

FUTURE WEALTH: A NEW ECONOMICS FOR THE 21ST CENTURY

by

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Section 3

This section includes Chapters 11 to 14 plus the Appendix and the Index.

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Incomes and Capital

Key features of an enabling and conserving economy will, as suggested in Chapter 4, be to do with the distribution of incomes and capital.

For many people, perhaps most, the central aspect of dependence in modern economic life, and the source of the dependency culture which modern economic life has created, is dependence on getting an income either from an employer or from the state. Although the modern industrial state accepts that all its citizens should receive a basic income in one or other of these ways, the actual arrangements for distributing incomes restrict the economic freedom of many, perhaps most, employees and claimants and make them feel dependent.

Because the need for an adequate money income has loomed so large and immediate in most people's lives, those supporting or representing the interests of employees and claimants, such as the trades unions and the pressure groups and campaigning organizations of the poverty lobby, have concentrated mainly on trying to improve the level of incomes under existing arrangements. They have not been able to pay as much attention to the possibility of replacing the existing arrangements, under which paid employment is regarded as the norm and those receiving state benefits are treated as second-class exceptions, with new arrangements that would be less discriminatory, dependency-creating and disabling. Nor have they been able to pay much attention to the possibility that wider distribution of capital could help to solve the problem of low incomes.

So it is helpful to remind ourselves yet again how people originally come to depend on a money income from an employer or the state. This starts when modern economic development deprives people of the capital resources they have previously enjoyed, and hands those capital resources over to people stronger and richer than themselves. This happened in past centuries in what we now call the industrialized countries, when the enclosures of land deprived "the common people" of their capital, that is the wherewithal—the means of production—to supply their own food, to build their own homes,

and otherwise to support themselves and their families in a mainly subsistence way of life. From having enjoyed a considerable degree of economic self-reliance, they were turned into paid labourers. The same thing is happening now in other parts of the world—to the arctic peoples being deprived of their means of livelihood by the pipeline operations of oil and gas companies, to the equatorial forest peoples being deprived of theirs by multinational loggers and ranchers, and to Asian and African peasants being deprived of theirs by big dams and other development projects sponsored by national governments and the World Bank.

In working towards a new distribution of incomes and capital, therefore, those of us who live in highly monetarized economies need to keep in mind, not only the very close connection between financial capital and financial income, but also the importance of real non-financial capital and real non-financial income. By real non-financial capital I mean land and houses and equipment and other physical assets which enable people either to earn financial incomes or save financial costs, or both. By real non-financial income I mean the benefits created by informal economic activity, including food and other necessities of life which people—or their families, friends and neighbours—produce directly for their own use.

That non-financial capital and income can, indeed, be just as real as financial capital and income, and that financial security need not be the only basis for real security, was clearly put by Bertram Pokiak and Pierre Tlokka, two native people from Northern Canada, when giving evidence to a public enquiry some years ago:

Just like you white people working for wages and you have money in the bank, well my bank was here, all around. . . . Whatever kind of food I wanted, if I wanted caribou I'd go up in the mountains. In the delta I get mink, muskrat. But I never make abig trapper. I just get enough for my own use the coming year. Next year the animals are going to be there anyway, that's my bank.

And:

The white people, they always have some money in the bank. I will never have any money in the bank. The only banking I could do is something that is stored in the bush and live off it. That's my bank. That's my saving account right there.¹

A Basic Income Scheme

Under the proposed Basic Income Scheme every citizen would receive a basic weekly income from the state unconditionally as of right. This would not be

taxed. It would replace the complex existing system of benefits and tax allowances, and it would include the existing state pension.

This idea is supported by people from every part of the political spectrum. It would have many advantages. Unemployment, as a practical administrative status, would be abolished and with it the division of citizens into two classes, employed and unemployed. The poverty trap—which now operates by withdrawing benefits from people when they begin to earn money for themselves—would be abolished, and many useful activities that now fall into the black economy would be legitimized. The unconditional basic income would enable many homeworkers and voluntary workers to do unpaid caring and family work and to undertake many kinds of unpaid productive work in the informal economy. It would make possible a freer market in labour and thus contribute to business competitiveness, since employees would no longer be dependent on their jobs to provide their basic income. Some wages and salaries would no doubt fall as a result. But, at the same time, since poorer workers would become less dependent on unpleasant, menial work for their living, employers would probably have to increase the wages paid for such work. It might then be possible to reverse the present paradoxical situation in which well-off people get highly paid for doing pleasant, interesting work and badly-off people get poorly paid for doing disagreeable but essential work.²

Much detailed work has already been done on the practicalities of this idea, such as how high the level of the universal, unconditional basic income would be set, and how it would be funded—what taxes would have to be raised to provide the money for it. Outstanding in Britain has been the work of the late Conservative Member of Parliament, Sir Brandon Rhys Williams, and his research assistant, Hermione Parker.³ A Basic Income Research Group (BIRG) now exists in the UK, affiliated to a Basic Income European Network (BIEN).⁴

However, as yet no consensus has been reached on the feasibility of the scheme. The general assumption has been that the basic income would be financed out of income tax (applied to all incomes additional to the basic income), or out of value added tax, or out of a mixture of the two. But calculations seem to show that, if a full basic income were to be financed that way, income tax might rise to a level that would discourage people from taking paid work, and the regressive effect of VAT—the tax burden it would place upon poor people contrasted with rich people—might become too great. Other sources of finance, including the land and energy taxes proposed in Chapter 10, will need to be considered.

Lying behind the discussion about practicalities, people tend either to support or oppose the idea of an unconditional basic income according to the view they take of human nature. Supporters, including myself, tend to

welcome the idea on the grounds that many people are now prevented from taking up socially useful and personally rewarding work, because under today's arrangements they can't afford to give up an existing job, however valueless they may feel it to be, or—if they are unemployed—to risk losing their eligibility for benefits. We argue that the Basic Income Scheme would liberate such people to do useful work. Opponents argue that, on the contrary, if everyone received an unconditional basic income, many people would relax into irresponsible idleness. The right of every citizen to an income would not be matched by an obligation to make any positive contribution to the economic life of society.

That this difference of opinion cannot straightforwardly be resolved is partly due to the fact that economic life is no longer, since the middle ages, based primarily on the idea of mutual rights and obligations. That raises a general issue for the twenty-first-century economic order that needs to be explored further—see Chapter 3. However, the more immediate need is for further study of the feasibility of financing a full basic income, taking account—as previous research has not—of revenue that may be expected from the land and energy taxes proposed in Chapter 10.

This study of the feasibility of financing a full Basic Income Scheme will also have to take into account—again as previous research has not—the possible effects of wider capital ownership on people's incomes and income needs. Financial capital brings in unearned income; home ownership brings in a saving of expenditure on rent; and ownership of means of production enables people to earn income from their work, or to reduce their personal and household expenditure by providing some of the necessities of life for themselves, or a bit of both. In other words, the level of income that a Basic Income Scheme will have to provide can be reduced by companion measures that result in a wider distribution of capital.

Citizen Capitalists

David Howell, in his important book *Blind Victory*, grasps very firmly the connection between capital ownership and incomes, though he is specifically concerned with policies to free up the labour market and not necessarily with the introduction of a Basic Income Scheme as one of those policies. He says, "The missing half of the proposition, from which talk of more flexible wages should never be disconnected, is that in a liberal and decentralised society ... support for a decent living standard must be expected to come not just from wages but from capital sources as well. The opening up and vigorous development of these capital sources, as a vital additional prop to family living standards, is just as much part of the necessary labour market reform as are all the other proposals for increased wage flexibility and for lifting the burdens that prevent the labour market working." The title of the chapter

from which that quotation comes is "Wider Ownership: The Absolutely Central Goal". In it Howell argues powerfully that wider ownership is "not just another piece of anti-socialist and anti-collectivist rhetoric, but the key to the solution to the Keynesian dilemma, the successor idea to the Keynesian economic and political order".⁵

Ownership by individuals can be widened in a number of different ways. These include:

- enabling more people to build up their own self-employed businesses;
- encouraging wider share ownership, by enabling more employees to own shares in the companies which employ them, and by enabling more citizens to own shares in privatized nationalized industries;
- enabling more people to build up their own personal pension schemes and their own financial savings;
- enabling more people to own their own houses; and
- making it easier for more people to own their own land.

In Britain in the nineteen-eighties the Conservative government under Mrs Thatcher has subscribed to all of these ideas except the last, at least in rhetoric and theory. But the actual results have been rather disappointing. There certainly has been an increase in the number of people setting up their own businesses, but it is too early to say how permanent and deep-rooted a change this will prove to be. Some more individuals do now own shares, but in practice privatization has been not so much about creating a nation of citizen capitalists as about raising finance for the Exchequer—and transmuting the power of nationalized industry managers and Whitehall civil servants into power and wealth for the Conservatives' friends and supporters in the City. The net result of privatization may have been to put the clock back, by strengthening the impression in most people's minds that shareholding is more to do with speculation and windfall gains for the undeserving than with achieving greater economic independence and security for all. Some progress has been made on personal pension plans and personal equity plans, but not of a fundamental kind. So far as housing is concerned, ownership has certainly grown with the transfer of council houses into private hands, but at the same time the escalating cost of houses has actually made it more difficult for many people, especially young people, to buy their own houses. And, as for a nation of citizen landowners, that idea has never even figured in the rhetoric of the Thatcher government.

The fact is, I fear, that—with honourable exceptions like David Howell—a majority of Conservatives have looked at these questions through the eyes of an employing and shareholding class on the top half of a ladder whose lower rungs are occupied by wage-earning employees. They have been unable to

imagine a future society of equal citizens or a future economic structure not taking the form of a hierarchical ladder of that kind. They have perceived the class division between those who have capital and those who don't as a permanent feature of society. The exploitative, authoritarian and censorious streak in Conservative psychology has welcomed greater flexibility in the labour market, not as part of an enabling package which will enlarge the economic freedom of people now dependent on wage-work, but as an instrument for reducing their independence and teaching them to behave. The typical Conservatives of the nineteen-eighties have not wanted to get rid of the ladder. Nor have they wanted wage-workers to join them on its higher rungs. God forbid! They have wanted to keep them more firmly down on the lower rungs where they belong!

In Britain, then, a key task for the early nineteen-nineties is to establish in the public mind that, in spite of the false start made in the eighties, wider ownership must be a central feature of the twenty-first-century economy. Many more citizens than today should then enjoy a right to the personal ownership of productive capital assets, financial and non-financial.

In order to get this firmly established, it will be necessary to show what is already happening as regards self-employed business development, wider share ownership both by employees and by the more general public, personal pensions and personal savings plans, ownership of housing, and ownership of land. It will also be necessary to show people how further progress in these respects can be encouraged. Very many specific schemes and ideas need to be brought together and documented in the context of wider capital ownership, ranging from ESOPs (employee stock ownership plans) and GSOPs (general stock ownership plans) through Industrial Common Ownership, to sweat-equity projects for self-build housing.⁶

It may, however, turn out that the most powerful encouragement for wider capital ownership will come from the ripple effects of the tax proposals in Chapter 10. Removing taxes on incomes and capital will make every kind of financial saving simpler and more attractive for many people. Removing tax allowances will reduce the incentives for rich individuals and companies to bid up the price of houses and land. The tax on land will further tend to reduce the attractiveness of land and houses as speculative assets for people and organizations who do not intend to make full use of them. House ownership and land ownership should then become more accessible for many people who are priced out of the housing and land markets today. But we cannot settle these questions without proper study and documentation. This is needed urgently. We need to be able to show in sufficient detail what changes in the distribution of capital, as well as in the distribution of incomes, the tax changes proposed in Chapter 10 could be expected to bring about.

Co-operative Capitalists, Self-Reliant Socialists

Wider ownership will involve spreading the ownership of capital assets more widely not only among individual people, but also among groups of people cooperatively. Although individual capital ownership goes with conventional right-wing ideology and co-operative capital ownership with conventional left-wing ideology, in practice the two often shade into each other. For example, a co-operatively developed residential community may enable its householders to build up an equity stake in their own homes, when on their own they might have found this difficult.

There is very great scope for the further expansion of co-operative capitalism in the spheres of:

- enterprise (producer and consumer co-operatives);
- housing (housing co-operatives and housing associations controlled by the residents);
- land (co-operative and community land trusts, in which ownership and control of the piece of land in question is owned and controlled cooperatively either by those living on it or by the local community as a whole);
- savings and finance (credit unions and other forms of co-operative and mutual savings and investment funds).

There is now a good deal of practical experience about how these forms of cooperative capitalism or self-reliant socialism can be made to work.⁷ The need now is to make this knowhow more widely available as a starting point for other people. Apart from the special managerial, technical, marketing and accountancy skills needed for enterprises of this kind, which I shall mention again in a moment, what is wanted first and foremost is a ready made constitutional framework for co-operative enterprise and co-operative capital ownership in connection with any sphere of economic or social activity. It must combine scope for personal initiative with necessary collective safeguards. For example, members of a co-operative should, if possible, have scope to build up a personal capital stake in the enterprise which they will be able to realize if for any reason they decide to move on. But this must be arranged in a way that does not risk the enterprise as a whole coming under the control of a minority of participants or becoming vulnerable to takeover from outside.

