

SEVEN YEARS ON TOES Begins Its Second Seven-Year Cycle

The Other Economic Summit (TOES) first took place in London seven years ago in 1984, when the heads of government of the Group of Seven (G7) rich industrial countries were holding their annual economic summit here. Next week the G7 Summit is in London again and so is TOES. The first seven-year cycle is complete. The second is about to begin.

The TOES meeting itself will begin on Monday. It will address specific issues relating to this year's G7 Summit. But today, as we start three days of widely ranging seminars, conferences and other events associated with TOES, I have been asked to give some rather broader personal reflections, looking back on the past seven years and looking forward to the next seven.

Origin Of TOES

By 1984 it was becoming clear that the so-called world leaders of the Group of Seven high-consumption, high-pollution countries were not giving a lead. They were offering no effective response to the deep-seated world crisis brought on by the conventional approach to economic progress which they themselves represented. The annual G7 economic summits were part of the problem, not part of the solution.

The specific suggestion for TOES in 1984 came from two women members of what was then the Ecology Party, now the Green Party. That is significant: conventional economic assumptions and values are, among other things, over-masculine and unecological. But the group which came together to set TOES going reflected a wider range of concerns. That was, and remains, crucial. Conventional economic imperatives and ideas are causing great damage and frustrating vital change across a very wide front: the gap between rich and poor peoples; poverty and unemployment; human development; environment; peace and disarmament; health; technology, industry and farming that are safe, clean and humane ; the survival of tribal peoples; a more effective United Nations; and much else, including - not least - social justice and spiritual values.

So one of the aims of TOES from the beginning has been to help to build an international coalition for a new economics out of a wide range of citizen interests and citizen concerns.

State Of The World

What of the state of the world now, compared with 1984? It certainly hasn't improved very much, and in many ways it has got worse. The G7 can take little satisfaction from their achievements during this period. And, let's face it, we can't take very much either, unless we see ourselves as mere protesters on the margin, voices crying in the wilderness - which we certainly do not.

Here are some of the things we said in the 1984 TOES communique.

"Unemployment.

Rich and poor countries alike face the prospect of continuing high unemployment... Policies that assume that unemployment can be brought down by conventional economic growth, and that work and self-respect and a decent livelihood must continue to depend on paid, full-time employment of the conventional kind, are policies of despair for many millions of people.

Third World Poverty.

More than a billion people now live in absolute poverty. The conventional assumption is that development in the poor countries must depend on further economic growth in the rich, so that for the poor world to become less poor, the rich world must become even richer. This assumption is absurd in a world of finite resources.

Resources and Environment.

The conventional path of economic development, both in rich and poor countries, increasingly threatens the natural resources and the natural environment on which human life depends. This reinforces the urgent need for a fundamental change of direction already demanded by unemployment and Third World poverty.

The Arms Race.

A crucial element in conventional economic recovery is the expanded manufacture and sale of armaments. This spreads armed

conflict around the world and threatens global self-destruction. It wastes scarce resources. It crowds out constructive expenditure and socially useful work."

All that is as true now as it was seven years ago - and in many respects even more so. To take one example, new threats to global security are arising from environmental and economic breakdown as well as from military aggression. Change is more urgent than ever.

As the German theologian Hans Kung records in his book, *Global Responsibility: In Search of a New World Ethic*, published in English translation earlier this year:

- Every minute the nations of the world spend 1.8 million dollars on armaments.
- Every hour 1500 children die of hunger-related causes.
- Every day a species becomes extinct.
- Every week during the 1980s more people were detained, tortured, assassinated, made refugee, or in other ways violated by acts of repressive regimes than at any other time in history.
- Every month the world's economic system adds over 7.5 billion dollars to the catastrophically unbearable debt burden of more than 1.5 trillion dollars now resting on the shoulders of Third World peoples.
- Every year an area of tropical forest three-quarters the size of Korea is destroyed and lost.
- Every decade, if present global warming trends continue the temperature of the Earth's atmosphere could rise dramatically with a resultant rise in sea levels that would have disastrous consequences, particularly for coastal areas of all the Earth's land masses.

Hans Kung is not writing specifically about the need for economic change. But what he says underlines how urgent it has become.

Changes For The Better

Some things have been moving in the right direction.

