

OVERARCHING VISION

Creating a Future Where All Are Valuable – A New Narrative for the Richer Countries in the World

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May 16, 2017

Abstract

“Humans don’t mind hardship; in fact, they thrive on it; what they mind is not feeling necessary. Modern society has perfected the art of making people not feel necessary. It’s time for that to end.”¹
— Sebastian Junger, *Tribe: On Homecoming and Belonging*

Challenge

There is widespread agreement in the richer countries of the world that the Social Contract is broken—especially the link between hard work and reward and security. Many people fear the loss of their jobs, insecurity in old age, and the destruction of their dreams and cultural norms. They feel they have no voice and are of no value. Globalisation has brought great benefits to some but failed to protect many others. At the same time, we are living beyond the capacity of the planet to sustainably provide all the resources humans need and to process our wastes - with consequences including climate change, biodiversity loss and the serious destruction of many ecosystems. And rapid technological advances, while bringing many positive benefits, threatens to destroy jobs. We urgently need a new agreed vision of how to live together - a positive new narrative! History shows that the construction of a new story or narrative is the critical first step to achieving system change. If we know where we want to get to, then we can make it happen.

In the absence of a positive new vision, the voices of fear will continue to fill the vacuum. Populist politicians will blame economic migrants, refugees, trade from other countries, the ‘other’ - the ‘outsider’ and build stories based on taking back control and making their country great again. History shows us that this is a dangerous path. Protectionism, iron curtains and walls, and populist nationalism caused massive harm in a much less interconnected world in the twentieth century. In this century where so many of our problems are global in scope, where our technologies and communication systems are similarly global and where we face huge population and resource pressures, the consequences are likely to be disastrous.

¹ Sebastian Junger, *Tribe: On Homecoming and Belonging*, Twelve, 2016

Proposal

A New Narrative

What is needed is a new type of economy that is open, dynamic, and entrepreneurial while also being fair, locally rooted and where everybody feels valued. It needs to keep the best features of globalisation while directly addressing globalisation's key problems. It also needs to capture the language of nationalism and construct a new positive nationalism and patriotism. Is this combination achievable? Without question, it is! But it requires a radical shift in economic thinking and above all it requires basing our economies on a new set of values. At the heart of the new economy must be the same values and characteristics as those to which well-functioning families and households aspire. The current economic system is still based on the idea that we are independent rational individuals motivated primarily by wealth and success and that if everybody pursues their own selfish goals then the well-being of society is maximised. This is not only a gross simplification of who we are as humans but is increasingly harmful. A survey in 2009 of 140,000 business people found that over two thirds thought the economic crisis was also a values crisis and that they wished they could practice the same values at work as they do at home.ⁱ This is what a new economy must make possible.

An economy based on the values of well-functioning families and households would be:

- Rooted
- Fair
- Secure
- Flourishing
- Sustainable
- Welcoming
- Creative

Expanding on each of these:

1. **Rooted.** People need to feel in control of their lives and this requires strong local democracy and strong local organisations. Energy and food need to be locally produced wherever possible; local businesses highly supported; rules enacted to prevent undue competition from national and international businesses; banks dedicated to serving the local population; and cultural norms and customs allowed to flourish (Provided they respect universal human rights and democratically agreed laws)
2. **Fair.** This means not only a major reduction in inequality but restoring trust in the major institutions of society: government, businesses, public bodies, media, banks and non- governmental organisations. People need to believe that these organisations are ethical and serving the public interest.
3. **Secure.** It is going to be increasingly difficult for Governments to ensure that there is full time employment for everybody. One major factor will be new technological breakthroughs displacing

traditional jobs. The two key pillars of the old Social Contract were permanent job contracts and the welfare state; both are under threat to a greater or lesser degree in many countries. Just as universal education and health provision has been the norm for many years in many rich countries, economic security for all throughout life needs to become a new norm in these countries. This would be a radical shift and will require exploring basic income provision amongst other options. The cost of providing economic security for all would almost certainly require raising extra or new taxes but would also inject new purchasing power into economies and greatly reduce the risk to people starting up small businesses or projects. It would also reduce the risks to people moving between jobs and facilitate businesses changing the size of their workforces.

4. **Flourishing.** Providing lifelong economic security will make people less vulnerable but will not make them feel necessary. The norm must be that everybody contributes to society by doing something worthwhile and this is recognised and valued whether financially or otherwise. This would include effective nurturing of children, making useful products, providing needed services, artistic creation, improving the natural world, caring for others and undertaking research (to name just a few areas). Encouraging and enabling everybody to contribute is the key to a flourishing society and economy.

5. **Sustainable.** The health and wellbeing of all of us as well as other living things depends on a healthy planet. Not only must we start acting in a fully sustainable way but in addition we need to heal the harm we have already done. This requires a major focus on regeneration of the natural world.

6. **Welcoming.** A locally rooted economy can also be an open one. One where people feel valued and economically secure will be much more welcoming to people from other nations and much less fearful about global trade and immigration. Knowledge transfer and international cooperation to tackle global issues can then become the norm.

7. **Creative.** Enterprise, innovation and creativity would be valued, facilitated and rewarded in all areas. This will require not just healthy competition but also collaboration. Businesses of all sizes and types will have a key part to play but they will need to have clear societal purposes. They will need to make money to achieve these purposes rather than their purpose being to make money.