Another need is for public policies which will encourage a more favourable institutional climate for self-reliant socialist or co-operative capitalist developments. Public spending programmes which—as recommended in Chapter 8—rely on the third sector, and not just the conventional government and commercial sectors, can make a big contribution here. More

specifically, very few lawyers, accountants and bankers, and comparatively few business managers and technical and marketing people in any country in the world are yet familiar with the requirements of the third sector. There is a vital skill shortage to be remedied here as a pump-priming exercise, until a market for these skills, large enough to be self-sustaining, has built up.

New Financial Institutions

One way of helping to widen capital ownership is to make investment capital more easily accessible to larger numbers of people. And that brings us directly to one way in which financial institutions will have to adapt to twenty-first-century needs.

As the numbers of citizen capitalists and co-operative capitalists grow, access to investment capital will, of course, tend to widen automatically. Members of credit unions and other mutual savings institutions will have access to their own savings. Others will be better able than now to provide, either personally or cooperatively, the collateral needed to borrow investment money from existing banks and building societies and other financial institutions. But new financial services and new types of financial institution, such as community banks and local investment funds geared to twenty-first-century values and demand, will also be needed to support the spread of citizen and co-operative capitalism. As capital ownership widens, this will itself create a self-sustaining market for these new financial services and institutions. But for the near future, again as a pump-priming exercise, special encouragement should be given to new initiatives in this field.

Why should special encouragement be necessary? Well, we all know why "most bankers dwell in marble halls". It is

"because they all observe one rule
which woe betide the banker who fails to heed it,
which is you must never lend any money to anybody
unless they don't need it."

Ogden Nash was being funny, but the underlying truth is all too serious. Conventional financial institutions are biased, as is the conventional economic system which has thrown them up, against a wider distribution of wealth. In fact, they are positively biased towards transferring resources from the poor to the rich, because that is more profitable for them. Third World debt is the most obvious current example of banks transferring resources from poor to rich, but by no means the only one. The national branch banking networks in countries like Britain systematically siphon the savings of people in poor parts of the country into investment in richer and more profitable parts, or channel them—through the international financial

markets—to other richer and more profitable parts of the world. According to conventional banking principles this is quite natural and proper. Banks are expected to get the best available return on their money. They would be failing in their commercial duty if they did not do so.

Again, a considerable body of experience and know-how is now available, both from industrialized and Third World countries, about setting up grassroots banking and financial institutions to serve the needs of local people.⁸ A priority task for the nineteen-nineties is to make this more widely available. In general, we need to apply to financial institutions the principles proposed in Chapter 8 for all economic organizations. More specifically, we need to establish the idea that one of the prime aims of financial institutions in the enabling economy of the twenty-first century will be to find ways of helping people, either individually or co-operatively, to become owners of capital.

Priority Tasks

A high priority for the early 1990s is to get it widely understood that new approaches to the distribution of both incomes and capital will be important features of the twenty-first-century economy. The two must go together, as closely linked parts of a larger enabling package.

The right to a basic income must be decoupled from an obligation to undertake paid work. A basic income should be paid to every citizen unconditionally, as of right. If, as is necessary, this idea is to reach the agenda for mainstream political discussion and debate in the next few years, urgent further study is needed of how to finance a Basic Income Scheme. This must be closely linked with study of the feasibility of shifting the tax burden off financial income, capital and value added, and on to the occupation of land and the use of energy and resources, as proposed in Chapter 10. It must take into account possibilities for the wider distribution of capital and the effect these would have on income and income needs.

The wider distribution of capital, individually and co-operatively owned, financial and non-financial including land, is of central importance. There is a great deal of relevant experience and research, and many proposals for taking things forward. But hitherto the field has been regarded as of secondary economic importance. It has also been fragmented between widely divergent interest groups, often with opposed right-left political sympathies, such as the wider share ownership movement and the community land trust movement, and the small business movement and the co-operative movement. What is urgently needed now is to bring the pieces

together in a non-party-political context. We must establish the scope for wider capital ownership in all its forms as the "successor idea to the Keynesian economic and political order" and a vital feature of the twenty-first-century economy.

These new approaches to the distribution of incomes and capital, together with the need to make investment capital more widely accessible, will call for new financial services and financial institutions. Financial institutions whose function is to enable people who are not already significant owners of capital to build up a position of greater financial self-reliance, individually and cooperatively, will be a new feature of the twenty-first-century economy. The seeds of this development already exist. A priority task for the 1990s is to clarify plans for fostering it.

Notes and References

¹ *Northern Frontier, Northern Homeland*, Minister of Supply and Services, Canada, 1977, p. 94. This beautifully produced report of the Mackenzie Valley Pipeline Inquiry by Mr Justice Thomas R. Berger is chock full of insights into an economic way of life based on renewable resources, and of the destructive impact on it of modern industrialized development.

² Fuller accounts of the arguments for a Basic Income Scheme will be found in Tony Walter, *Basic Income: Freedom from Poverty, Freedom to Work*, Marion Boyars, 1989. Also see index references to "guaranteed basic income" and "basic income" in *Future Work* and *The Living Economy*.

³ See, for example, *Stepping Stones to Independence: National Insurance after 1990*, by Brandon Rhys Williams and edited after his death by Hermione Parker, with a foreword by Rt Hon. David Howell MP, Chairman of the One Nation group of Conservative MPs, and a preface by Professor James Meade; Aberdeen University Press, 1989.

⁴ The Basic Income Research Group, 102 Pepys Road, London SE14 5SG, publishes a quarterly *BIRG Bulletin* and holds seminars and conferences. The international secretary of the Basic Income European Network (BIEN) is Walter Van Trier, Bosduifstraat 21, 2018 Antwerpen, Belgium.

⁵ David Howell, *Blind Victory: A Study in Income, Wealth and Power*, Hamish Hamilton, 1986.

⁶ Some of these are discussed in *Future Work*—see index references to "capital"—and in *The Living Economy*. But neither book, and no other that I know of, puts forward a comprehensive package of practical proposals for a wider distribution of capital in all its forms.

⁷ Again, references to many examples will be found in *Future Work* and *The Living Economy*. But a comprehensive approach to the development of cooperative capital ownership in connection with all aspects of economic and social life, still has to be worked up.

⁸ I gave examples in "The Economics Of Local Recovery" and "Socially Directed Investment: Its Potential Role In Local Development", papers presented to The Other Economic Summit in 1986 and to a New Economics Foundation conference on "Converging Local Initiatives" in 1987 (New Economics Foundation, 88/94 Wentworth Street, London E1 7SE).

[2005 Note. The text of the 1987 paper on Soccially Directed Investment can be downloaded from the TOES & NEF section of this website.]

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Whose Money System Is It, Anyway?

How, then, can we make the money system work more fairly and efficiently as a vital part of an enabling and conserving multi-level one-world economy? The short answer is, I suggest, twofold. First, we must look at money in the new way suggested in Chapter 9, thinking of it not so much as a kind of commodity some of which belongs to each one of us, but rather as a system in which we all participate. Second, we must question whether the state and banking monopoly over this system, derived historically from the power of kings to mint coins, is still useful or necessary.

This chapter takes us into this new ground. Earlier chapters have suggested what various economic agents—people and households, local, national and international governments, and other organizations—can do to control the flows of money to them and from them more purposefully. The more democratic and open approach to organizational decision-making of Chapter 8, the tax changes of Chapter 10, and the changes in the distribution of incomes and capital of Chapter 11, can all help to improve the overall fairness and efficiency of how the money system operates. But they will not touch the basic features of the money system itself: what currencies are permitted and how they can be interchanged with one another; how money is brought into existence and made available for use; how credit and debt are created; and what effect interest has on economic life.

What changes are now needed in these respects? These are probably the most difficult, as well as some of the most important, questions that the twenty-first-century economy will have to resolve. It is possible to see how to start on the right way forward, but not yet to see what the long-term answers to these questions should be. For that reason, parts of this chapter are rather more theoretical and speculative than some other chapters.

This is partly because so much mystification has grown up around the monetary and financial system. But it is also because of the genuine

conceptual complexity of the issues. For example, how are we to establish an objective standard of value, to which—it is still widely assumed—a sound money system must be linked? This seems like a variant of the old problem about the relationship between actual prices and real values that troubled Adam Smith,¹ and the even older and more general problem about the relationship between symbols and reality that has puzzled philosophers for thousands of years. Ultimately, it is a non-problem, in the sense that it has no possible solution. For practical purposes we have to start by recognizing this, and then going on from there. After all, the scoring units in many scoring systems, like goals in football, are not tied to baskets of commodities in the real world. Money is just a scoring system of a particular kind. Why does it have to be any different? But these are clearly not easy questions to unravel.

So this is one of the areas in which genuinely sophisticated analytical study and creative imagination of a logical and mathematical kind, as well as powerful politico-economic advocacy, will be needed in the next few years. This chapter suggests how we might most usefully start.

A Multi-Level Currency System

Earlier chapters have touched on future currency developments—Chapter 5 on the possible role of local currencies in more self-reliant local economies. Chapter 6 on the emergence of a European currency, and Chapter 7 on the need for a world currency. One important task for the early nineteen-nineties will be to encourage the introduction and use of local and international currencies. Another will be to work out how, as these new currencies evolve, a multi-level currency structure—for the multi-level one-world economy of the twenty-first century—would and should work.

We need to start by hypothesizing such a multi-level structure of currencies—a world currency for use in international trading, national currencies for use in national trading, and local currencies for use in local trading, together with regional or continental currencies like the ecu (European currency unit) for use in regional or continental trading. We also need to envisage freedom to exchange currencies, but with a buffering mechanism or threshold between them. This might take the form of the international currency tax on exchanges between one national currency and another suggested in Chapter 7. As local currencies are introduced, comparable taxes at national level on local currency exchange transactions should be considered. These taxes—by helping to make it more costly to pay for imported than home-produced goods and services—will encourage economic self-reliance at national and local levels. We need to imagine what will happen as, in the course of time, some currencies become more

desirable than others and appreciate in relative value. We need to simulate the workings of a multi-level currency system on these lines, to see how it might be expected to work and how its workings might be improved.

International currencies and related international monetary developments are already the subject of much economic discussion and debate, and there is no need to add further to what was said about them in Chapters 6 and 7. But a word is needed about local currencies, since they are a much less familiar idea.

The argument in favour of local currencies is, briefly, that when localities depend entirely on national (or supra-national) currencies as the medium of exchange to facilitate local economic activity, declining local competitiveness in the national or international economy may result in too little money being available in local circulation even for internal economic purposes within the locality itself. A situation then develops, as in recent years in many formerly flourishing industrial cities in Europe and North America, when local unemployment rises and local land and other physical assets lie unused, while many local needs remain unmet—all for want of enough money circulating locally as a medium to facilitate local exchange. In terms of Keynesian demand management, the demand management policies appropriate for a national economy at any particular time are likely to be inappropriate for many of the local economies within it. As Jane Jacobs puts it, "Today we take it for granted that the elimination of multitudinous currencies in favor of fewer national or imperial currencies represents economic progress and promotes the stability of economic life. But this conventional belief is still worth questioning . . . National or imperial currencies give faulty and destructive feedback to city economies and this in turn leads to profound structural flaws in those economies, some of which we cannot overcome, however hard we try."²

How, then, could a local government authority set about remedying this? How could it put local purchasing power into its local economy? One answer is to do what was done in Worgl in Austria in the 1930s, as David Weston has described.³ The burgomaster of Worgl issued local currency in the form of "tickets for services rendered". They were used for paying wages to men employed on public works, who would otherwise have been unemployed. During the first month of issue these tickets are said to have circulated twenty times as a form of local currency. Taxes were paid, unemployment was reduced, and local shopkeepers prospered. Mayors of two hundred other Austrian towns decided to follow suit. But the Austrian National Bank took legal action against the experiment, the Austrian Supreme Court decided in favour of the Bank, and the innovation was squashed.

Various possibilities of this kind need to be tried out as experimental pilot projects, and studies and simulations need to be made of the likely local and national consequences of local currencies or quasi-currencies becoming a

regular feature of the twenty-first-century economy. Possibilities include the issue by local authorities of IOUs—as at Worgl—in payment of local wages and salaries and purchases of all kinds, or as bonds in exchange for loans. These IOUs and bonds would be subsequently acceptable at a premium (or perhaps be made obligatory) as tax payments and other payments to the local authority itself. The expectation would be that, between being issued by and being paid back to the local authority, they would circulate in the local economy as a medium of exchange, a store of value and a unit of account. Local banks and other financial institutions would soon learn to handle accounts for their customers denominated in local currency units, alongside accounts denominated in the national currency.