Ecological awareness has grown tremendously. Governments and business now recognise that the environment is important. As a reminder of how quick this change has been, just contrast the scale

of the worldwide effort now being put into the "1992 Process" of preparation for the UN Conference on Environment and Development (UNCED) in Brazil next year - contrast that with the deafening silence with which politicians and the media greeted the publication of the Brundtland Report four years ago in 1987. Climate change, the ozone layer, the common interest of humanity in global resources like tropical forests and oceans - not to mention such things as green consumerism, the greening of business, environmental auditing, environmental consultancy and blueprints for a greener economy - have all burst through to the surface in the past seven years. This is certainly a step forward, even if mainstream thinking has hardly yet begun to realise its full, long-term significance.

Another big change for the better in the past seven years has been the collapse of communism, both as a way of actually organising economic and social life and as a vision of how to achieve a better way to live. This has brought difficult problems, certainly. But a great burden has been lifted from the millions of people living under communism, and the Cold War has ended. It is good that Mr. Gorbachev is to attend some of this year's G7 Summit.

The significance of the collapse of communism is not that it means the triumph of capitalism, let alone the end of history - an idea so staggeringly naive that one wonders how it ever got taken up. Its real significance is quite different. First, it showed what citizen movements can do when the crunch comes. Second, by finally discrediting the old approach to the transformation of modern society, it has helped to open the way to a new approach, less damaging and more likely to be successful. I am not necessarily saying that the new economics should aspire to be a transformative ideology on the lines of Marxism. But it must certainly be part - an important part - of a new, post-modern approach to social transformation.

"Post-modern" is important. Communism on the one hand and capitalism on the other have been interlocking aspects of one and the same world order and one and the same worldview - modern, industrialised, supposedly scientific, culturally European. Both have involved an impersonal, unecological, unethical approach to economic life. Both have been centralising, whether under big business or big government or both. Both have been destructive of the Earth. Both

have been disabling for people - they have made people more dependent. As the old joke has it, capitalism has been the exploitation of man by man and communism has been the reverse. And for the past seventy years, each has used the threat of the other to distract attention from its own injustices and shortcomings. For all these reasons, the collapse of world communism helps to open the way to the transformation of world capitalism too.

Now for an important piece of good news that didn't reach the headlines at all. In 1990 the UN Development Programme began publication of an annual report on Human Development. This will be an invaluable source of "new economic" data from now on. Among the published conclusions of the 1990 report were that "the link between economic growth and human progress is not automatic" and that "a participatory approach - including the involvement of NGOs - is crucial to any strategy for successful human development".

The last item of good news I want to mention is ourselves. The worldwide new economics movement - which seeks to go beyond both capitalism and communism, and to promote human development - has been growing by leaps and bounds in the last seven years, largely unnoticed by the mass media and conventional "opinion formers". TOES, particularly since its last three meetings in Toronto, Paris and Houston, has become a regular fixture in our annual calendar. Although many other growth points existed before 1984, and although TOES has not yet established a solid administrative and financial base, it has helped to give the new economics movement a focus. When future historians look back to the 1980s, they will find, I am sure, that - in our campaigns and meetings and publications and projects - people associated with TOES and the New Economics Foundation in this country, and people associated with our friends and sister organisations abroad, were among those laying the foundations for the new economic order which took shape in the 21st century.

The Bad News

But, even if well begun, our task is by no means yet half done. And this brings us to the bad news.

First, in spite of growing environmental awareness, very few leading people around the world - in politics and government, business and finance - yet admit, or perhaps even understand, the scale and urgency of the changes now needed. True, they have learned to talk about "sustainable development". But they behave as if what has to be sustained is the onward stampede of the Gadarene swine.

In the debate of the past few months in Britain about how to tackle the present recession, I have not heard a single politician from any of the main parties mention the question of long-term environmental sustainability. The debate has been all about which party's policies will most quickly restore the tempo of high-street spending, the level of industrial output, and the rate of conventionally measured economic growth. I know the dividing line between politics and entertainment is becoming fuzzy. But this is the theatre of the absurd.

Internationally, too, our leaders are still acting out the fantasy that more economic growth, combined with more scientific knowledge and new technical fixes from industry, can provide an effective response to threats like global warming and a sound basis for humanity's common future. So, in the preparations for UNCED next year they have been playing down the need to reform economic systems - including the need to modernise and democratise the present institutions of global economic governance. They seem quite unaware of the need for radical changes in the policies of the World Bank, the IMF and the GATT and their role within the UN system, and of the need to question the future of the G7 itself.

