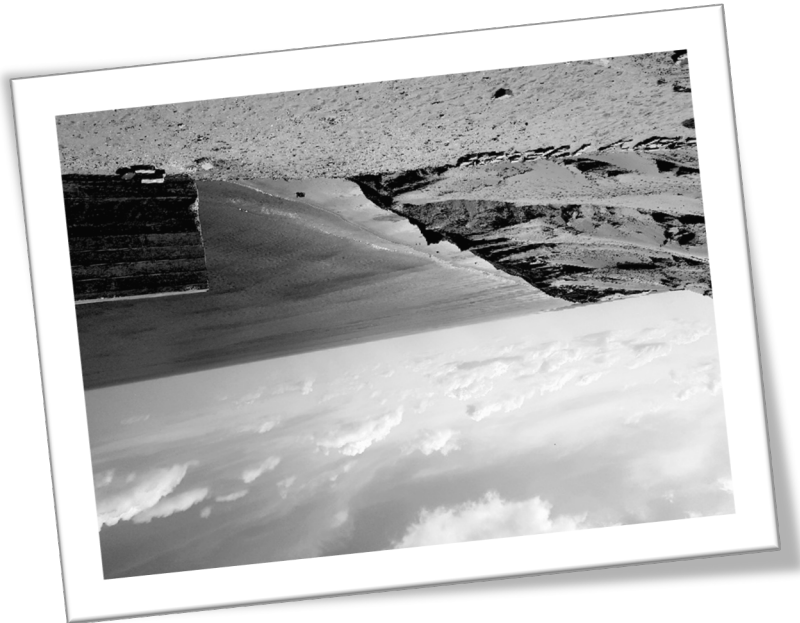


# Upside down world – Part 2/3

**In the future, exploitative production must be more expensive than fair production!**

Lisa Muhr, blog post, 16th November 2020, <https://www.lisa-muhr.at/media/>



In our first blog post on October 23rd on the subject of “Upside Down World...” I made the assertion that it should be possible to change the framework conditions of our economy in a global context in such a way that fairly manufactured products can one day become cheaper than exploitatively manufactured ones. In today's second and last third part (next week) of our mind journey "Upside Down World" we will see how this could succeed:

In order to achieve the big goal, a number of factors must come together. A measure alone is not enough. And we need politicians to have the courage to define new legal framework conditions that will make it possible to achieve this ambitious goal. So let's start our mind journey:

At the moment there are de facto no rules as to how products from outside Europe that are imported into Europe must be made. The so-called "origin or country of origin principle" applies: companies must comply with the legal regulations of the country in which they produce. The result is extremely environmentally harmful cheap products, manufactured in the countries of the South by people who have to work and exist under catastrophic social conditions (see blog post “Why minimum wages in the South are not enough to live on” from October 8th).

In contrast, all companies that produce within Europe have to meet strict requirements such as a REACH chemicals regulation, labor law and collective bargaining standards and many other legal regulations. This distorts competition, ruins the price structure

and puts European production sites at an immense disadvantage. No wonder that many companies in Europe are closing and entire sectors such as the textile industry are dying. The new trend towards regionality will not be able to make up for this imbalance on its own.

### **“CODE OF PRODUCT” to put the price gap into perspective**

If companies and industries that are in international, global competition are to remain in Europe, this imbalance must be corrected. This requires several steps. The first step is to create the same conditions and requirements for the product quality: **ALL** products, regardless of whether they are produced within Europe or imported into the European market from outside Europe, should have to meet the same minimum standards - laid down in a so-called **“CODE OF PRODUCT” (COP)**. The minimum standards could be tailored to the respective product groups or sectors and would have to be developed within the framework of expert/stakeholder processes. A cross-industry, mandatory minimum basis should apply to everyone:

- Compliance with the ILO core labor standards along the entire production chain
- Compliance with all specifications from the REACH chemicals regulation along the entire production chain
- Transparent listing of ALL ingredients on the product (as is now the case with all foods and cosmetics)
- Transparent listing of ALL production and supplier companies along the entire production chain (tracking, QR code)

If products that are produced in the South for the European market had to comply with these minimum standards, the price ratio to European products would change significantly. We would have products on the European market that would correspond much better to both an ecological balance in terms of climate goals and a social balance in terms of human rights (for workers in the south) than the cheap disposable products of today. There are complex answers to the argument that many people would then no longer be able to afford consumption, which would go beyond the scope of this blog post. But we will come back to this in a later post.

We cannot dictate to other countries what laws and regulations they enact. But we can boldly go ahead in Europe and determine which requirements products must meet that are allowed to be traded and sold here. The **CODE OF PRODUCT** could be a first step on the way to a new pricing of products in which eco-fair production takes precedence over exploitation.

The **CODE OF PRODUCT** could be a relevant contribution to the global achievement of the 1.5 degree climate target. Europe should have the courage to take this bold step on the world market, convinced that other nations and continents will have to take similar measures in times of the climate crisis. We have no other choice if we want to survive on this planet. It's a matter of time who takes the first step.

### **But “CODE OF PRODUCT” is not enough**

However, with its minimum requirements alone, the **CODE OF PRODUCT** will not be able to completely compensate for the imbalance in the so-called "free" market. In order to achieve the big goal (the vision of the goddess of luck), that one day fairly

manufactured products can actually be offered on the market more cheaply than exploitatively manufactured ones, additional, essential levers of change are needed, which we will look at next week in the third and last part of our mental journey "Upside Down World...".

I look forward to you and your opinion. Your



Lisa Muhr

### **“CODE OF PRODUCT” instead of “Code of Conduct” – the background**

The term **CODE OF PRODUCT (COP)** does not officially exist, but is a political demand on my part. The **COP** is an allusion to the well-known "Code of Conduct", which is used by many companies, unfortunately often more for greenwashing activities\*) than for serious CSR (Corporate Social Responsibility) in the core business. Because the "Code of Conduct" is a voluntary list of activities that a company undertakes to act sustainably. There is no uniform standard, no obligation to set minimum standards or demonstrably meet the self-imposed standards. The consequence of this is that many companies do not even take part keep their own "Code of Conduct", although they present their activities in dazzling presentations on their websites. Companies often misuse the "Code of Conduct" for strategic "greenwashing" activities \*), i.e. they present themselves "greener" than they are in order to make capital out of it be a benchmark for credibility and transparency in the sense of honest and holistic sustainability. There are numerous documents about the improper use of the "Code of Conduct" and the "greenwashing" actions\*) that well-known companies are using - see the texts of the Clean Clothes Campaign.

In contrast, the **CODE OF PRODUCT (COP)** is intended to guarantee actual transparency as well as minimum social and ecological standards for all products that may be traded and sold on the European market.

\*) We will take a closer look at what “greenwashing” means and how to recognize it in another blog post.