies.

Together with energy, agriculture is the sector that has the greatest impact on the lives and wellbeing of everyone on Earth. In the past decade, industrial agriculture has left an increasingly noticeable mark on the world. It is the driver of land degradation, water pollution and deforestation and the cause of serious health problems. Thanks to this model, employment has decreased, land and water are controlled by an increasingly small group of people and the rural population is moving to the cities.

Argentina is a kind of magnifying glass that shows us what is wrong with our own economy. At first sight, we see only rapid economic development through fast-growing exports – in this case soya. But if we look closer, we see an economy that is growing only in quantity, but declining in quality. The wellbeing and health of the population are deteriorating. And in the medium-to-long term, there will be no more room for manoeuvre: the land will be exhausted, the water polluted and forests gone. What's more, the diversity of local economies will have disappeared, so that it will not be easy to restore the basis of the economy once soya is no longer productive. This model not only erodes employment in the present but is certainly a threat to employment in the future.

Argentina is also an example of how the choices we make in the Netherlands not only affect employment, lives and wellbeing within our own borders or within Europe, but also how people live in the rest of the world.

In what is left of my 20 minutes, I would like to show that this is not only a problem that affects Argentina. The Netherlands and Dutch policy are important factors in the global economy. I would not be standing here if I had no hope for change. That's why I will show you how the Dutch economy in particular has to change to enable us to play our role as a trading nation in different ways, if we dare to take our place among the innovators.

2. The long arm of the Netherlands

Before we start thinking about the alternative path to development we need to take, we have to focus our attention on a number of important facts. In many of the debates on the possible role to be played by the Netherlands, a kind of 'small fish in a big ocean' feeling comes to the surface. If, for example, we talk to the government or to Dutch

companies about their role in deforestation and health problems caused by soya cultivation, they invariably counter by saying that the Netherlands is much too small to make a difference.

But the Netherlands is not that small. Take a look at some of the facts and figures relating to food production and trade:

- In the University of Wageningen we have one of the world's leading knowledge centres in the field of agriculture, making us a dominant player on the international agenda on food and food production
- We are an important player in the development of infrastructure, especially ports
- Dutch food companies are among the world's leaders: FrieslandCampina is in the top five dairy producers, Unilever is in the top three food and consumer producers, and the port of Rotterdam is the third largest in the world, after Shanghai and Singapore.

Companies like this make the Netherlands a global player in the food production chain, as can be seen from the fact that we are:

- the second largest importer of soya from South America, after China
- and the world's second largest food exporter, after the US

But we don't only play an important role in the soya and broader food production chain.

- The Netherlands is the world's 23rd largest economy
- We were co-founders of the European Union, the largest trade bloc in the world
- Thanks to tax and investment treaties, which are very favourable for companies located in the Netherlands, 20% of worldwide international investments currently pass through this country

In short, a large number of opportunities lie within our reach that affect not only the way we consume and produce, but also the lives and wellbeing of others, and the way we treat the natural environment around the world.

In the Netherlands, we seem to think that, if we sit around doing nothing, solutions will present themselves. We believe that all our problems are caused by others, while we seek solutions within the borders of our own little country. But we have a greater influence on the world beyond those borders than we think. We therefore not only have the right, but also the duty, to think about that outside world and especially the

influence we have on it. We can of course do that from the need for short-term economic development and employment. But because we are dependent on the world outside and will continue to be so, we also have to develop a long-term perspective based on the ambition of ensuring that people all over the world can live in wellbeing, and in a way that respects the limits of our planet.

It is thus time to step 'out of the box', to think of the Dutch economy far beyond the borders of our own minute patch of land. We have to look ourselves straight in the eye and be honest about our role and the choices we have made so far, about the consequences of those choices for ourselves and for others in terms of the distribution of work and income, wealth and poverty, and their impact on the environment and climate. Our starting point must be that we have to share the Earth and everything on it with all of the other people that inhabit it.

The Netherlands is therefore not the small fish it thinks it is. We are one of the leading players in the global economy, especially in food production and trade.

But how do we fulfil that role now? And how can we do it differently?

3. Serious spin: greening the economy

There is a growing awareness that it cannot go on any longer in the same way. In recent months we have heard more and more talk about growing inequality. But, for the time being, all thoughts on a different form of economy are focused on making it greener.

It sounds wonderful – who doesn't want an economy that no longer degrades our natural environment, so that we can leave problems like deforestation and climate change far behind us without surrendering our prosperity at the same time?

Unfortunately, the way we are trying to green the economy is disappointingly lacking in imagination. In brief, it boils down to technological fixes to make our production and consumption more sustainable. Ambitious, large-scale initiatives are being cooked up, usually by governments and the directors of big companies. Farmers fishermen and people who live in harmony with the forest hardly get a look in.

The proposed solutions lack all ambition and usually consist primarily of agreements to once again respect existing legislation.

But this approach will not get us where we want to be. It will not reduce inequality – after all, the same people and companies are still in control, and the capital-intensive production and consumption model will not change in any real way. That is possible, because all kinds of rules designed to protect that model remain intact.

It is those rules that we have to do something about. And I would like to devote the time I have left to how we should do that.

4. What should we do?

To develop our perspective for the future, we can learn important lessons from nature.

