

# TRUE PRICE MANIFESTO

Consultation draft



# True Price Manifesto

We believe that true pricing is a bedrock of a sustainable and inclusive economy.

True pricing entails the calculation of true prices and the facilitation of paying true prices as an instrument of the remediation of harm to people and communities. We believe that true pricing increases transparency, enables individual action to support sustainable economic activity, and contributes to an efficient transition towards a sustainable and inclusive economy, one that does not breach human rights, labour rights or environmental rights.

As such, we have formulated the True Price Manifesto to set out the philosophy underlying the true price vision.

## We are the True Price movement

**We see a global economy that is broken and want to fix it.** *Economic growth has produced prosperity for many but has also been a key driver behind some the largest societal problems. Production and consumption have led to underpayment, child labour, climate change, declining biodiversity and many other so-called externalities.*

- 1.1 We recognise the universal right of current and future generations to pursue a good and dignified life. The fulfilment of this right is the starting point of sustainable development.
- 1.2 We recognise that the universal right to pursue a good and dignified life is supported by other universal rights, in particular specific human rights, labour rights and environmental rights as declared in human rights law, the Sustainable Development Goals, and other declarations and resolutions.

**We believe a sustainable and inclusive economy is possible.** *This is an economy that respects universal rights by preventing any breach and, as a last resort, remediates any damage caused due to breaches that could not be avoided. The technology, knowledge and skills to achieve this are there but need to be put to right cause.*

- 1.3 We recognise that the global economy and the markets it contains play a crucial role in the degree to which the universal rights of people are met, both in a positive and a negative manner.
- 1.4 We recognise the magnitude of the challenge in ensuring the right of all people to pursue a good and dignified life. The global market economy has contributed to both sides of the equation: although it has produced prosperity for many, it has also given rise to major threats to the livelihoods of current and future generations in enabling poverty, exploitation and inequality among workers worldwide and by eroding the climate, natural resources, biodiversity and ecosystems.
- 1.5 We recognise these threats as evidence that in practise, economic activity can lead to breaches of universal rights.
- 1.6 We recognise that a root cause behind the challenge of the market economy is the following: when economic actors contribute to breaching universal rights, the associated costs of harm are external to them. This leads to



what we call unsustainable external costs. Businesses and consumers do not bear these costs. In fact, they are typically unaware of their existence.

- 1.7 We recognise that allowing for breaches of universal rights often gives rise to cheaper products and higher profit margins. The market economy thus provides an incentive for breaching rights rather than respecting them.

**We recognize that universal rights and collective action are the solution.** *To safeguard that current and future generations can pursue a good and dignified life collective action such as the Sustainable Development Goals are necessary. Collective action needs a solid normative foundation for shared understanding and accountability. Human Rights law and other declarations and resolutions provide this foundation.*

- 1.8 We believe that a sustainable and inclusive economy is possible, one in which economic activity does not lead to the breach of any or all universal rights. We believe this is an aim worth pursuing within a market context.

- 1.9 We believe that remediating harm and preventing the most grievous breaches must be given first priority before an economy can be realised in which economic activity does not lead to the breach of any or all universal rights.

**We think a crucial step in realising a sustainable and inclusive economy is true pricing.** *The true price is the price you have to pay for a product if social and environmental costs are added on top of the market price. Only when all products will be true priced the market will incentivize prevention and remediation of social and environmental costs, and the universal rights of current and future generations will be respected.*

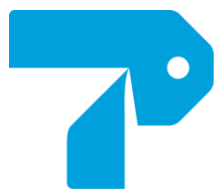
- 1.10 We believe that an integral step in realising a sustainable and inclusive economy is to ‘internalise’ unsustainable external costs. This entails making sure that such costs are prevented or borne by the businesses and consumers that benefit from the economic processes that caused the costs in the first place. If this is achieved, then the prices paid for market transactions will be true prices. The true price is the price paid to purchase a product that is either free of unsustainable external costs caused by its production and consumption, or where these costs are wholly remediated. If true prices are paid, universal rights of current and future generations will be respected.

**We need you to be part of this.** *For a sustainable and inclusive economy everyone has a role to play. Governments have a duty to protect the rights of all people, businesses have a responsibility to respect these rights, prevent breaches and remediate harm. And everyone, as a consumer, shares this responsibility, as a driving force in the economy.*

- 1.11 We believe that, in addition to the government’s duty to protect the universal rights of all people, businesses also bear a responsibility to respect these rights. We also believe that everyone, as a consumer, shares this responsibility, as consumers are a driving force in markets and in the economy as a whole.

- 1.12 We believe that it is our responsibility as governments, businesses, and consumers to actively work towards the prevention of breaches of universal rights in the production, trade and consumption of goods and services.

- 1.13 We believe that it is our additional responsibility to remediate all adverse effects on people and communities, for current and future generations. We believe that this also means that we, as governments, businesses, and consumers share a responsibility to pay true prices and to enable an economy where true prices are paid.



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