A system based on these values would have the following goals:

1. To meet the fundamental needs of everybody across all dimensions - not just food, water and shelter but also education, health, economic security, voice and purpose amongst others. This is ethically important, economically efficient and environmentally crucial (birth rates decline dramatically once people's fundamental needs are met).
2. To live within planetary and local ecological limits and to strengthen all life and all ecosystems. Sustainability is no longer enough; regeneration is critical.
3. To maximize human wellbeing or flourishing and to foster the development of empathy towards "the other" – the stranger, the refugee.
4. To greatly reduce inequalities both within and between countries.

This economy will continue to be one based on a mixture of market and non-market activities but will operate to the type of values and goals set out above and with very different institutions. The institutional framework will include:

- Strong Democratic Economic Management. This is required to determine which parts of the economy should be marketised and which not; to redistribute as necessary income, wealth, ownership and power; to manage markets effectively including competition policy, incentives and taxes and where necessary control of aggregate material inputs into a market and waste outputs; and to foster collaboration and solidarity in those sectors where this is more effective than fostering competition and vice-versa. What is needed is smart and strategic Governance, not big or small Governments.
- Diversity and Appropriate Scale. Diversity is critical for system resilience in most markets or areas of activity. We need private, public and social enterprises; specialist and general organisations; large, medium and small banks; and local, regional, national and international institutions. Appropriate scale means that at an activity is usually best carried out at the smallest possible scale; local production of much food makes sense whereas car or aircraft manufacture in each locality does not.
- Building Businesses and Institutions with Social and Bio-centric DNA. Business purpose needs to switch from that of making money to needing to make money to create real value for society. No longer can the creation of good jobs be only a cost and good environmental performance depend on regulation. Both need to be within the DNA of future businesses together with the creation of good products and services and a fair return for investors.
- Regeneration and Extension of Global Commons. Not only do the current global commons of the atmosphere, sea, polar regions and the earth's wild spaces need to be regenerated, but new commons need to be created, including capturing for the public benefit some of windfall gains of new technological breakthroughs.
- Placing limits on Material usage and Economic Growth. In theory, if economic growth was totally decoupled from non-renewable resource usage and renewable resources were only used at their replacement rate, then economic growth could go on forever. In reality absolute decoupling is not possible. In the short-term aggregate usage of certain materials will have to be limited and economic growth may at some time have to be limited for the richest nations and for the richest portion of people in these nations. In any case, in this new economy, economic growth ceases to be a goal and becomes one means amongst several. The goals of the economy are those set out earlier.
- A New Global Compact. Not only will each Nation have to plan to create long and flourishing lives for its citizens while living within its share of planetary limits, but the richer nations must collectively meet those costs of meeting fundamental human needs and regenerating planetary systems that poor nations cannot cover. This requires a new Global Marshall Plan.

What needs to happen next?

Could we make the above narrative come true? Yes, if enough of us want it and are prepared to work together to make it happen. In advanced western economies of the twentieth century, there were two major economic transformations. First to Keynesianism, with its emphasis on the management of markets and the provision of social safety nets and second to neo-liberalism with its focus on

individualism and markets. Changing the economic system is possible! Both changes required a new narrative and new alliances as well as capitalising on global events.

Some of the necessary first steps are:

- Developing and validating this narrative. It needs to be validated not only by people benefiting from the current system but also by those who perceive themselves as losers.
- The language used by Populists needs to be recaptured. For instance, what could be more patriotic than being proud of and regenerating our cultural and natural heritages and welcoming others to our home?
- A powerful new movement needs to be constructed to promote this narrative. This needs to be made up of a series of interlocking networks operating at different geographical scales and involving different constituencies. These constituencies should include business, civil society, academia and think tanks, faith groups, media, new economy practitioners and the arts. In each of these areas, the networks need to involve those that know things are wrong and are prepared to act to change the system. Some of these networks already exist in many countries and work is currently underway to establish an international coordinating body.

The Goal of this new movement will be to shift values and to create sufficient pressure so that politicians start taking up and promoting this narrative at all levels from the local to the global. This in turn will create the conditions for new national and international agreements to make this vision a reality.

- Governments should be pressed immediately to take the following specific steps:
 - Tackle the extremes of income and wealth inequality
 - Devolve much more economic and political power and resources to a local and regional level and involve people in constructing and implementing local economic plans.
 - Examine how the benefits of key technological changes can be widely shared.
 - Plug the major holes in welfare systems while researching the pros and cons of basic income and others means of providing greater economic security.
 - Tackle directly the problem that so many people feel of no value. Find new ways to recognise the ways people are already contributing to society outside the economic sphere and encourage many others to start doing so.
 - Support people in preserving their cultural heritages and make preserving and regenerating the natural world a matter of local and national pride.
 - Legislate that all businesses over a certain size must have a stated societal purpose and are measured on this

The above are only some of the necessary first steps towards making this narrative a reality. Arriving at this future will be like tacking in a sailing boat - it will be vital to always have the destination in mind but it will be necessary to keep changing course as the economic and political winds and tides change. The good news is the new narrative much better reflects real human nature and we have the resources to make it a reality; the challenge is to generate the necessary political will. **We know what we want in our families and households. It is time to demand the same for our economies.**

References

1. Sebastian Junger, Tribe: On Homecoming and Belonging, Twelve, 2016
 2. Global Agenda Council on Values: A New Social Covent
http://www3.weforum.org/docs/WEF_GAC_Values_2013.pdf
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