One of the most important of those lessons is that no single ecosystem can survive on its own. The seas, and the coral and fish within them, depend on the influx of fresh water and sediment that flow down the rivers. If, as a consequence of deforestation and the excessive use of pesticides and other chemicals (as now occurs in soya cultivation), rivers carry too much pollution to the sea, that means the end of the coral. The coral, in turn, is a nursery for many kinds of fish. And if the nursery does not function, fish stocks decline. And that means less food for the hundreds of millions of people who depend on fish for their protein. This shows not only how our food production is a threat to itself, but also that without a common interest there can be no self-interest.

And that also applies to the Dutch economy. For us, too, self-interest can only be served if our common interests are protected. Yet, at the moment, our economy is dominated by thinking in terms of competition. We have taught ourselves to look at our own economy in isolation and to see others only as competitors. While, with our open economy, we can benefit more than any other by working together, showing solidarity and thinking in terms of complementarity.

That all sounds rather large-scale and ambitious, but let us look at it practically. We can take resolute steps in the right direction, if we dare to make choices. Do we really think that we can remain an 'island of bliss' in a global economy that increasingly pollutes the

planet and allows people to compete with machines and robots? Or will we opt for connection and solidarity?

If we acknowledge that we are dependent of the quality of economies elsewhere, as they form the basis of our production and trade model, we also have to recognize that we can only achieve improvements in employment and equality here if the same happens there, too.

That is the choice facing us: are we going to use our resources and position to strengthen other economies and make them sustainable so that together we can improve wellbeing in the long term? If so, then we have to be more consistent in the choices we make in our trade relations.

We therefore need much greater coherence between the trade agenda and our broader international agenda. And that calls for serious thinking as we will have to make a number of important changes.

I am going to list a few of those changes, but in doing so, I will stay away from the discussions on taxes on labour and capital, which the following presentation will address.

=> Let's start with one of the most shadowy links in our economic system: bilateral investment treaties.

First what we do now:

The Netherlands currently has 96 bilateral investment treaties. The treaties protect foreign investors in countries where they invest, allowing them to put profits before increasing wellbeing, employment or environmental protection in those countries.

=> How can we use these treaties to achieve real change?

The goal of promoting foreign investment is not a bad thing in itself. We can therefore maintain it. But that is only possible if the treaties contain reciprocal provisions that allow partner countries also to demand that the investors help create jobs, protect the environment and pay their taxes. Secondly, it is necessary that the 'shadowy' aspect of the treaties is removed, by bringing their legal administration into the public domain and especially by making the process of agreeing them more democratic.

=> We need to review our perspective on food and food production.
What do we do now?

Under the motto 'food security in 2030', the Netherlands is one of the main proponents of a model of large-scale, capital-intensive production that ignores the possibilities for more small-scale, diverse production systems that offer more employment and are in balance with their natural environment.

=> And, yes, we can really do this differently:

An increasing number of studies show that food security begins in our own backyards, and is therefore not necessarily improved by large-scale monocultures like soya and the bio-industry for meat.

We therefore have to stop monomaniac investment in capital-intensive agriculture through the 'Topsector Agri' and base our trade and investment policy on our broad knowledge of agriculture.

=> But there is something else we can do: contribute to the recovery of the world's ecosystems, 90% of which have been polluted or completely destroyed. By doing so, we will kill two birds with one stone: ensure that the forests, land and water contribute much more than now to food production with the use of far fewer artificial fertilizers and pesticides, and give a boost to local economies by giving them back production and jobs.

This is not an illusion. Both ENDS and other civil society organizations over the whole world are achieving considerable success in restoring forests and with the sustainable management of land and water. These are not small-scale initiatives; they often involve several countries and large groups of people.

=> Let us here in the Netherlands focus on these kinds of innovations, by integrating them into our production chains and supporting them with risk capital.

=> A last concrete step that we can take in the short term is to support 'voices from below': Dutch democracy and our welfare state are the direct consequence of citizens taking the initiative. Of people with money taking on their responsibilities for those less well-off, and of people without money standing up to protect their interests and being prepared to stick their necks out.

Those citizens' efforts have brought us a lot of benefits.

=> But what do we do with that knowledge and experience?

We allow such efforts in other parts of the world to be increasingly repressed. Instead of promoting transparent processes, we attempt to undermine the policy agenda advocated by civil society organizations through trade agreements and we impose no strict requirements on companies to incorporate local participation into their processes.

=> What should we do differently?

Citizens' initiatives can produce good results. Yet our development cooperation focuses increasingly on the private sector and ignores civil society movements. We need to invest again in organizations that stand for better governance, that defend people and the environment, and which give realistic information on the local investment climate and investment risks in certain regions. And in local initiatives that develop new economic activities. In the long term, that will provide us with sustainable trading partners. The Dutch government has a leading role to play in this respect, also beyond development cooperation, for example in its efforts in the field of economic diplomacy.

The lights are green

We know what we should be; our global economy is in crisis, not in the last instance because we do not dare to think of a global economy in balance with people and the environment. We have the knowledge, the technology and the influence to do something about this. As an open economy, trading on the basis of the ambition to allow others to share the benefits of development is in our short and long-term interests.

With the influence that we have, we can safely say that we should be capable of turning around the monomaniac scenarios that I witnessed to my great alarm in the pampas of Argentina, but which are visible all around the world. As far as I am concerned, on the road to sustainable employment and fair and equal trade relations, the traffic lights are green. All we have to do is choose to take that road.