Arrangements would be needed for enabling people to exchange these local currencies with other local currencies and the national currency, just as national currencies are now exchanged with one another through banks and other foreign exchange businesses. The feasibility of taxing exchange transactions involving local currencies is one of the aspects that needs to be studied. The proceeds of this tax could be redistributed to local authorities on a per capita basis—see Chapter 5.

Deregulated Currencies

In evolving an appropriate money system for the twenty-first-century economy, we should not necessarily assume that government authorities, whether local, national or international, should be solely responsible for it. Another important subject for study is the role to be played—as the twenty-first-century economy evolves—by commercial companies and non-commercial groups, and even perhaps by individuals, issuing their own money.

"Our monetary and banking system is the product of harmful restrictions imposed by governments to increase their powers. They are certainly not institutions of which it can be said they have been tried and found good, since the people were not allowed to try any alternative."⁴ In support of a free money movement comparable to the free trade movement of the nineteenth century, Professor F.A. Hayek has argued that the government monopoly of money has been the cause of four major defects—inflation, financial instability, undisciplined public expenditure and economic nationalism. He has proposed the denationalization of money. The government monopoly should be replaced by competition in currency supplied by private issuers who, to preserve public confidence, will limit the quantity of the money they issue in order to maintain its value.

Hayek has also suggested that "it will be through the credit card rather than through any kind of circulating token money that the government

monopoly of the issue of money will ultimately be broken".⁵ The significance of electronic and plastic money has now begun to make itself fully felt, with credit cards and cash cards becoming accepted as a feature of economic life. The practical feasibility of proposals like Hayek's for denationalizing money now needs to be established in the light of our new understanding of money. That is of money, not primarily as paper or metal items which physically circulate, but as a scoring arrangement made up of a system of accounts, in which the provision of metal and paper tokens that can be physically transferred from payer to payee is becoming a secondary feature—to facilitate particular types of transaction, especially those that are occasional and small.

The feasibility of commercial currencies must be examined now in the context of a single one-world system in which, although the accounts are denominated in various different units (or currencies), it is possible to arrange for transfers to be made from more or less any account in the world to more or less any other—if sometimes in rather complicated ways and on complicated bases of calculation when unfamiliar currencies are involved in the transaction.

It is not just commercial banks and other commercial businesses that could be permitted or encouraged to issue their own means of payment. Currency innovations can be and have been initiated by local community groups. The Green Dollar Exchange and the LET system (local exchange trading system) on the west coast of Canada are two variants on the idea of an independent system of mutually balancing accounts, whose members issue and manage the "money" used within the system in the form of claims on themselves.⁶ Every member has an account held in a central place which keeps the score, as in a conventional current account banking system. Every new account starts at zero, and as members agree transactions with one another they tell the central office to debit and credit their respective accounts with the agreed number of units. The system as a whole is always exactly balanced, with the total debits of the members in debt being exactly matched by the total credits of those in credit. Any group of people can set up a system of this kind. The relevant modern technology is a home computer and telephones, but pen and paper could do almost equally well.

A somewhat different type of experiment with a local currency has been launched in the Berkshire area of Massachusetts in the United States. This has been done in connection with a Self-Help Association for a Regional Economy (SHARE), the aim of which is to enable people in that rural area to invest in small projects which will contribute to local economic self-reliance. Following the thinking of Ralph Borsodi, this new currency (called Berkshares) is denominated in units of a basic local commodity—cordwood. It is indexed against the dollar according to the current dollar price of

cordwood, and—not being subject to inflation—is expected to maintain its value better than the national currency. A local bank handles currency exchanges between Berkshares and dollars very simply, as deposits into and withdrawals from two accounts—one in Berkshares and the other in dollars—which SHARE has opened for that purpose.⁷

Self-initiated local exchange systems of these kinds can be seen either as a way of facilitating multilateral barter among local groups for whom money is in short supply, or as a way of providing an alternative form of money. In practice these come to the same thing. It would be unrealistic to exaggerate the impact which these experiments with new local currencies and related forms of self-financing for small-scale economic activities have made so far; or to forget that, because they still have to swim against the prevailing tide, they meet with many practical difficulties. But they do suggest that, along with other local financial innovations like local investment funds, local government bonds, and so on, local currencies and quasi-currencies could have a significant role as an aspect of local self-reliance. They also help to make it clear how, in insisting on retaining the old kingly monopoly over the provision of money (or, as we now need to think of it, the provision of a monetary exchange system), national governments and national banks have kept people and places economically dependent. Monopoly control of the money system is the most basic impediment to greater economic self-reliance.

Debt, Interest and Credit

We come now to some of the most difficult questions of all, the questions of debt and interest and the creation of credit.

The conventional approach to these, which most people have had to take more or less for granted, is based on the assumption that money is a substantive thing divided into substantive units, each of which belongs to some particular person or organization. There is my money and your money and their money. If it is my money, it cannot be yours or theirs. If you do not have enough money for your immediate purposes and I have money which I do not need for mine, it makes sense for you to borrow or hire my money, just as you might borrow or hire my car. If you borrow or hire my money, it makes sense for you to pay me a hiring fee, i.e. interest, just as you might pay a hiring fee for my car. (And, when—as happened recently to me—you buy a pair of shoes and arrive home with a box containing two left feet of different sizes, it makes sense to insist that you want your money back!)

This notion of money as something which is yours or mine or someone else's is perfectly understandable, given its historical origins and the way the monetary, banking and financial system has developed. Most people find it

difficult to think of money in any other way. But it creates severe problems, which not only cause social injustice and economic instability but are now contributing to the prospect of planetary disaster.

The practice of hiring out money not in immediate use and taking interest on it is at the heart of the monetary and financial system as it functions today. Anyone or any organization that has money to spare from time to time—i.e. has a positive score—is expected to hire it out at interest, and anyone or any organization that needs to borrow someone else's score from time to time is expected to pay interest on it. As both American and German scholars have shown in recent pamphlets, the all-pervasive effect of interest throughout the workings of the system has led, as it was bound to lead, to exponential growth in total outstanding debt and in the flow of interest payments required to service it.⁸ This need to pay continually growing interest on the continually growing burden of debt throughout the world economy deepens the economic dependency of many debtors and pushes them into ecologically damaging economic activities. An all too obvious example of this is the Third World debt crisis.

The continuing growth of total debt and its continually growing impact on economic life has its root cause in the fact that, under the present system, all new money which is created and put into circulation starts off in the form of an interest-bearing debt. The way it happens is this. A bank makes a loan to a customer in the form of a book entry, without having to borrow the money from anyone else and take it out of circulation that way. On receiving the loan, the customer may leave the money in a bank account, or pay it to someone else who puts it in their bank account, or cash it for banknotes. Whichever of these things happens, new money has been brought into circulation. The money supply has been increased. Meanwhile, the customer will be paying the bank regular sums of money as interest on the debt until it is paid off. This way the banks, in effect, create new money out of thin air, and they and their shareholders, managers and employees get the benefit of the interest which their customers pay on it.

The pervasive role of interest in the economic system results in the systematic transfer of money from those who have less to those who have more. Again, this transfer of resources from poor to rich has been made shockingly clear by the Third World debt crisis. But it applies universally. It is partly because those who have more money to lend, get more in interest than those who have less; it is partly because those who have less, often have to borrow more; and it is partly because the cost of interest repayments now forms a substantial element in the cost of all goods and services, and the cost of necessary goods and services looms much larger in the finances of the poor than of the rich. Calculations made recently in West⁹ Germany taking these various factors into account show that, dividing all households into ten groups of 2.5 million in order of household wealth, the net effect of interest payments is a significant transfer of wealth to the two richest groups from the rest.⁹

This systematic transfer of money from those who need it most to those who need it least is one of the factors pushing the world towards catastrophe. It fuels the urge of the very rich, including the huge industrial and financial corporations of multinational business, to compete with one another purely for the sake of economic wealth and power. It lulls the moderately well-off into a complacent sense that all is well with economic life. For those still clambering up the ladder of economic achievement, it seems to confirm—falsely—that an enterprise culture is essentially a money-grubbing culture. And, by artificially increasing the financial pressures on the less well-off and the poor, it deepens their economic dependency. In each of these ways it stimulates an unnecessarily high level of economic activity and the ecological damage which results.

In Chapter 9 I suggested that we now need to start thinking of money, not as a quantity of things (pounds or yen or dollars) belonging to different owners, but as an accounting system. Its capacity to function effectively depends on its being collectively used by all its users. Its functions are to indicate people's entitlements and obligations in relation to one another and to facilitate economic transactions between them. For philosophers of science and students of the evolution of ideas this change of perception about the nature of money is just one aspect of a wider shift of conceptual emphasis away from things and on to relationships and systems of interaction. The same shift is taking place in subatomic physics and the ecological and systems sciences.

When we look at the money system that way and when we begin to think about how it should be redesigned to carry out its functions fairly and efficiently as part of an enabling and conserving economy, the arguments for an interest-free, inflation-free money system for the twenty-first-century economy seem to be very strong. However, I have only recently come to accept this myself and I recognize that, for at least a year or two more, most people will assume—as I have done hitherto—that the idea is a non-starter. Although I suspect that many savers would be quite happy with no interest, provided the system was also inflation-free and the value of their savings was secure, and although it seems clear that the present interest-ridden system is taking us to disaster, no-one has yet studied in any depth how an interest-free, inflation-free money and finance system would actually work.

Many questions arise. Some are to do with how an interest-free economy would operate. What would people do with their unused money? How would they decide who to lend it to? Where would they put their savings? How would people and businesses raise loan capital? What would be the effect on equity capital? What would governments use instead of interest-rate policies? How would a prohibition on paying and taking interest payments be enforced? Might it be possible to prohibit interest on legally recoverable loans made in recorded account-based transactions, while allowing interest payments on loans which, having been made in unrecorded cash

transactions, would not be recoverable at law?¹⁰ And so on. Other questions are about the transition, or conversion, from today's economy to an interest-free economy. How would an interest-free economy be phased in? How would existing interest-bearing debts be phased out? Who would benefit and who would suffer, if it were done one way rather than another? Could it be done piecemeal? Could it be done by one country unilaterally?

As I say, virtually no serious work has yet been done on these questions anywhere in the world. It is a top priority to start.

Financial Collapse or Soft Landing?

Some kind of world-wide financial breakdown will almost certainly occur before the end of the century. We must try to avert this. But, if and when it does happen, we must be ready for it—not like conventional financial experts, in order to profit from it for ourselves and our clients, but so that we know how the money and finance system should be reconstructed afterwards. We need to understand why the breakdown will happen and what form it will take.

The essential point is that, in the present situation, financial stability depends on continually rising cash flows to support continually rising capital values and continually rising levels of debt. Rising levels of debt call both for rising cash flows to service them, and for rising capital values to provide security for them. Rising capital values call both for rising cash flows to support them (as return on investment in the assets they represent), and for rising levels of debt to finance them. Rising cash flows call both for rising levels of debt to provide the money for them, and rising capital values to make people feel they have plenty of money to spend. The process is like a whirlwind. It has to keep spiralling upwards in order to keep going at all.

Breakdown occurs when a large enough number of people and organizations (and nations) find they can no longer generate the incoming cash flows (income) to support the outgoing cash flows (expenditure) to service their debts. As more of them try to stay afloat by selling their capital assets, capital values fall. As some of them go bankrupt, they cut off the cash flows on which other people and organizations were depending in their turn to service their debts. They too have to sell capital assets, and capital values fall further. More people go bankrupt. A self-reinforcing downward spiral now takes hold.

Financial breakdowns or slumps of this kind have occurred regularly from time to time in the past. As the upward spiral of rising cash flows, rising debt and rising capital values goes on, it becomes more vulnerable to perturbations. These may take the form of specific events that reduce the

flows of income needed to sustain existing capital values and levels of debt. Triggers might include a repudiation of Third World debts, or a slump in worldwide farm prices, or a collapse in stock exchange prices as in October 1987. Whatever specific forms such perturbations take, they are amplified if a general lack of confidence arises from a sense that people and organizations and nations are overborrowed and that capital assets are overvalued.

Even in the normal course of events such a breakdown would be very likely to occur before the end of the century, simply because the financial situation of so many people and organizations and nations all over the world is now so overextended. The near certainty that a breakdown will occur arises from the new challenge which the world now faces, and with which this book is concerned. That is the urgent need to change the direction of the world's economic development. The fact is that switching away from the present path of development which is dependency-creating and ecologically destructive to one which is enabling and conserving, will result in systematic reductions of cash flows throughout economic life. As the transition to the new development path gathers pace a negative multiplier effect will come into operation.