The fact is that too few leading people around the world yet understand that the conventional Western vision of economic progress, which encourages an eventual world population of 10 or even 15 billion people to seek the high-consumption, high-pollution lifestyles of today's rich countries, is hopelessly unsustainable. We have certainly not yet got through to the G7 leaders that a fundamentally new direction of development is needed - at world, national and local levels. They seem to have no inkling yet that this is likely to involve, among other things, the reduction of present levels of rich-country consumption, including especially energy consumption, by as much as half or more. They have not yet begun to grasp the

consequences of this for production and employment, or the massive scale of the economic conversion programme we shall need.

Another, connected, item of bad news is Europe. Beneath the surface differences about a single or common currency, about whether the goal is federation or "ever closer union", and about whether the European Community should be a pillared temple or a branching tree - not to mention the hostilities that break out from time to time between British ex-Prime Ministers - beneath all that, established political and economic opinion in Western Europe is still sold on the idea of an economically more centralised European Community, dominated by bigger business and bigger finance. The prevailing assumption still is that the future of Europe must be tied to the pursuit of endless economic growth.

That the thrust of mainstream Western European development continues in the wrong, unsustainable, direction is bad enough in itself. That it reflects a narrow little-European parochialism makes matters worse. The significant thing about 1992 will not be the European Single Market, as many European politicians, officials and businesspeople have supposed. The much more significant event of 1992 will be the first Earth Summit in history - when the peoples of the world come together at UNCED to discuss our common future. Most of them, in the Columbus 500th anniversary year, will be looking back on half a millennium of European world domination, and looking forward to a new, post-European - as well as post-modern - future.

My third sobering thought about the last seven years bears more closely on the new economics movement itself. Although we have made some progress, we still have a very long way to go.

For example, although we are working on it, we are not yet seen as offering the peoples of Eastern Europe and the Soviet Union practical, operational alternatives to consumerism, privatisation and other aspects of the conventional capitalist market economy. And many of us, I know, feel we have so far failed to attract sufficient attention from the mainstream press and media.

There is another point. I don't think we have yet fully appreciated how difficult it is for our national and international leaders to face up

to today's realities. It isn't enough to complain that most of them are lost in uncharted territory, like the Communist leaders in Eastern Europe in 1989 - without the vision or the magnanimity - the greatness of spirit - to recognise and confront the historic challenge of their time. The fact is that people pursuing career success and survival in politics, government and business - and in other established walks of life - are prisoners of the power structures of today. They cannot step very far out of line. Only independent citizens and independent peoples' movements are free to map out the route to a new tomorrow and lead the way along it. And, only by insisting that they do so, can we make it easier for our leaders to follow.

In the next seven years we must get the non-governmental organisation (NGOS) to recognise this. They need to be very careful not to allow themselves to become instruments of short-term government and business strategies, at the expense of the true long-term interests of people and the environment. Although some NGOs are now giving good support to the new economics, we still have to convince the great majority of NGOs that this is a priority.

The New Economics Movement

As the programme for the next six days suggests, the new economics movement is a very broad church - inclusive, not clearly bounded. In fact, hundreds of thousands - millions - of people around the world, most of them unknown to each other, are part of it.

We are promoting change in many different spheres. These include personal lifestyle, institutions, technologies, and ideas and values.

- Lifestyle. Some of us concentrate on applying the principles of the new economics to our own way of life - the work we do, the goods we buy, the way we invest our financial savings, how we deal with our household wastes, and so on.
- Institutions. Some of us concentrate on applying the principles of the new economics to change the institutions that influence and constrain economic life. For example - one among many - we may be working on how to reduce the burden of tax on people's incomes and shift it on to their use of real resources

(such as land and energy) and the pollution they cause (much of which is created by energy-intensive processes).

- Technologies. Some of us are concentrating on promoting the use of technologies which are enabling and conserving, as in energy conservation and organic farming.
- Ideas and Values. Some of us are working at changing the dominant ideas and values that influence all those other things - personal ways of life, institutional norms, and accepted technologies. One example is the idea that maximisation of money values is the only true measure of economic success, as in conventionally calculated value-for-money for consumers, profit for businesses, and GNP for countries. Another is the idea that religious beliefs have little practical bearing on the economic aspects of life, which are governed by supposedly scientific laws of their own.

