

## **Great success for the eco-social agenda<sup>1</sup>**

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<sup>1</sup> A more detailed description can be found in "... and things are changing after all". FAW/n Report, 2015

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For the advocates of an eco-social market economy, it is encouraging to see how international orientation has changed in economic issues since the global financial crisis of 2007/2008. Like the UN, the OECD, IMF, and WB are now speaking of the necessity of realising *green and inclusive markets / green and inclusive growth*. The dominance of the free market philosophy has been broken.

In the same spirit there is now discussion of the fact that free trade can sometimes be damaging. The Nobel laureate Paul Samuelson, who died in 2009, is now being quoted, and most recently also the former US Treasury Secretary Larry Summers. The "proof" that supposedly goes back to Ricardo, that free trade is always worthwhile, had in any case already been undergoing a (probably deliberately produced) misunderstanding: Ricardo has never made such a statement in full generality, let alone proving it, but has only done so under very strict conditions.

A Green Climate Fund of at least 100 billion dollars has already been set for the Paris climate treaty being sought for in December, which the rich countries are meant to fulfil annually from 2020, which funds are to be used for financing climate protection and adaptation measures pertaining to climate change in poorer countries. This is an important new element of cross-financing from the fully developed countries to the rest of the States, considering that the total budget for development cooperation (ODA) is currently (only) 135 billion dollars annually.

At the OECD/G20 level the principle of an "automatic data exchange" between banks and tax offices has also been agreed for 50 States. Switzerland has significantly changed its "business model".

The OECD has further addressed the need for balanced income distributions, and lamented the widening gap in the rich countries and its negative impact on economic performance. With its consistent argumentation the OECD has contributed to a minimum wage having finally been introduced in Germany. The balance of income distribution, a major concern of the eco-social movement, is also included as one of the criteria in the sustainability index of the OECD, the "Better Life Index".

Lastly, the EU is not only going to finally harmonize the tax base for the income taxes of companies, but has now at last addressed minimum tax rates for companies.

The eco-social agenda has made great strides.