Take first the enabling aspect. As nations become economically more self-reliant and less dependent on imports and exports, they will become less dependent on outward cash flows associated with imports, and therefore also on inward cash flows associated with exports. In relation to all external economic entities, their cash flows will decline. The same is true for localities within nations. As local economies become more self-reliant, they too will become less dependent on outward and inward cash flows and more reliant on money circulating internally within the locality. Their cash flows, too, will decline in relation to all external economic entities. And the same goes for persons and households. As they become more, not less, economically self-reliant, outward and inward cash flows between them and the economy outside will also tend to decline. Their own capital equipment supported by their own unpaid work will provide them and their families and friends and neighbours with a greater proportion of the goods and services they need. In each case it is apparent that an enabling economy will be a cost-saving economy. And a cost-saving economy is one in which people and localities and organizations and nations pay each other less. Cash flows decline.

Now consider the conserving aspect. A conserving economy is also a cost-saving economy. A world society in which the virtue of thrift is systematically practised by billions of people in every department of economic life as regards the use of real resources, will not be one in which the money value of incomes and expenditures and capital assets systematically continues to grow. Quite the reverse. Take agriculture. As conserving methods of

farming—less dependent on continuing high inputs of chemical fertilisers and pesticides—become more widespread, both the costs incurred and the income generated by farming a given piece of land with a given number of people will tend to fall. If you try to keep your crops pest-free by applying doses of chemical pesticides, you have to continue buying these pesticides regularly; whereas establishing a population of pesticidal predators in your fields or greenhouses is something you hope to do once for all. Or take energy. So long as your car or your home or your factory is inefficient in energy use, you have to go on regularly spending large sums of money on energy. But once you have an energy-efficient car or home or factory, your outgoings on energy are permanently reduced. Those cash flow reductions—and the countless others like them that would result in an economy orientated to conservation and efficient use of resources—will have a very powerful ripple effect through the whole money-based network of economic activities. Cash flows will decline.

This falling off in the levels of cash flow as we make the transition to an enabling and conserving economy will bring a financial crisis calling for financial retrenchment all round. This will be a serious matter. It calls for urgent contingency planning now.

The falling off in cash flows will also have a devastating effect on economic growth as conventionally measured. This will not matter at all, once it is generally understood that the conventional notion of economic growth is a conceptual nonsense, based only on the aggregate quantity of money being earned and spent, and bearing little relation, if any, to progress in wealth and wellbeing for people and the Earth. But it does underline the need for the development and introduction of new, more intelligent ways of monitoring and measuring genuine progress or deterioration in that regard. I need not say more here about the shortcomings of Gross National Product and other conventional indicators and measures of economic performance. They are already widely understood,¹¹ and the development of alternative economic indicators will be discussed in depth in a book sponsored by the New Economics Foundation which is to be published in 1990.¹²

Money as Servant

Money, as I said in Chapter 9, now plays the dominating role in late industrial society that religion played in the late middle ages. Like the Church of that earlier time, today's monetary and financial system has grown into a gigantic worldwide system of extortion, employing a large proportion of the most able people in the world, distracting everyone's energies from activities of real value, and distorting people's relationships to society and the natural world.

It cannot continue indefinitely to extend its domination. It will break down, perhaps sooner rather than later.

We should not just wait until this happens. We must try to transform the money system—from master into servant. Doing so will be an important part of the transition to an enabling and conserving economy. It means turning money and finance into a system for registering people's entitlements and obligations towards one another, for enabling them to secure their entitlements, and for encouraging them to meet their obligations.

That is the context in which it is now necessary to re-examine afresh the concepts of money as a medium of exchange, a store of value, and a unit of account. For practical purposes, these concepts need to be rephrased as questions, on the following lines: what arrangements are needed, in an enabling and conserving one-world economy, to enable people to exchange goods and services freely and fairly with one another? to enable people to store entitlements for goods and services, and therefore to enjoy a degree of security, for the future? to ensure that the value of such entitlements remains stable over time? How should the existing money and finance system be developed to provide these arrangements?

In this new context—of the monetary and financial system as a scoring system which needs to be re-designed to function properly—it may well prove useful to reformulate the proposals of a number of imaginative earlier thinkers on these issues. F.A. Hayek has been mentioned already. Others earlier this century include Silvio Gesell, who advocated the replacement of interest by a circulation fee, so that money not in use would decline rather than increase in value through accrual of interest; and C.H. Douglas, the founder of social credit. These, and others whose ideas never wholly caught on, still have their followers. In the altogether new situation now arising, their insights—and those of other individuals and groups regarded by the monetary and financial establishment as well beyond the fringe—may help to stimulate valuable new thinking."¹³

As I said at the start of this chapter, these basic questions about money and finance are among the most difficult we face. It is not yet possible to give clear answers to them. But it is possible to see the way forward.

We need to encourage and initiate serious studies on how a multi-level currency system—international, national and local—will work:

- how commercial and other non-governmental currencies, including quasi-currencies and barter arrangements, will fit into it;
- what is to be the role of interest and debt;
- how far, in the first instance, it would be possible for one country—or even one locality or one group of people—to go ahead with these monetary innovations unilaterally, while remaining economically viable in a competitive world; and

- how, as the transition to an enabling and conserving economy gathers pace, the wind-down of today's financial system can be steered to a soft landing.

In parallel with these research studies, we need to interest informed opinion in the subject and bring the issues into the realm of public discussion and debate. Meanwhile, in parallel with this research and debate, we need to press forward at the political and practical level with the introduction of experimental local currencies and quasi-currencies, and with the proposals in other chapters, such as the international financial developments in Chapter 7.

Notes and References

¹ I discuss this question in *Future Work* (pp. 89-106), in a chapter on the valuation of work.

² Jane Jacobs: *Cities And The Wealth Of Nations*, Penguin, 1986 (p. 158).

³ See *The Living Economy* (pp. 196 ft).

⁴ F.A. Hayek, *Denationalisation of Money*, Institute of Economic Affairs, London, 1978 (p. 128).

⁵ In Barry Siegel (ed.). *Money In Crisis*, Pacific Institute, San Francisco, 1984, quoted in Thomas H. Greco, *Money and Debt: A Solution to the Global Crisis*, privately published (from P.O. Box 23011, Rochester, N.Y. 14623, U.S.A.), 1989.

⁶ See *The Living Economy* (pp. 200-203).

⁷ Information from Robert Swann, E.F. Schumacher Society, Box 76, RD3, Great Barrington, MA 01023, U.S.A.

⁸ Thomas H. Greco (see Note 5); and Margrit Kennedy, *Interest and Inflation Free Money*, Permaculture Institute Publications (Steyerberg, Federal Republic of Germany), 1988.

⁹ Margrit Kennedy (see Note 8).

¹⁰ The distinction between recorded, account-based monetary transactions and unrecorded, cash-based transactions raises a number of possibilities for the future. In particular, the arguments for and against taxing cash—by charging a premium over and above its face value when issuing it—should be studied.

¹¹ See, for example, index references to GNP in *The Sane Alternative*, *Future Work* and—especially—*The Living Economy*.

¹² Victor Anderson, *Alternative Economic Indicators*, Routledge, 1990 (in prospect). See also Chapter 4, Note 11.

¹³ Mark Kinney (950 Martinsburg Road, Mount Vernon, Ohio 43050, USA) and his fellow networkers are a good example of where useful new monetary and financial ideas are coming from.

13

Reorientating the Real Economy

How should we set about applying the principles of the new economic order to specific spheres of real economic activity and real life? This chapter briefly outlines the kind of strategic reappraisals needed for:

- work;
- technology and industry;
- energy;
- food and agriculture;
- transport, housing and planning;
- health;
- information and communication;
- education, leisure and the arts; and
- peace, order and security.

Also included are a few paragraphs on the links between this paradigm shift in economics and new developments in science, philosophy and religion.

In each of these spheres—and others like them—the principles and the implications of an enabling and conserving economy need to be worked out in a systematic way, in the context of people, places, nations, the world economy, and organizations of all kinds, as set out in Chapters 4 to 8. We should aim to have a set of these reappraisals completed and published before the end of 1992, together with suggested programmes of change for the remaining 1990s. I am not suggesting that this could be done comprehensively by a "new economics" body like the New Economics Foundation. In some fields much of the work may have been done already by individuals or organizations with a special interest in them. Generally it will best be carried out that way—for example, for technology and industry by an organization like E.F. Schumacher's Intermediate Technology Development

Group—with whatever advice and encouragement is needed from a more general "new economics" standpoint.

In each case a broadly comparable approach will be called for. First, as background to working out how the prevailing character of development can now become enabling and conserving, a historical account will be helpful of why and how, in each particular field, it has come to be dependency-creating and ecologically destructive. Ways should then be explored of either internalizing costs which are now externalized or of eliminating them altogether. For example, how can the costs arising from the pollution of river water by chemical farming either be eliminated or be made to fall on the farmers and chemical companies responsible, rather than on the water authorities and consumers as at present? Next, the secondary nature of the conventional political controversies which now dominate public and political discussion should be clearly brought out. In most cases, they simply distract attention from the real underlying issues. For example, the conventional political dispute has been about whether it is better to be dependent on coal or nuclear power in centralized power stations. But it is now coming to be realized that the top priority is to bring in energy conservation and decentralized forms of energy supply. Finally, in every case, it will be necessary to draw up conversion strategies. These should identify obstacles to be surmounted, people who will suffer from the change of direction, ways of easing the transition for them, other steps to be taken, and progress hoped for year by year. Projected progress should be quantified whenever possible, e.g. for reductions to be achieved in total energy demand and the proportion of it to be met from decentralized sources of renewable energy supply.

The following sections briefly sketch some of the ground that some of these reappraisals might cover. They do not aim to be in any way comprehensive, but merely to give some impressions of what will be needed.

Work¹

History

In ancient society the typical form of work was slavery. In medieval society the typical form of work was serfdom. In industrial society the typical form of work has been employment. In each case the prevailing organization of work has reflected and reinforced a division in society between superiors and inferiors—masters and slaves, lords and serfs, employers and employees. Employment—being dependent on an employer to organize one's work and provide a living income—has been a central feature of the dependency culture of the industrial age.

Enable and Conserve

A central feature of-the-transition to the new twenty-first century economy must be a transition from employment to a new way of organizing work, fit

for free and equal citizens with a stake in the future of human society and the world. Every one should have the right and the responsibility to control their own work. "Ownwork" must take the place of employment as the normal way for people to work. Ownwork will be activity which is purposeful and important, and which people organize and control for themselves. It may be either paid or unpaid. It will be done by people as individuals and as household members; it will be done by groups of people working together; and it will be done by people who live in a particular locality working together locally to meet local needs. For the individual and the household, ownwork may mean self-employment, essential household and family activities, productive leisure activities, and participation in voluntary work. For groups of people ownwork may mean working in a community enterprise, a co-operative, or some other kind of organization in which they have a share of control, or simply working together as partners in social, environmental, scientific or other activities which they value. For localities, the significance of ownwork will be that it contributes to local self-reliance.

Secondary Controversies

The conventional political debate about work centres around how to create employment and what should happen to people who are unemployed. But the more fundamental questions are about how to liberate people from their dependence on employment, and how to enable them to secure a livelihood while working for themselves and one another.

Conversion Strategies

Proposals made in Chapters 4, 5, 6, 8, 10 and 11 about people, places, nations, organizations, taxes, and incomes and capital will all help to bring about the transition from employment to ownwork as the normal way to work. Changes in other spheres, as outlined in the following sections of this chapter, will also help. The task is to bring all these together as a strategy for the future of work and to plan its implementation through the 1990s.

Technology and Industry²

History

During the industrial age, technologies and industries have been and still are developed primarily in accordance with the aims of rich and powerful people and organizations competing with one another to increase their wealth and power, using other people and natural resources and environment in order to do so, and able to avoid much of the cost of whatever social and environmental damage they cause. As they have been developed hitherto, technology and industry have thus had an inherent tendency to be

dependency-creating and ecologically destructive. This does not call for an anti-technology, anti-industry reaction. It calls for positive development of technology and industry of a different kind.

Enable and Conserve

Instead of continuing to develop new technologies which expand the power of big business and centralized government, we must now positively develop technologies that enable people to control their own work, to meet their own and other people's needs more directly, and to conserve resources and protect the environment.

Internalize Costs

An economy which systematically tends to internalize costs will be characterized by small-scale, decentralized, conserving technologies and industries, owned and controlled by the people who use them and have to live with their impacts. The scale of the externalized social and environmental costs now imposed by the continued development of centralizing technologies and industries that reinforce dependency, waste resources and damage the environment, is not fully appreciated. It calls for authoritative study and critical public debate.

Secondary Controversies

Conventional political debate centres around whether super-scale industries and technologies that are inherently dependency-creating and ecologically damaging should be controlled by the state or commercial business. The important question is different. How can these industries and technologies be scaled down, greened, and brought under the control of the people most directly affected by them?

