

# We need a Society ... not an Economy!

Synopsis for workshop, QCEA/QPSW Conference, Brussels 15-16 November 2013

*"If [economics] cannot get beyond its vast abstractions, the national income, the rate of growth, ..., labour mobility, capital accumulation; if it cannot get beyond all this and make contact with the human realities of poverty, frustration, alienation, despair, breakdown, crime, escapism, stress, congestion, ugliness. and spiritual death, then let us scrap economics and start afresh."*

E F Schumacher: Small is beautiful, 1973

1. This is an aide-memoire – for both the participants and myself. It is almost certainly too ambitious!
2. The purpose of this workshop is to offer an interpretation of what ‘an economy’ would be like if we started from the position that what we really want is ‘a society’. I am not offering a completed manifesto, rather an account of work-in-progress.
3. The need for a new economy (or a new set of guiding principles) is nothing new. Particularly since 2008 there have been a number of proposals; one which comes to mind is that of David Korten. I do not know of any which start by asking about the society we want. The economy should serve society’s needs subject only to ecological limits.
4. Our starting point has to be that ‘economics’ and ‘the economy’ are human creations. We can be guided by Keynes’ words that “ ... [Economics] *is a method rather than a doctrine, .... a technique of thinking*”.
5. The present ‘debate’ on the economy is absurdly narrow, focussing only on the movement of indicators and marked by the view that the principle objective of economic policy must be the restoration of economic growth. It also displays considerable evidence of (what I – and others – call) ‘economic illiteracy’.
6. Fritjof Capra suggests that the principles of ecology are an essential basis for a new economy. David Orr suggests that we need “... *a marked improvement ... in the arts of citizenship and governance*” , reminding us of the need for a creative tension between government and its citizens.
7. Alongside these, I suggest (by way of ‘unpacking’ Capra and Orr) that citizens (i) should have a right to have their needs met (a definition of needs to follow) (ii) the responsibility to contribute to the society and (iii) an awareness of ecological limits.
8. Conventional economics sees ‘needs’ in terms of ‘consumption’. I shall use Manfred Max-Neef’s proposed catalogue of (nine) fundamental human needs. We shall discuss how the fulfilment of this broader definition requires an economy in ‘right ordering’. As a basis, I put forward a condensed version of M-F with some interpretations of my own.
9. I see ‘work’ as an important part of society. But ‘work’ is not necessarily the same thing as ‘a job’, and we must seek to improve the vocabulary so that the distinction is clear. We must dispose of the idea that ‘we are running out of work’ or that public policy should be about ‘getting women out to work!’ We must (try to) insist that we are not referred to as ‘labour’ in a ‘labour market’. We must recognise and foster the diversity of talents and skills which Charles Handy’s writing describes.
10. The requirements for understanding and effective participation present a big challenge. We note above the low level of economic (and political) literacy, something which prevents effective challenge. I shall be inviting discussion on this.
11. The cooperative movement offers hope for our times: work, housing, community ownership of initiatives to provide energy, recreation and entertainment. Its development depends on effective legislation to allow appropriate corporate status and the legal ability to raise funds by means of share or bond issues. I hope participants can share examples of successes and obstacles with me.
12. Housing: there appear to be problems with the conventional model in the UK and Ireland, namely owner occupation financed by a long term mortgage. For a while (particularly in the second half of the

20<sup>th</sup> century) it delivered financial returns to those with access to easy loan finance. But others suffered from problems such as negative equity, mortgage arrears and sluggish housing markets. Do we need a new model? Is co-housing an answer?

13. Do we have a 'health' service? While the provision for the treatment of morbidities and injuries is generally very good, we do not seem to have institutions which oversee and promote positive good health. Furthermore, the increasing instability and inequality which are concomitants of the present economic system (austerity, in particular) do much to create the conditions for poor health, particularly mental health problems. Spatial planning appears often to be unaware of (or ignores) issues such as food poverty. Building standards do not require the highest achievable level of energy efficiency.

To be fair, there is a 'new public health agenda' whose practitioners are aware of the need for more proactive approach – but the austerity we are having inflicted on us runs contrary to this.

14. Money, in its present form, remains a serious obstacle. Its origins are often not understood, as are the implications of the fact that most of what we call 'money' is created as interest bearing debt. There are active and well informed initiatives calling for the reform of money, but the task of actually achieving change seems still somewhat remote. There are other problems: too often is 'money' equated with 'wealth'; too often are attempts made to put monetary values on things which are priceless.
15. Alongside the need for monetary reform, there is a serious need to foster financial services for our time and to make what exists better known. Financial reserves – both personal and those possessed by the institutions of civil society need to be invested where positive outcomes (rather than 'avoidance') can be hoped for.

Once more, we are not starting from scratch; the member institutions of the Global Alliance for Banking on Values (GABV) have much evidence to provide about what is possible. But more is needed. The Irish republic (for example) is pretty well a desert in this respect.

16. A basic or citizen's income appears to me to be an imperative in these times. Our colleague at this conference (Philippe van Parijs) has written eloquently and for many years on this subject, as has Guy Standing. There are objections and obstacles which need to be identified and addressed, and the advantages need to be discussed publicly. On balance, I believe the latter outweigh the objections – but the obstacles are considerable. There are citizens' movements in many countries and the work of these needs to be supported and promoted.

Monetary reform may well provide the way to finance a Citizen's Income.

17. Knowledge, and the effective use, of eco-services must be a component of the society we need. Too often are governments proposing (or allowing) planning regulations to be dominated by 'economic' issues without adequate concern for the environmental impact – and I should emphasise that an understanding of environmental impacts requires much more insight than those who make or implement policy often possess. The work of the (US) based Rocky Mountain Institute shows how working *with* eco-services can add (real) value to projects in the field of urban regeneration.

18. Some useful ideas which can be "unpacked" to enable the basis of a 'society' to be better understood:

**Design** – a word with several meanings ranging from the aesthetic to the practical.

**Synergy and symbiosis** – recognising (and using) the interdependences.

**Self-reliance** – a matter of seeing how to get by in a crisis; *not* the same thing as self-sufficiency.

**Diversity** – recognising that geographical localities differ from each other, in their history, local resources, accessibility (and other factors). This determines what *real* trade can take place.

**'Slow'** – not in the tedious sense of waiting in a traffic jam, but interpreted in the context of 'slow cities'; 'slow food'; 'slow design (and slow architecture)'; slow money; ...

**Scale** – an important issue in the thinking of EF Schumacher and Leopold Kohr.