This diversity is a strength, not a weakness. Today's conventional norms in each of these different spheres - lifestyle, institutions, technologies, and ideas and values - interlock and reinforce one another. Changes in one contribute to changes in others. We are all helping one another to pull in the same direction.

But, in the last seven years, some conflicts between us have become more apparent. We need to face up to them.

Take green consumerism and green business. Some of us promote these enthusiastically as means to business and financial success. To others of us the green consumer is a red herring, a distraction from the need to reduce consumption altogether. And how, we wonder, could the typical big business today - which is under constant pressure to maximise shareholder profits in predatory, impersonal, international financial markets - how could it afford, however green it tried to be, to go for the reduced consumption, reduced production, reduced throughput and reduced turnover of a sustainable future.

Nonetheless, even those of us who have these reservations can surely welcome the greening of business and consumerism as first steps in the right direction. In spite of a difference here, there is also a common cause.

Again, are we trying to create a new economics or are we trying to go beyond economics? On the one hand, we include green economists who are working to expand the scope of economics - to extend its methods of evaluation and analysis to matters which economists have hitherto ignored, such as the loss of welfare resulting from environmental pollution. On the other hand, some of us tend to see economics as an unsustainable discipline, a short-lived form of understanding specific to the industrial age - as alchemy was specific to the pre-modern age. We are working, if not to phase economics out, at least to cut it down to size and subordinate it to social, environmental, ethical and spiritual values. In principle, there is a conflict here. But, equally, there is an element of mutual support. That green economists admit the failings of conventional economics, is welcome to the anti-economists. And the anti-economists give useful ammunition to the green economists, in their efforts to modernise the economics profession.

As we start on the next seven years, we need to be clear, as these examples suggest, that the new economics movement has two kinds of work to do. There is immediate work, such as helping today's established organisations to respond to environmental and social issues which are already coming on to the mainstream agenda. And there is longer-term work, to bring on to the agenda new issues and new possibilities which most people would dismiss as marginal and irrelevant now - if they thought about them at all.

Take the subject of money. Ethical investment is now on the agenda. So one practical task is to encourage and help financial institutions to expand the ethical investment services they offer, to enable more people to put their savings into concerns which they want to support. But equally important, there are also longer-term things to be done about money. We have to get it across that money is a manmade means of numerical valuation and accounting, whose social function is to enable people to transact with one another on a secure basis of claims and obligations. We have to show why the present system of money and finance fails to perform this function fairly and efficiently. And we have to work out how to transform it into a fair and efficient system.

Most professional economists and financial people are not interested in the longer-term approach, or in such things as the scope for local community banking, the possibility of interest-free forms of money, or the idea that local currencies (alongside national currencies and supra-national currencies like the ecu) might be part of a multi-level currency system for the world. But we should aim to get at least some of these possibilities on to the mainstream agenda in the next seven years.

The Next Seven Years

In the new economics movement, then, we are helping to shape a new post-modern, post-European world order - and a new post-modern, post-European worldview - for the next century and the next millennium. In the coming seven years, which start in 1992 with the 500th anniversary of Columbus and end in 1998 with the 500th anniversary of Vasco da Gama's voyage to India round the Cape of Good Hope, we need to get this widely understood. This will mean putting over some quite big ideas.

The modern world order and the modern worldview, which began to emerge about 500 years ago and eventually crystallised in the second half of the 18th century, at the time of the American and French Revolutions and the Enlightenment, is now breaking down. The conventional modern European approach to economic life and thought has been an integral part of the modern world order and the modern worldview, and it is breaking down too.

The modern approach to economic life has become intolerably disabling for people and intolerably damaging to the Earth. It is based on assumptions that are either false or out-of-date: for example, that economic matters are best approached as if they are scientifically value-free and ethics has nothing to do with them; and that the world economy is still basically a collection of national economies competing for wealth, as in Adam Smith's "Wealth Of Nations".

The electronic age is making it clear that money is essentially numbers, not gold or silver or paper. These - and other things, like electronic pulses (or cattle or cowrie shells or cigarettes) - may be vehicles for money. But money itself is numbers. The growing

importance of money in our lives over the last few centuries has subordinated qualitative to quantitative value, just as the modern European kind of science has emphasised the importance of numerical data and has subordinated qualitative to quantitative knowledge. Modern money and modern science have been twin aspects of what has been called the shift "from myths to maths".