Conversion Strategies

Many proposals in other chapters and other sections of this chapter will help to bring about the transition to enabling and conserving technologies and industries. The task is to bring them together in a strategy for the future of technology and industry, and to plan its implementation through the 1990s. Two particular points should be noted. An important aspect of the systematic reorientation of government spending programmes called for in Chapter 6 will be a switch of emphasis in government research and development (R. and D.) programmes towards the development and diffusion of enabling and conserving technologies. And the more open corporate decision-making

called for in Chapter 8 should include new "technology choice" procedures. These should be designed to allow the various stakeholders in large companies, together with the public and their elected representatives, to consider not only the possible social and environmental impacts of proposed new technological developments, as is done in conventional technology assessment, but also the positive scope for new enabling and conserving technologies to meet social and environmental needs. The assumption that the essential nature of many technologies unavoidably dictates both a large scale of industrial operation and a trade-off between wealth creation and environmental degradation, must be continually questioned.

Energy³

History

The development of energy technology and energy use is an outstanding example of the course taken by the economy and economics during the industrial age. People have become increasingly dependent on huge, monolithic energy supply industries like coal and oil and gas—wasteful, polluting and accident-prone—major contributors to acid rain, oil spills and the greenhouse effect. Meanwhile nuclear power, with its heavy security and policing requirements and its devastating potential for environmental disaster, epitomizes the disabling and ecologically destructive effects of conventional economic and technological progress in every sphere. It has been calculated that, if the sum of money needed to build a nuclear power station were invested in energy conservation and energy efficiency instead, it would save over seven times as much energy as the power station would produce. But, by putting the money into new power stations, not into energy conservation, the big battalions have been able to keep people under their thumb. So that is where it has gone.

Enable and Conserve

Future developments in energy must be reorientated towards energy conservation, energy efficiency, and decentralized methods of energy supply from renewable sources. This will not only achieve desired environmental results. It will also enable people and localities to become more self-reliant in energy.

Internalize Costs

The history of nuclear power caricatures the prevailing failure of large-scale industry to internalize the costs associated with it. Nuclear power stations

have had to carry neither the R. and D. costs incurred before they are commissioned nor the costs of decommissioning them when their useful life is over. In Britain it has only been the imminent prospect of commercialization that has begun to bring some of these costs into the reckoning. Studies will almost certainly show that, if all the large-scale energy supply industries were made to carry the costs they now externalize, small-scale decentralized energy supply and energy conservation are much more economic. Such studies, and widespread publicity for their findings, are urgently necessary. They should be replicated for most other industries too.

Secondary Controversies

Should we choose dependency on coal, nuclear energy or oil? On Arthur Scargill, or Walter Marshall, or Esso, Shell, BP and the oil-sheikhs? Should we prefer acid rain, nuclear fall-out, or oil pollution? That is what the conventional political argument has been about. The real questions are about how we can reduce our energy dependency altogether and meet our energy needs ecologically.

Conversion Strategies

Many of the proposals made in various chapters, including the chapter on taxes and also including other sections of this one, will help to encourage the required transition from today's dependence on centralized, wasteful and polluting energy industries to greater self-reliance in energy—based on small-scale energy supply technologies, an increase in energy efficiency, and a reduction in energy-expensive activities and energy-expensive products of all kinds. The task is to bring these various approaches and possibilities together as a strategy for the future of energy, and to plan its implementation through the 1990s.

Food and Agriculture⁴

History

Here again development over the past few hundred years has been away from household and local self-reliance in food towards ever-deepening dependence on industrialized agriculture, industrialized food-processing, and food distribution through supermarket chains. The farming methods, the transport and the packaging this involves are ecologically damaging and wasteful of resources. The food produced this way is subject to many health

hazards, including pesticide residues in fruit and vegetables, hormones in meat, and salmonella and other diseases in industrially processed food. The way in which factory-farmed animals are reared, transported and slaughtered is inherently pitiless and inhumane.

Enable and Conserve

The transition to a new way of economic life must include a new approach to agriculture—new ways of producing food. These should enable people in their households and localities to provide more of their own food for themselves. They should involve farming and distribution methods that are efficient in the use of resources and ecologically benign. They should produce food which is healthy and nutritious and tastes good. They should treat animals humanely.

Internalize Costs

Earlier in this chapter I have given an example—the need to ensure that agribusiness farmers and chemical companies shoulder the costs arising from river pollution by chemicals used on farms. So let us take this opportunity to point out an important effect of internalizing costs. When costs hitherto imposed on other people are internalized and brought into account, the measured efficiency or profitability of the activity in question goes down. Nuclear power has been mentioned already. The same applies in farming. If agricultural costs are internalized, it will almost certainly be found that organic is more efficient than chemical farming, even when efficiency is conventionally measured in financial terms. And that raises another question about efficiency. Efficiency in terms of what? There are always different possibilities. In agriculture these include efficiency as measured by financial profit (or turnover or capital employed) in relation to the number of workers employed. They may also include the size of the area farmed in relation to profit, turnover, capital, or labour. But, in an energy-conserving economy, agricultural efficiency might well be measured by the calorific value of the food produced in relation to the calorific value of the energy inputs used to produce it. In short, there are always a number of possible ways of measuring efficiency. The measures chosen will depend on what outcomes, what inputs, and what patterns of activity are considered important. Studies are needed, in the sphere of food and agriculture but also in others, on how to measure efficiency. These should be linked with the study of alternatives to Gross National Product and other conventional measures of economic performance and progress mentioned in Chapters 3 and 12.⁵

Conversion Strategies

Many of the proposals made in other chapters will help to encourage the transition towards more decentralized, less energy-intensive and less polluting food-growing. This will enable many localities and even households to become more self-reliant in the provision of food. Again, the task is to pull all these proposals together into a strategy for the future of food and farming in an enabling and conserving economy, and to plan its implementation through the 1990s.

Transport, Housing and Planning⁶

History

The built environment has developed in accordance with the underlying patterns of economic life. As people and localities have become more dependent on outside employers to provide them with work and outside producers to provide them with goods and services, houses have ceased to be centres of production. Separate zones—residential, industrial, commercial—have grown up in towns and cities, and the transport of people and goods has played an ever-increasing part in economic life. Most people now can no longer build their own houses. With rising property values and the tendency for money to migrate to those who already have it, increasing numbers of people find it difficult to get a house at all. And, as transport becomes increasingly necessary, those who cannot afford it suffer increasing deprivation. The resulting geographical pattern of economic life makes people very dependent. It also wastes resources and damages the environment—witness the British government's announcement in 1989 of a £12 billion scheme to increase road traffic in and around London, at the very time the greenhouse effect was headline news.

Enable and Conserve

The key word is access, as opposed to mobility. Enabling people to have better access will reduce their dependence on mobility:

- access to work, in and around their own homes and localities;
- access to local shops and hospitals and schools;
- access to the resources and skills that will enable more people to plan and build their own homes and communities.

This will reduce the waste of resources and environmental blight caused by ever-increasing mobility. It will be a conserving, as well as an enabling, strategy.

Internalize Costs

Critical analyses are needed of the costs imposed by the present geographical structures of economic life, of who meets these costs, and of who benefits. For example, the many hidden costs of locating public sector activities in large cities like London or in other over-developed areas, or of favouring big hospitals, hypermarkets and other transport-dependent facilities against local community hospitals and local corner shops, need to be clearly brought out.

Secondary Controversies

The debate about the relative merits of private and public transport is not altogether beside the point. But it is secondary to the main issue: should we concentrate on continuing to increase mobility? should we not rather give priority to improving accessibility?

Conversion Strategies

Again, many proposals in other chapters—for example on regenerating the household and local economies, and on taxing the use of energy and resources, will encourage the transition to a more accessible, less transport-dependent economy. The task is to pull these all together into a strategy for the future of the built environment in an enabling and conserving economy, and to plan its implementation through the 1990s.

Health⁷

History

People's growing dependence on the medical profession and the pharmaceutical industry means that when people now talk about health they are usually referring to sickness. Health services, health policies and health insurance are really sickness services, sickness policies and sickness insurance. Although economic developments over the last few centuries have markedly improved the health of many people, more people are suffering today than ever before from extreme malnutrition and the diseases it brings. Meanwhile, new health hazards from pollution and man-made accidents are arising on an ever-increasing scale. Conventional economic activities and policies have not been concerned with creating a healthy economy.

Enable and Conserve

A healthy economy will be one in which people are enabled, personally and as communities, to take greater control over their own lives and to create

healthier living conditions and environments for themselves and one another. An enabling and conserving economy will be one which frees them from as many as possible of the health-damaging social and environmental hazards and stresses, such as unemployment and pollution, which conventional economic development imposes.

Internalize Costs

All economic activities which impose health risks on other people should be obliged to meet the full costs of whatever health damage they cause and to be fully insured against causing it.

Secondary Controversies

Conventional political debate centres around whether people should be dependent on sickness services provided commercially or by the state. That question is not unimportant. But it should not take priority, as it now does, over the question of how people can be enabled to become positively healthier in a positively healthier society.

Conversion Strategies

Health promotion strategists have acquired insights that are more widely relevant to the conversion of today's economy into a more enabling and conserving one. The need "to make the healthier choice the easier choice", as applied to individuals, policy-makers and business leaders, highlights the wider need to make the more self-reliant (or enabling) and conserving choice the easier choice throughout economic life. The principle of not "blaming the victim" for ill-health imposed by factors outside the victim's control, while at the same time insisting that everyone has an obligation—and a right—to take responsibility for her own health, can be extended to other spheres such as unemployment, poverty and lack of education. The process of converting health-damaging industries like tobacco and alcohol into health-creating ones, will—when once it gets under way—have lessons for conversion in other spheres, such as from military production to peaceful, socially useful production. In short, a health-promoting economy will tend to be an enabling and conserving economy, and vice versa. Many proposals in this and other chapters will have spin-offs for health creation. The task is to pull them all together into a strategy for a healthier economy, and to plan its implementation through the 1990s.

Information and Communication⁸

History

Information and communication technologies have mainly been developed and used by powerful industrial-country organizations in competition with one another, in forms that reinforce the dominance of richer over poorer, and of more powerful over weaker, people and localities and nations and cultures. Thus television and other modern mass media treat people as dependent, passive consumers of information products. But, as was mentioned in Chapter 3, information and communication technologies have an opposite potential too. They can also be developed in forms that enable people and localities and nations to take greater control of their lives and reduce their dependence on organizations and forces outside their control. Thus the telephone and the home computer enable people to participate more actively in information processes.

Enable and Conserve

A vital feature of the transition to the new economy of the twenty-first century—which some see as an "information economy"—will be the purposeful design and development and use of information and communication technologies. They must be doubly purposeful. They must enable people to become more active and autonomous participants in information processes rather than more dependent consumers of information products; and they must help to reduce waste and pollution to a minimum.

Conversion Strategies

It will be a big task to turn around the present thrust of development in this field, dominated as it now is by tycoons like Maxwell and Murdoch and giant multinational corporations like IBM, competing for supremacy with one another. But many of the proposals in this and other chapters will create a growing market for decentralized, participatory and conserving uses of information and communication technology. These provide a starting point for working out a strategy for the future of information and communication, and for planning its implementation through the 1990s.

Education, Leisure and the Arts⁹

History

The thrust of conventional development has brought about a perception of education, leisure and the arts in terms of industrialized production and consumption. Education is understood as an industry, with pupils and students seen as dependent consumers of professionalized education rather than as autonomous learners. The education system treats its pupils and students as an industry treats its materials. Pupils and students enter an education factory—in the shape of a school or a college—in a certain stage of formation, they are processed through a variety of production processes, they are quality-tested by examinations at various stages, and they are finally graded as up to standard *for* a particular range of employee roles in the adult economy. Meanwhile, leisure too is increasingly understood as an industry, with leisure producers providing all forms of leisure products—holidays, sports events and sports equipment, theme parks, musical events and musical equipment of all kinds, gambling casinos, and much else—which leisure consumers pay for. Even the arts have come to be seen as industries, in which professional arts producers provide arts products—plays, poems, paintings, concerts, sculptures and so forth—for lay arts consumers to consume, and which are valued according to the financial profits they generate and the number of jobs they create.

Enable and Conserve

A new, enabling approach to education, leisure and the arts will be an important aspect of an enabling and conserving economy. Education must enable people to develop themselves and their capacities as autonomous human beings and as active citizens of their communities, rather than as dependent employees and consumers. These capacities must include the capacity to manage their own lives, to contribute to the wellbeing of other people and the local, national and world community, to conserve resources and the environment, and to participate actively in leisure and arts activities—as well as in activities connected with work, health and other important aspects of their lives.

Secondary Controversies

The conventional disputes about whether—or to what extent—education, leisure facilities and the arts in their present forms should be provided and sponsored commercially or by the state, are secondary to the question of what education, leisure and the arts are for. Are they for conditioning people

into essentially dependent roles as employees and consumers? Or are they for enabling people to develop themselves as individuals and as active, autonomous citizens of an enabling and conserving society?

