

But part of the prevention agenda is also environmental. If we can design our places right, or re-design them right, then we might also reduce the cost to the public purse. That is a somewhat glib premise based on our record so far. But a genuine prevention policy carried out in alliance between planners and the new Health and Wellbeing Boards, with their new found interest in public health, might provide the engine.

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The irony is that, although making these policies real on the ground is likely to be extremely difficult, we do know what needs to be done. We know that a transport infrastructure based on cycling is going to keep people a good deal healthier than our current one. We know that trees and green space in cities have a dramatic affect on depression and health recovery. We know that spaces that encourage community – which doesn't mean forcing people into each other's company in the way that architects have tried to do – are going to have less crime, less depression and more business.

So, I have seen the future and, although it doesn't exactly work yet, it may be the only way out.

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Martin Stott on a new book by 'the grandfather of green economics'

rethinking money



Twenty five years ago I started writing a regular column for *Town & Country Planning* entitled 'Futurework'. The title was chosen because the then Editor wanted me to focus on new working initiatives – things like co-operatives, social enterprises and the newly emerging interest in local economic development of all kinds – and bring them to the attention of a planning readership. It was also an acknowledgement of the influence that the author James Robertson had had on my thinking and career path. His pioneering book *Future Work* had come out a year earlier, picking up on all the changes in the nature and purpose of work and how it is distributed that globalisation (not called that then), changing technologies and the emerging green agenda would force us to confront – not always very successfully.

Twenty five years later Robertson, who has been described as 'the grandfather of green economics', has written another timely and thoughtful book, entitled *Future Money*.¹ The subject could hardly be more appropriate for the age we live in, as the global financial crisis that kicked off in 2008 shows no sign of righting itself. Robertson's book basically argues that crisis is inevitable until we take a radically different approach to money. The book is the culmination of 30 years of work and thought on the subject, synthesising the work he and his partner Alison Pritchard have done with The Other Economic Summit (TOES), through their newsletter *Turning Point*, and in books such as *The Sane Alternative* and, of course, *Future Work*.²

Robertson's message in *Future Money* is that a Copernican revolution in human understanding of how the money system works, and how it ought to work, is well overdue. As he points out, money is a system of quantitative values – distinct, numerical currency values. How it works motivates people to live in some ways instead of others; and as long as we allow it to work as it does now, it will continue to conflict with real-life human values.

In fact, the way it now encourages or even compels almost everybody in the world to live is leading us towards a combined collapse of the interacting systems – economic, social and ecological – on which we depend. Robertson sees the current way we relate to money at local, national and global scales as being a bit like the way that astronomers attempted to explain the relationship between the sun, the Earth and other planets before Copernicus correctly set out the functioning of the solar system ‘and made it no longer necessary to compensate for... errors by a complex piling of epicycles on epicycles’.

Robertson concentrates on core government functions, on the grounds that these will determine whether or not the money system will meet its 21st century purposes. As he puts it, ‘Modernising those core functions will make it possible to reduce the present scale of corrective responses like public

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borrowing and complex financial regulation.’ The book as a whole is a trenchant critique of what money does to us. For instance: ‘One lesson from history is that a mainly unspoken – and by most people unrecognised – purpose of the monetary system has been to transfer wealth and well being to rich and powerful citizens and countries from poorer and weaker ones.’

The housing market isn’t a bad example of this. While the cost of basic items like bread and potatoes rose 37-fold between 1910 and 2000, a house in Chelsea increased in value from £1,000 to £4.5 million – an increase to 450,000% of the initial value. This disparity is not difficult to understand in a context in which:

- Land values are not taxed, but business profits, earnings from work and value added are all taxed.
- Consequently the value of land and of the houses on it tends to grow faster than the value of other things.
- That encourages banks to create money to lend to borrowers to buy houses and the land they are on.

- That in turn helps to power the long-term, self-reinforcing spiral of rising land values and house prices.

The massive disparity between the salary of an ‘excellent teacher’ in an Inner London school and that of their next-door neighbour who works in a bank or associated financial institution in the City is not – of course – because City people bring in high profits for the companies whereas teachers nurses and doctors don’t bring in profit. It is because, as Robertson puts it, ‘What most economists don’t recognise is that the money values that determine the outcomes of demand and supply in any particular situation are not objective outcomes of processes governed by Nature or by God. They are outcomes of how powerful people have made the money system work – in this case so that banking is a hugely subsidised business and governments allow the banks to hold our societies to ransom.’

The critique is powerful. Robertson’s proposed solutions to the problem include the creation of a universal citizen’s income, a proper international currency (the ‘bancor’, operated by a World Central Bank – not the dollar, or operation by any of the current global institutions), global taxation systems, especially to encourage behaviour that will conserve and restore the resources of the planet, and mechanisms to distribute the value of those resources more widely and fairly. The prescription is clear sighted, ambitious, and transformative, and both an intellectual and a practical challenge.

I am a bit uneasy about some aspects, such as proposals to tax activities that pollute and damage the global environment or cause hazards beyond national boundaries such as dumping waste at sea, because this feels like a licence for those who can afford it to opt out of the responsibilities of world citizenship. It seems like a ‘today solution’. But as Ed Mayo, Secretary General of Co-operatives UK, put it: ‘If a Martian landed and said, take me to your future leader, how much happier we would be if we could take them to the door of James Robertson. He is the great creative economic thinker of recent times.’

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Notes

- 1 J. Robertson: *Future Money: Breakdown or Breakthrough?* Green Books, 2012
- 2 J. Robertson: *The Sane Alternative: Signposts to a Self-Fulfilling Future*. 1978 (self-published); and J. Robertson: *Future Work: Jobs, Self-Employment and Leisure after the Industrial Age*. Gower, 1985. James Robertson’s website is at www.jamesrobertson.com