All these features of modern economic practice and thought can be traced back through Adam Smith to the founding fathers of the modern European secular worldview, like Bacon, Galileo, Hobbes, Descartes, and Newton.

The new post-modern, post-European approach to economic life and thought, which we are beginning to crystallise, must be based on quite different principles.

- It must systematically enable people to take greater control of their lives, not make them more dependent.
- It must systematically conserve the Earth's resources, not destroy them.
- It must systematically include qualitative values and ethical choice in economic life, not systematically exclude them from it.
- And it must recognise that our first concern is no longer with the wealth of nations, but with a single one-world economy, which must be reconceptualised, redesigned, and restructured over the coming years into a pluralistic, decentralising multi-level system.

By 1998 we should have got it widely understood that the new economics is about the practical application of these new principles across the whole range of economic life and thought - for example:

- to eliminate the kinds of international trade and international debt that impoverish the peoples of the South and compel them to mine environmentally valuable resources like tropical forests;
- to develop new ways of organising work that will eliminate the necessity to be dependent on either an employer or the dole;
- to develop new ways of living that dramatically cut present levels of energy-use and pollution; and
- to work out new and better ways of measuring economic success than the money-maximising measures of conventional economics today.

There are at least two other dates to have in mind as we think about the next seven years. 1995 will be the 50th anniversary of the United Nations and the Bretton Woods institutions - World Bank, IMF, and GATT. Meanwhile, 1994 will have brought the 300th anniversary of the Bank of England, the world's first central bank in a modern monetary system. These anniversaries should help us to focus the spotlight on the need to strengthen and democratise the arrangements for global economic governance, and on the need for radical change in the world's monetary and financial systems.

Goals For The Next Seven Years

In conclusion, I suggest that goals for TOES' second seven-year cycle should include the following.

- 1) By 1998 the G7 Summits should have been wound up. Last year's G7 Summit at Houston declared the 1990s a "Decade of Democracy". The G7 Summits will be a damaging anachronism in a democratic post-European one-world economy striving for sustainable development. To strengthen and democratise the system of global economic governance, the G7 Summits should, by 1998, have been replaced by summit meetings of a more representative World Economic Council. This World Economic Council should be part of the UN system, serviced by the Secretary-General and responsible for directing and coordinating the work and policies of the UN Development Programme, the World Bank, the IMF, GATT, and other such organisations.
- 2) The Other Economic Summit (TOES) should by 1998 have developed into a firmly founded, officially recognised but still wholly independent annual international gathering of NGOs, people's representatives and concerned citizens, meeting in parallel with the new World Economic Summit, as TOES now meets in parallel with the G7 Summits. TOES' task will then be, as now, to look further ahead and more widely than politicians and government officials can do, and to make sure that vital citizen interests and concerns are not ignored. By 1998 TOES should have attracted support from progressive professional bodies around the world, including an international grouping of recognised economists.

- 3) By 1998 political, business and financial leaders everywhere should have been brought to admit the scale and nature of the changes now needed. In rich-country media there should be daily discussion - as extensive as the coverage given to straight environmental issues today - about how we can shake off our collective addiction to ever-rising levels of production, consumption, and waste, and set about reducing our energy use to about half the present level.
- 4) To ease the way for the wholesale economic conversion that this will require, we must spell out in this next seven years - much more clearly and convincingly than we have in the last - what are the alternatives to conventional economic growth and conventional employment as sources of wealth and wellbeing.
- 5) By 1998 the Third World debt crisis must have been resolved - in recognition of the historic debt owed by the rich, mostly European peoples to the poor, mostly non-European peoples of the world. Its resolution should be one element in a comprehensive reorientation of the world economy towards self-reliance, environmental sustainability and social justice.
- 6) Finally, by 1998, we should aim to have crystallised - out of the various innovations now being developed by people in the new economics movement and elsewhere - a comprehensive understanding of the functions that money should perform in the post-modern world, and a comprehensive programme of monetary and financial reform.

These do not add up to a comprehensive programme. Even so, they may seem ambitious goals. Let us make good progress towards them in the next few days.

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