Conversion Strategies

An economy pervaded by the principles of enabling and conserving, and characterized by more self-reliant people in more self-reliant households and localities, will require—and also provide the conditions for—the new, decentralized, enabling approach to education, leisure and the arts briefly outlined here. The task, in this as in other spheres, will be to draw up enabling and conserving strategies for the future of education, leisure and the arts, and to plan its implementation through the 1990s.

Peace, Order and Security

History

An economic order that has had no moral underpinning to offset self-interest and competition for dominance, and has systematically transferred wealth and power to the rich and powerful from the poor and weak, has helped to create insecurity between and within nations. Inherent in it has been the need for those with power to channel sizeable resources into a capacity for attack and defence against other nations and into the maintenance of property and order at home. In all the bigger industrialized countries this has created large military/internal-security/industrial complexes. From these in turn have now arisen powerful economic vested interests in the jobs, incomes and profits involved—vested interests which, quite apart from whatever the real needs may be, now generate huge pressures to maintain and increase the scale of activity in this field, including most notably the export of armaments. Just as the economic effort now put into dealing with sickness and into the continuing expansion of medical services and the pharmaceutical industry far overshadows what is put into enabling people to be healthy and to create a healthy environment, so the economic effort that now goes into the armed forces, the security and intelligence services, the police and prisons services, and the weapons and security industries, far overshadows what goes into positively trying to create a peaceful society and a peaceful world. The figures are truly astounding. The cost of a Trident submarine would fund a global five-year child immunization programme against six of the world's killer diseases, preventing a million deaths a year. Two days of world military spending would meet the annual cost of the

proposed U.N. Action Plan to halt Third World desertification. Two weeks of it would meet the annual cost of the proposed U.N. Water and Sanitation Decade. The Worldwatch Institute estimates that today, worldwide, as many as fifty million people may be on the military payroll, either as soldiers or as workers in military industry.¹⁰

Conversion Strategies

In the international sphere, a key role in converting this economic effort to more constructive purposes will be played by the disarmament process. The new direction of economic development outlined throughout this book will also help to create conditions nationally for more peaceful societies and internationally for a more peaceful world. In addition, however, special attention will have to be given to the conversion of existing jobs and production in these areas to socially and environmentally more useful purposes. The need is to work up a phased programme for this through the 1990s.¹¹

Science, Philosophy and Religion

The transition to a new way of economic life and thought will be linked to changes in science, philosophy and religion—as Chapter 3 will have suggested. Clarifying these links will help to smooth the economic transition. It will also help to accelerate changes already beginning to be apparent in science, philosophy and religion themselves.

So far as science and philosophy are concerned, the big changes—as with economics—will be in the questions regarded as important and chosen for attention, in the ways and people by whom the selection of those questions is made, and in the ways and people by whom science and philosophy are actually done. A shift of emphasis is already beginning to take place from knowledge to wisdom, from reductionism to a holistic systems approach, and from quantitative to qualitative understanding.¹² Awareness is growing that today's science is dominated by military and economic considerations, and is culturally biased towards the secularism of the western world.¹³

So far as religion is concerned, the big change needed is to find ways of making the economic teachings of world faiths relevant to economic life as people live it and experience it today. These teachings date from the small agricultural societies of past centuries and millennia. With the partial exception of Christianity, they have had little influence on, and have been little influenced by, the dominant path of economic development of the last few hundred years.¹⁴ In 1986, representatives of world faiths came together in Assisi at the invitation of the Worldwide Fund for Nature (WWF) to explore and celebrate the links between religion and conservation. Could they come

together in dialogue through the 1990s about the relevance of their teachings to the prospect of a new economic order for the next millenium?¹⁵

The task for the next two or three years will be to encourage programmes of study, dialogue and public discussion. The aim must be to clarify and spread understanding of the links between progress towards a new economic order and changes taking place in science, philosophy and religion, and to carry these programmes forward through the rest of the 1990s.

Notes and References

The number of relevant publications and organizations is truly vast. The following are suggested for readers not yet familiar with the ideas covered in this chapter who want to go a little further into them.

¹ See *Future Work*. Also Charles Handy, *The Future of Work*, Basil Blackwell, 1984.

² John Davis and Alan Bollard, *As Though People Mattered: A Prospect for Britain*, Intermediate Technology Publications, 1986—see especially Chapters 4 and 5. Also Mike Cooley, *Architect Or Bee? The Human/Technology Relationship*, Hand and Brain Publications.

³ See my paper and others in *Nuclear or Non-nuclear Futures?* (Centre for Energy Studies, South Bank Polytechnic, Borough Road, London SE1 OAA), the proceedings of a symposium held in April 1987.

⁴ Joan Dye Gussow, *The Feeding Web: Issues in Nutritional Ecology*, Bull, California 1978, is an excellent introduction to this whole field. Also Frances Moore Lappe and Joseph Collins, *Food First: Beyond the Myth of Scarcity*, Ballantine, New York 1979. The Soil Association (83 Colston Street, Bristol B51 5BB) and the Farm and Food Society (4 Willifield Way, London NW11 7XT) are good sources of information.

⁵ See Chapter 3, Note 11; and Chapter 12, Note 11.

⁶ See *Access For All? Technology and Urban Movement*, Council for Science and Society, London, 1986—chiefly authored by transport planner Barry Cooper. John Turner, (Tools For Building Community, 51 St. Mary's Terrace, West Hill, Hastings, East Sussex TN34 3LR) and Peter Elderfield (Building and Social Housing Foundation, Memorial Square, Coalville, Leicestershire LE6 4EU) are good sources of information on decentralized approaches to housing, including self-building and self-planning. The Town and Country Planning Association (17 Carlton House Terrace, London SW1Y 5AS) is a good source of information on a similar approach to the built environment generally.

⁷ In "Health, Wealth and the New Economics" (available from New Economics Foundation, 88-94 Wentworth Street, London E1 7SE) I reported on the papers and proceedings dealing with health—and sponsored by the World Health Organization—at The Other Economic Summit in 1985. **[2005 Note:** See "TOES 1985" at <http://www.jamesrobertson.com/toes-nef.htm>]

⁸ For a fuller discussion, see "The New Economics of Information" (New Economics Foundation—Note 7 above).

⁹ Among those active in these fields are: The Human Scale Education Movement, c/o "Resurgence", Ford House, Hartland, Bideford, Devon; and Leisure Consultants, Lint Growis, Foxearth, Sudbury, Suffolk. I valued the opportunity to work with John Lane, of Dartington Hall, Dartington, Totnes, Devon, on the 1988 Dartington conference on "What Future for the Arts?".

¹⁰ The figures in this paragraph are taken from the 1989 "State of the World" report from the Worldwatch Institute (Norton, New York 1989).

¹¹ Lessons on conversion can be drawn from the failure of the scheme launched by the Lucas Aerospace Combine Shopstewards Committee from 1975 to 1979—see Hilary Wainwright and Dave Elliott, *The Lucas Plan: A New Trade Unionism in the Making?*, Allison and Busby, 1982. The Worldwatch Institute report at Note 10 above mentions conversion initiatives in the U.S.A.

¹² See, for example, Nicholas Maxwell, *From Knowledge to Wisdom: A Revolution in the Aims and Methods of Science*, Basil Blackwell, 1984; and Fritjof Capra, *The Turning Point*, Wildwood House, 1982. Part 2 of *Future Work* relates these changes in worldview to changing perceptions of work.

¹³ See J.R. Ravetz, *Scientific Knowledge and its Social Problems*, O.U.P., 1971; and Ziauddin Sardar, *Islamic Futures*, Mansell, 1985, and *Information and the Muslim World*, Mansell, 1988.

¹⁴ For Christianity see William Charlton, Tatiana Mallinson and Robert Oakeshott, *The Christian Response to Industrial Capitalism*, Sheed and Ward, London 1986. Also many recent publications from the World Council of Churches, Geneva.

¹⁵ The Assisi Declarations—messages on Man and Nature from Buddhism, Christianity, Hinduism, Islam and Judaism—were published by WWF on 29th September 1986. With backing from WWF and Christian Aid, the New Economics Foundation is—at the time of writing—exploring with ICOREC (the International Consultancy on Religion, Education and Culture) the economic teachings of the faiths and their points of relevance to a new economics.

[2005 Note: The 1992 paper on "The Economic Teachings of World Faiths: A New Path" - see <http://www.jamesrobertson.com/toes-nef.htm> - was a later outcome.]

14

Agenda for the 1990s

At first sight, an agenda for the 1990s which pulls together everything covered in earlier chapters might seem hopelessly over-ambitious. And so it would be, if I had just thought it all up, and if much of it was not already being done by other people in many parts of the world. Luckily it is not a question of starting from scratch. It is a question of bringing into focus what is happening already, helping one another to put our energies more effectively behind it, and dealing with certain key points standing in the way of faster progress. That is the starting point for this chapter.

Some Key Dates

There is some play of argument whether the third millenium will begin on 1st January 2000 or 1st January 2001. This need not detain us. Provided we respect the fundamental insignificance of these dates to non-Christian cultures, we can expect that in the world as it is today both dates will stimulate worldwide reflection on the past and the future. The period between the two—that is the year 2000 itself—will be a period for reappraisal. The decade leading up to it, the 1990s, will be a period of preparation for that reappraisal. We must make it, among other things, a period of preparation for a new economics for the 21st century.

During the 1990s there will be a number of important dates and historical anniversaries. Examples are shown in the table on thee next page. Other people are doubtless looking forward to other events and occasions of this kind, and there will be many more as the 1990s unfold. In working up our agenda for the 1990s, we can see these as staging posts en route for the year 2000.

Two of these years will be of special significance.

The first is 1992. That year will be the 500th anniversary of what, with ingrained cultural arrogance, European peoples have been taught to think of as the "discovery" of America by Columbus in 1492. That event marked the

Table: Some Dates in the 1990s

1990	<i>May</i>	International conference to follow up Brundtland Report, Bergen, Norway.
	<i>Summer</i>	Annual G7 economic Summit - in USA.
1991		Centenary of "Rerum Novarum", the first papal encyclical on modern economic issues.
	<i>June</i>	International WHO conference on health and environment, Sweden.
	<i>Summer</i>	Annual G7 economic summit meeting - in Britain.
	<i>?</i>	General Election in Britain? Otherwise in 1992.
1992		500th anniversary of Columbus's "discovery" of America. 20th anniversary of the 1972 Stockholm conference on the environment. European Single Market due to be brought in.
	<i>Summer</i>	Annual G7 economic summit meeting - in West Germany.
	<i>November</i>	Presidential election in USA.
1993	<i>Summer</i>	Annual G7 economic summit - in Japan.
1994		300th anniversary of Voltaire's birth in 1694 - time for a new enlightenment? 300th anniversary of the Bank of England. 50th anniversary of Bretton Woods agreement on setting up the IMF and World Bank.
	<i>Summer</i>	Annual G7 economic summit in Italy.
1995	<i>Summer</i>	Annual G7 economic summit in Canada.
	<i>October</i>	50th anniversary of the United Nations.
	<i>December</i>	50th anniversary of IMF and World Bank.
1996	<i>Summer</i>	Annual G7 economic summit - in France.
	<i>November</i>	Presidential election in USA.
1997		Capitalist Hong Kong returns to socialist China.
	<i>Summer</i>	Annual G7 economic summit - in USA.
1998		500th anniversary of Vasco de Gama's voyage to India round the Cape of Good Hope.
	<i>Summer</i>	Annual G7 economic summit - in Britain.
1999	<i>Summer</i>	Annual G7 economic summit - in West Germany.

beginning of the aggressive expansion of European Christian and subsequently European secular culture all over the globe. This gave rise to the dominance of today's amoral economic worldview over those of other cultures. It is that which now threatens the very survival of human civilization and even of life on earth. 1992 will thus provide an occasion for a worldwide reappraisal of the present economic order. (The 500th anniversary of Vasco da Gama's voyage to India in 1498 will provide an opportunity for a repeat performance in 1998.) The fact that 1992 will also be the 20th anniversary of the 1972 Stockholm conference on the environment, and the date by which the European Single Market is due to be brought in, will help to attract attention to some of the key issues.

The second particularly significant time for our purposes will be 1994/1995. This will be the 300th anniversary of the Bank of England, the world's first central bank in a modern monetary system. It will be the 50th anniversary of the United Nations and its associated organizations—especially the World Bank and the International Monetary Fund. This will be a time to discuss and debate fundamental reforms in national and international economic institutions.

We may take these two dates as marking the first two stages in the programme of change which we are aiming to mobilize for the 1990s. The first stage should culminate in 1992 with a worldwide reappraisal of the mode of economic development that has been associated with European world domination in the modern age. One of its outcomes will, I hope, be the publication in 1993 of a much firmer and more detailed programme for the remaining 1990s than is possible now. The second stage will culminate in 1995 with clearly specified proposals for reforming today's national and international economic institutions, firmly rooted in the principles of an enabling and conserving, multi-level one-world economy. One of its outcomes, in turn, should be the publication in 1996 of a further updated programme for the remaining 1990s. By that time, incidentally, it is to be hoped that the annual economic summit meetings will provide a more effective and representative forum than they do today for discussing the real economic problems of the world.

Within this outline framework, the following paragraphs suggest a provisional timetable for the early 1990s for carrying forward the tasks identified in previous chapters. This work will need to be done by many different people and organizations of many different kinds in many different countries in a loosely knit network of shared understanding and co-operation. It will be useful if a number of centres around the world with a general interest in "new economics"—like the New Economics Foundation—can facilitate this process in regular communication with one another. It will be useful if some of these new economics centres can acquire the resources needed to sponsor key research studies, conferences and information

exchanges that might otherwise not take place. It will be useful if they can stimulate publishers to put out, both for professional and for lay readerships, series of books and pamphlets covering various aspects of an enabling and conserving economy. But the vast bulk of the actual work required will need to be undertaken by people and organizations whose primary interest is in particular areas of economic activity and economic thought—such as the household economy, or purposeful consumerism, or the local economy, or taxation, or currency reform, or energy, or agriculture, or whatever.

Laying the Foundations—Chapters 1 to 3

National and international public awareness and discussion about the need for a new path of development are already building up. The aim should be to ensure that by 1992 the key features of a new economic order are as common a topic for worldwide debate in the public media as environmental issues are today.

An important aspect of this process will be a broadly based international campaign. This should be underpinned by a common framework of understanding and action, evolving out of many different initiatives, including this present book. The drive behind this international campaign will have to come mainly from individual people and non-governmental organizations (NGOs), at least in the early 1990s until governments, businesses and other mainstream organizations can be persuaded to fall in behind it. By 1992, therefore, the aim should be to evolve a degree of consensus among a worldwide network of NGOs concerned with Third World development, the environment, poverty, health, and voluntary activities of many kinds, that they all have an interest in helping to create a new, enabling and conserving, multilevel one-world economic order. More specifically, the aim should be to have them co-operating by 1992 in a range of new economics campaigns and projects, including commissioning a joint annual review of progress towards the new economic order.

Developing the conceptual foundations for this new 21st-century economic order will present a challenge of the first importance to the intellectual and academic world. The economics profession on its own will not be able to meet it. Some of the groundwork needed to put new economic ideas on the academic agenda will probably continue to have to be done outside the academic world and independently of it altogether. But an organized interdisciplinary academic effort will have to be mobilized as soon as possible to take that agenda forward. By 1992 the aim should be for at least twenty universities and comparable institutions worldwide to have set up multidisciplinary programmes—covering moral philosophy, political science,

the natural sciences, psychology, jurisprudence and economics—to develop the new conceptual and moral basis for economic life and thought in the 21st century.

Meanwhile, work is needed on specific conceptual aspects of an enabling and conserving economy. Among others, these will include the nature of wealth creation and capital accumulation, and of benefits and costs; the best ways of measuring economic progress, efficiency and productivity; the economic meanings of dependence, self-reliance and interdependence; the economic roles of co-operation and competition; the nature of needs and wants, and the meaning and causes of scarcity; and the meaning of risk and security, together with ways of assessing them and dealing with them.

Remodelling the Structure—Chapters 4 to 8

There are three main tasks here for the early 1990s.

The first task is to develop and spread the idea of the 21st-century economy as an enabling and conserving, multi-level one-world economy, consisting of autonomous but interdependent component parts. These include persons and households, local economies, national economies (and supra-national groupings such as the European Community), the global economy, and the organizations (such as business companies) that carry out economic activities. They and the relationships between them must constitute a system in which one of the main functions of each larger unit will be to enable the smaller units within it to be more self-reliant and conserving. We should aim to have these ideas more fully developed, more generally understood, and more widely accepted by 1992.

The second task is to spread understanding of the idea that this new economic system must and can be evolved by deliberate design as a collective endeavour on the part of humanity as a whole. Again the aim should be to have this idea widely understood and accepted by 1992.

The third task is to begin to tackle the changes needed in each of the component parts, on the lines of the following paragraphs.

Persons and Households

Well before 1992 substantial programmes of public debate, supportive research and practical action should be in hand to foster greater economic self-reliance and more conserving lifestyles at the personal and household level. These should have two main aims. First, they should aim to enlarge people's freedom to act as moral agents in their economic lives, including their opportunities to exercise social and environmental choices in their roles as workers, consumers and savers. Second, they should aim to enlarge the economic role and status of the household and informal sectors of the

economy. By 1992 they should have brought firmly on to the mainstream political agenda the need for new approaches to the distribution of incomes and capital.

Local Economies

By 1992 a worldwide homegrown economy movement for self-reliant local development, based on a network of pressure groups and research centres within many countries, should have come into existence. By that date there should be wide and general understanding of the need and potential for local financial institutions, of the socio-economic nature of local economies, of the economic role of local government (including local government taxation, expenditure and finance), and of the enabling function of national government and its public expenditure programmes in relation to self-reliant local development.

National Economies

By 1992 a worldwide network of research centres, pressure groups and individual people—in Western industrialized countries, Third World countries and socialist countries—should have come into existence to promote more self-reliant, more enabling and more conserving national economic policies (and supra-national economic policies in cases such as the European Community). By that date a number of detailed studies on the practical implications of a shift in this direction—of the kinds suggested in Chapter 6—should have been completed and published.

International Economy

As we have seen, our sights should be set on 1992 and 1994/1995—the anniversaries of Columbus and Bretton Woods. Up to 1992 a top priority will be to set in train an international programme of research, discussion and debate on the need to restructure the international economy. Particular emphasis must be given to achieving an enabling and conserving resolution of the Third World debt crisis, and on using the ongoing controversies about the European Single Market and the European Monetary System, to research and argue the merits of multi-level currencies and monetary institutions—local, national and international. In 1992 itself, a worldwide reappraisal of the present world economic order will be called for. Thereafter, the immediate aim must be to prepare authoritative proposals for transforming the I.M.F. and World Bank by the end of the century into enabling and conserving economic institutions for a one-world economy, and to launch these proposals in a series of publications, conferences and other events in 1994 and 1995.

Corporate Economy

The aim must be to get it widely understood by 1992—in industrialized, Third World and socialist countries alike, and by both lay people and managers and professionals in business and other organizations of all kinds—that a restructured corporate economy and a more humane and ecological corporate culture will be essential features of an enabling and conserving economic order for the 21st century. By 1992 a number of think-tank/pressure groups should have been established—some at existing business schools, polytechnics or universities—as focal points for programmes of corporate restructuring and corporate cultural change. Also by 1992, phased programmes should have been drawn up for the further development of the co-operative movement, the community business movement, and employee share ownership. These must become mainstream components of the 21st-century economy—which should incorporate the best features of both capitalist and socialist organization but go beyond both.

Redeeming the Money System—Chapters 9 to 12

Fundamental reform of the money system—locally, nationally and internationally—and of people's understanding of it, will be a crucial part of the transition to an enabling and conserving economy. It may be the most challenging part, too. More than almost any other, it will involve getting possibilities on to the agenda for serious discussion and study which are not now regarded as practical. The genuine conceptual difficulties of the issues will be compounded by ingrown institutional mystique. Opening up the money system to constructive critical analysis is bound to be seen by some powerful people as a threat to the source of their power. Some existing financial professionals will resist it as an incursion into their specialist preserves. In some important places, like the Bank of England, the N.I.H. or "not invented here" syndrome may cause knee-jerk resistance against whatever proposals are put forward.

A top priority for the early 1990s must be to achieve widespread understanding of all this. By 1992 it should have become generally accepted that the way today's money system operates is inherently disabling for people, wasteful of resources and destructive of the environment; that the proper functions of money in an enabling and conserving economy are to enable people to transact with one another and to encourage them to act conservingly; that the money system we now have has not been designed to perform these functions efficiently and fairly; that, in redesigning it, we shall find it helpful to understand it and model it both as an information system—an accounting and scoring system—and as a system of flows; and that systems of this kind can be and need to be properly designed to carry out their intended functions.

Between now and 1992 the Third World debt crisis and European monetary developments will be among the issues that can help to bring these more fundamental questions to the fore. But the fundamental questions will need to be pursued in their own right, comprehensively and systematically, in much greater depth than has been possible in Chapters 9 to 12. We should aim to have had in-depth research published on them, and to have initiated widespread discussion of its findings, before the end of 1992.

Taxes

By 1992, specific proposals should have been worked out, and perhaps even to some extent put into practice, to shift the emphasis in taxation as proposed in Chapter 10. Again, widespread understanding is needed that existing tax systems are neither enabling nor conserving. They have not been designed to encourage people to be economically productive or socially useful or to use resources efficiently. The tax burden needs to be shifted from useful human work to the occupation of land and the use of resources that would otherwise have been available for other people. The tax bias against the household economy and informal economic activity needs to be removed. The taxation system—international, national and local—now needs to be understood as a whole. Among its functions at international and national levels should be to encourage national and local economic self-reliance and to redistribute resources between richer and poorer nations and richer and poorer localities. In support of a campaign to raise public awareness on these tax questions, we should aim to have had proper feasibility studies carried out and published by 1992 on combined national and local taxation of the unimproved value of land; national taxation of energy at source; international taxes on imports and currency transfers, and on the extraction of global resources; and pollution taxes at every level—international, national and local.

Incomes and Capital

Another particular priority for the early 1990s is to spread understanding of the need for new approaches to the distribution of incomes and capital. Groups like the Basic Incomes Research Group (BIRG) and the Basic Income European Network (BIEN) must be helped to pursue their studies of how to finance a full Basic Income Scheme which will effectively decouple the right to a living income from dependency either on paid employment or on the dole. This will need to be linked with removing taxes on incomes, and with measures to redistribute capital more widely. The aim should be to have authoritative studies completed and published by 1992. They should contain

scenarios exploring the possible economic consequences of the various options, including the likely effects on people's economic behaviour. Separate but linked studies should also be carried out, as proposed in Chapter 11, bringing together in a non-party-political context the scope for wider capital ownership in all its forms, financial and non-financial. Wider capital ownership will help to enable more people to secure a livelihood for themselves without having to be dependent either on paid employment or on the dole.

Currencies, Interest and Debt

By 1992 the aim should be to have made good progress on clarifying the conceptual and theoretical possibilities of a multi-level world currency system, with international, national and local currencies for use in international, national and local transactions; the use of commercial and other non-governmental currencies and quasi-currencies to facilitate economic exchange; and interest-free lending and borrowing. There are prima facie arguments in support of these innovations. But studies are needed on how they might actually be expected to work, how they might be expected to interact with one another, and what their effects on economic behaviour and economic policy-making might actually be. It will also be necessary to look carefully at who will suffer from a conversion of today's monetary and financial system into one that is interest-free, and at what could be done to ease the transition for them. Meanwhile, also before 1992, practical experiments should be encouraged, for example with local currencies and quasi-currencies.

Financial Services and Financial Institutions

Changes outlined in almost every chapter imply changes in today's financial services and financial institutions. All in all, the transition to a new economic order will necessarily bring with it a profound restructuring of this sector of the economy. In this area, like so many discussed in Chapter 13, the conversion of today's way of doing things to the new way will need effective strategic planning. To some extent, it can be left to the pressure of changing market forces to stimulate this. In due course, as the possibility begins to sink in that the prospect of having to move to an enabling and conserving economy may actually be for real, working out conversion strategies for financial institutions will become big business for management consultants and business centres. In the mean time, however, authoritative outside studies—pulling together how the transition to an enabling and conserving economy is likely to affect financial services and financial institutions—need to be carried out and their results published by 1992.

Financial Crash or Soft Landing

The last, but by no means least, of the priority subjects for clarification and research in the monetary and financial area in the next few years will be how to avert or cope with a catastrophic financial collapse. This is a task which government monetary authorities and commercial financial institutions are unlikely to be willing to take on, in case the knowledge that they were doing so might trigger the very thing feared. It is a task for independent outsiders. It will be a difficult one. Chapter 12 has suggested that, even if a world financial collapse would not otherwise have taken place in the 1990s, the need to change direction to an enabling and conserving path of economic development is itself likely to bring one on, unless very effective precautionary measures can be taken. By 1992, assuming a collapse has not already happened by then, the aim should be to be clearer about the possible eventualities that might trigger one, the possible ways of averting one, the possible consequences of one if it happens, and possible responses to those consequences.

Reorientating the Real Economy—Chapter 13

By 1992 the aim should be to have developed and disseminated clear ideas about what an enabling and conserving future path of development will mean for many different aspects of the real economy and real life—work, technology, energy, agriculture, and so on—and what needs to be done to bring about a change of direction to that new path.

This will involve continuing to raise public awareness about possible futures in these various fields in the broader context of an enabling and conserving economy.

It will also involve in-depth preparation of phased programmes of change through the 1990s in all these fields. The aim should be to get programmes published for as many of them as possible by 1992. The great bulk of the activity required to achieve this will fall to people and organizations with a special interest in each of the particular fields in question. But new economics people who understand how the principles of an enabling and conserving economy can be applied across all these different fields, will also have a valuable contribution to make.

The Prospects for Success

These projections all add up to very rapid progress across a very wide front. It is impossible to say at this stage how realistic they are. My previous direct involvement in historic change on this scale—the effective ending of the

British Empire some twenty-five to thirty years ago—taught me that, although change tends to come too slowly for those who have seen the need for it, it tends to snowball much faster—once it starts—than has seemed remotely possible to those who haven't.

The extraordinarily rapid rise of environmental awareness in the last two or three years is a sign of hope. Once enough people see that we need a new economics for people as well as for the Earth, and that the two go inextricably together, great progress will be possible in quite a short space of time. I hope this book will help to stimulate many who have not already done so, to work out for themselves how the principles "enable and conserve" can be applied to their own particular field of endeavour.

In trying to clarify the new economic agenda for the 1990s, as I have tried to do, it is difficult to avoid a conflict of moods—a tension between optimism and pessimism.

On the one hand, there is an inescapable sense of exhilaration and high aspiration. Making the transition to a new economic order is perhaps the most crucial challenge to action and thought which faces the world today. If humankind can meet this challenge, a new era will open up for much more than just the economic side of life. It is inspiring just to be among those who are working at this new frontier of history.

Against this it is sometimes hard to shake off an almost desperate sense of inadequacy. As a writer, I am all too conscious of how difficult it is to present a clear picture of what kind of process the transition to a new economic order will be; of all the different types of activity—including the activities of research and reconceptualization—which it will involve; of how all these must cross-link and support one another; of which activities are to do with achieving changes directly now and which to do with getting the possibility of more far-reaching changes on to the mainstream agenda; and of how the very many different kinds of people involved can support one another's efforts. As a former director of research into economic and social and technical change, I sometimes think how much could be done to clarify and take forward the urgent key questions, if only one had a budget of half a million pounds a year—peanuts compared with the billions now being spent in all sorts of other ways. And then I reflect that, even with five times that backing, one could only make a small contribution to the great tide of thought and action that has to be generated worldwide.

This great gap between the scale of the task we face and the capacity of each one of us facing it, reflects the nature of the challenge. I cannot now foresee, and nor can any reader or user of this book, how or with what success the kind of programme it proposes will be realized through the 1990s. My hope can only be that, with all its weaknesses and omissions, the

book will give some help to some people in their efforts to move things in the right direction; that the whole process will snowball; and that in three or four years' time it will prove necessary and possible to rewrite the book accordingly, or at least to fill out its practical conclusions and bring them up to date.

[A reminder:

This book was written sixteen years ago. Many of the addresses of people and organizations, and in some cases the names of organizations, have changed since then. For the sake of historical accuracy, references to them have been kept as originally published. In most cases up-to-date information about them will be found on their websites.

December 2005]

Appendix

The New Economics Movement

Some Additional Notes

The notes and references following each chapter, together with the text itself, will have conveyed some idea of what the new economics movement is about and what ground it covers. Many of the books mentioned, including *The Sane Alternative*, *Future Work*, and *The Living Economy* contain many further useful references. This Appendix lists a few additions which readers may find helpful. It is subjective, as well as very incomplete. It could hardly be otherwise. The movement is not sharply defined. Different people come to it from different backgrounds and standpoints. We take part in it in different ways and different places. We each see only part of the picture.

I came to it—though I wasn't then aware of a new economics movement as such—in 1974 when *The Sunday Times* published an article of mine on "Can We Have A Non-Profit Economy?". I was then fascinated by the need for institutional reform in government, business and finance, and by the interplay between the evolution of ideas on the one hand and economic and social and political change on the other.

The response to that article was one of the factors that led me, within the next year or two, to see that the need for institutional reform in Britain was only one, comparatively minor aspect of a much larger challenge facing humankind as a whole. The stimulus came from a number of different directions. Peter Cadogan, a leading figure in the humanist movement, and Colin Hutchinson, then chairman of the Conservation Society, were among those who joined Alison Pritchard and myself in setting up the *Turning Point* network. Ivan Illich's books offered exciting insights into the dependency-creating tendency of modern development. The writings of Daniel Bell, Herman Kahn and Alvin Toffler provoked the thought that there surely must be other possibilities than the expert-dominated, technology-led,

superindustrial future they were heralding. Arthur Koestler's book *The Act of Creation* prompted ideas about the role of creativity in economic and social change. I began to sense that the confluence of a number of different movements was setting the scene for a creative breakthrough in human affairs. Futurism, environmentalism, decentralism, feminism and Third World development were among the most prominent of these. It was in that context that the writings of economists like E.F. Schumacher, E.J. Mishan, Herman Daly and Samuel Brittan, seemed interesting and important.

Thereafter, two dates stand out in my mind.

First, in 1976 Alison Pritchard and I spent ten weeks travelling in the United States and Canada. Our meetings with Hazel Henderson, then at her Princeton Center for Alternative Futures, and with Bill Dyson, then Director of the Vanier Institute of the Family in Ottawa, brought us into contact with many new people. From then on we knew we were part of an international movement.

Second, in 1984 we helped to bring together the group which organized The Other Economic Summit (TOES) in London in June that year. Among others, the group included Jonathon Porritt, Paul Ekins, John Elkington and Duncan Smith from the green or environmentalist movement; Pat Saunders from the Quaker side of the world development movement; and John Davis, George McRobie and Diana Schumacher from the Schumacher tradition—appropriate technology, small is beautiful, and economics as if people mattered. From the beginning TOES has been international in character. TOES meetings have been held in subsequent years in Bonn, Tokyo, Toronto and Paris. Its launching in 1984, followed by the New Economics Foundation in 1986, was a landmark in the development of the new economics movement. *The Living Economy* and the New Economics Foundation's newsletter and other publications are required reading for anyone who wants to know what the new economics movement is about.

Against that background, the following additional references may be helpful. I have limited them to a handful of useful introductory books not already mentioned in the text, and to a few organizations and networks that are set up to deal with enquiries. Besides many other valuable books and publications, there are countless other people and groups in many countries who are actively involved in the new economics. I think, for example, of all the authors of papers summarized in *The Living Economy*; of people involved in TOES in Japan in 1986, like Professors Hisashi Nakamura, Ui Jun, and Sekio Sugioka, Dr Takashi Iwami and Mr Kunihiko Morita; and of many grass-roots movements and small alternative development centres in Asia, Africa and Latin America. But I think that, with this Appendix, readers will have enough additional information to find their way to whatever aspect of the new economics most interests them.

I have listed these additional entries rather arbitrarily under five headings, but most of them overlap this artificial classification.

Alternative Futures

Books

- Willis W. Harman, *An Incomplete Guide to the Future*, Norton, 1979.
 Hazel Henderson, *Creating Alternative Futures: The End of Economics*, Berkley Windhover, NY, 1978; and *The Politics of the Solar Age: Alternatives to Economics*, Anchor/Doubleday, NY, 1981.
 Ronald Higgins, *The Seventh Enemy*, Hodder and Stoughton, 1981.
 Ziauddin Sardar, *Islamic Futures: The Shape of Ideas to Come*, Mansell, 1985.
 Robert Theobald, *The Rapids of Change: Social Entrepreneurship in Turbulent Times*, Knowledge Systems Inc. (7777 W. Morris Street, Indianapolis, Indiana, USA), 1987.

Publications

- Future Survey*, ed. Michael Marien, monthly from World Future Society (4916 St. Eimo Ave, Bethesda, MD 20814-5089, USA).
New Options, ed. Mark Satin, monthly from New Options Inc. (PO Box 19324, Washington DC 20036, USA).

Organizations and Networks

- Action Linkage (Ann Weiser), 5825 Telegraph Avenue No. 45, Oakland, CA 94609, USA.
 The Alternative Future Project, Alternariv Framtid, Hausmannsgt. 27, N-0182 Oslo 1, Norway.
 Secretariat For Futures Studies, Hagagatan 23 A 3 -tr, S-113 47 Stockholm, Sweden.
 TRANET (William Ellis), Box 567, Rangeley, ME 04970, USA.
 World Futures Studies Federation (Jim Dator), University of Hawaii, Social Science Research Institute Porteus 720, 2424 Maile Way, Honolulu, Hawaii 96822, USA.

Third World Development

Publications

- IDOC Intemazionale*, every two months from the International Documentation and Communication Centre, via Santa Maria dell 'Anima 30, 00186 Rome, Italy.
New Internationalist, monthly from 42 Hythe Bridge Street, Oxford OX1 2EP.

Organizations and Networks

Association Mondiale de Prospective Sociale (AMPS), CP 56, CH-1211 Geneva 19, Switzerland.

Centre International de Recherche sur l'Environnement et le Developpement (CIRED), 54 Bd Raspail, 75270 Paris, France.

Dag Hammarskjold Foundation, Ovre Slottsgatan 2, S-752 20 Uppsala, Sweden.

International Foundation for Development Alternatives (IFDA), 2 Place du Marche, CH-1260 Nyon, Switzerland.

Pan-African Social Prospects Centre, BP 1501 Porto-Novo, Benin.

Society for International Development (SID), Palazzo Civiltà del Lavoro, 00144 Rome, Italy.

Third World Network, 87 Cantonment Road, 10250 Penang, Malaysia.

Sustainable Development

Books

Jonathon Porritt, *Seeing Green*, Basil Blackwell, 1984;

and, with David Winner, *The Coming of the Greens*, Fontana, 1988.

Organizations and Networks

U.K. Centre for Economic and Environmental Development (UK CEED) (Director, David Cope), 12 Upper Belgrave Street, London, SW1X 8BA—issues a bi-monthly newsletter.

Worldwatch Institute (President, Lester Brown), 1776 Massachusetts Avenue NW, Washington DC 20036, USA—issues an annual State of the World Report and Worldwatch Papers on aspects of sustainable development.

Small is Beautiful

Books

Romesh Diwan and Mark Lutz (eds.). *Essays in Gandhian Economics*, Gandhi Peace Foundation, 221-223 Deen Dayal Upadhyaya Marg, New Delhi 110002, India.

George McRobie, *Small Is Possible*, Cape, 1981.

E.F. Schumacher, *Small Is Beautiful*, Abacus, 1974; and *Good Work*, Cape, 1979.

Organizations and Networks

Agence de Liaison pour le Developpement d'une Economie Alternative (ALDEA), 28 Bd de Sebastopol, 75004 Paris, France.

Lokayan, 13 Alipur Road, Delhi 110054, India.

Rocky Mountain Institute, Box 505, Snowmass, CO 81654, USA.

Rodale Institute, 222 Main Street, Emmaus, PA 18049, USA.

Sarvodaya International Development Institute, 98 Rawatawttwe Road, Moratuwa, Sri Lanka.

New Economics*Books*

Soren Bergstrom (ed.), *Economic Growth and the Role of Science*, Department of Business Administration, Stockholm University, S-106 91 Stockholm, Sweden 1984.

Herman E. Daly, *Steady State Economics*, Freeman, San Francisco 1977.

Joseph Huber, *Die Regenbogen-Gesellschaft: Okologie und Sozialpolitik*, Fischer, Frankfurt, 1985.

Manfred A. Max-Neef, *From the Outside Looking In: Experiences in Barefoot Economics*, Dag Hammarskjold Foundation, Uppsala, 1982.

Bootstrap Press (Suite 9A, 777 United Nations Plaza, New York NY10017, USA) is an imprint of the Intermediate Technology Development Group/North America (Chairman, Ward Morehouse). It publishes a series of new economics books including;

David P. Ross and Peter J. Usher, *From the Roots Up: Economic Development as if Community Mattered*, 1986.

George Benello, Robert Swann and Shann Turnbull, *Building Sustainable Communities: Tools and Concepts for Self-Reliant Economic Change*, 1989.

Organizations and Networks

Centre for the Study of Urban, Rural and Development Alternatives (CEPAUR), Casilla 95, Correo Miramontes, Santiago, Chile.

Council on Economic Priorities, 30 Irving Place, New York, NY 10003, USA.

European Centre for Work and Society, PO Box 3073, 6202 NB Maastricht, Holland.

Human Economy Center, Box 14, Economics Department, Mankato State University, Mankato, MN 56001. USA.

Living Economy Network (Co-ordinator, Paul Ekins), School of Peace Studies,
University of Bradford, Bradford, West Yorkshire BD7 1DP.

The Other Economic Summit/North America (TOES/NA) (Communications
Co-ordinator, Susan Hunt), Economics Department, University of Maine,
Orono, ME 04469, USA.

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