

Thinking about Alternatives!

A contribution by Daniel Bladh

It is discussed that transforming the global development model must focus on quality instead of quantity, on sufficiency instead of affluence and on human needs instead of desires. The socio-economic-political-cultural and physiological conditions under which human beings can blossom and fully develop all their potential need to be highlighted. How one chooses to define development is related to the perception of us as human beings.

Already in the 1840s, a young Karl Marx stressed the importance of human work. According to Marx; work constitutes an art-specific activity for human beings. This is something which differ us from all other animals that are intrinsically subjected to their natural environments. Humans can transcend these limits and transform the world according to plans and preferences. In this process, work might not only lead to personal self-recognition but also attainment of our shared universal humanity.

This situation should however be contrasted with the more alienating, degrading and dehumanizing form of labor wage which is all too common under capitalist system. Marx once stated that "It cannot be otherwise in a mode of production in which the laborer exists to satisfy the need of self-expansion of existing values, instead of on the contrary, material wealth existing to satisfy the needs of development on the part of the laborer".

This distinction puts focus on the quality of work, under which conditions work is being pursued as well for which goals. Furthermore, happiness research (<http://www.actionforhappiness.org/>) has demonstrated the importance of healthy communities and strong social bonds for individual well-being. People who have many friends, are close to their families and do not see or perceive neighbors as strangers (as in the West) will be happier, healthier and live longer.

More nominal wealth per se is no guarantee for happiness. According to a research that was presented last year (<http://www.livescience.com/15225-global-depression-poor-rich-countries.html>) depression is more likely to strike in high-income countries than in poor ones. From a comparative perspective there are almost three times as many depressed people in countries like the US and France than in China, in spite of the fact that per capita income is much higher in those countries.

This is probably due to the fact that (<http://www.newint.org/features/2012/05/01/mental-health-society/>) people in the West are "caught in the bind of fragmented, unequal societies that often lack any resemblance to community, and where individualism and the desire for privacy has led to alienation and loneliness. (...) In addition, there is the onslaught of consumer culture, the constant corrosive influence of advertising, and a hitherto unforeseen state of perpetual distractedness".

The importance of equality within a society has also been demonstrated by Richard Wilkinson (<http://www.thpc.scot.nhs.uk/Presentations/Wellbeing/Wilkinson.pdf>) and others during the last few years. However rich a country is, if the gaps between the rich and the poor are too wide, there will be more violence, criminality, distrust and health problems. In countries with more equality, the correlation goes in the other direction and social indicators are much more positive.

Although there is a material dimension surrounding these aspects, basically they are all non-material. This is not at least interesting from a sustainability perspective. Changes can be initiated in our societies that result in higher life quality and well-being, while at the same time facilitating reduction of resource usage which is ecologically necessary on a global level.

This would however require changing the overall development frame, where expansion of economic activities and permanent growth are no longer deemed as indispensable. In 2011 the *United Nations General Assembly* adopted a resolution on the initiative of Bhutan which “invites member states to pursue the elaboration of additional measures to better capture the importance of the pursuit of happiness and well-being in development with a view to guide their public policies”.

Bhutan has already replaced the standardized GDP measurement with their model for *Gross National Happiness*. This model has been erected on four main supporting pillars: fair socio-economic development (better education and health), conservation and promotion of a vibrant culture, environmental protection and good governance. The stated objective of GNH is to achieve a balanced development in all facets of life which is essential to our happiness.

This is thus a much more holistic understanding of development, in which the economy is a mean to accomplish something else, not the goal per se. The value order originating from capitalism has thus been reversed. Resources are used to support the living; humans, animals, plants and in the final end our planet earth.

Capitalism is however a system that is quite rather narrow-minded. The inherent logic is to maximize profits, or as Marx once put it, production for exchange values instead of use-values. Capital accumulation, circulation of capital, economic relocalisation and change of global supply chains are all different functions of this logic. The objective towards profit maximization is the driving force behind the intensified exploitation of nature and human labor around the world and the institutionalized class struggle that we are today witnessing in Europe as well as the continued financing of the planet.

How could this variable change in a post-capitalist society or development model. Well, one suggestion would be to replace the goal of profit maximization with a socially optimal profit level. This optimal level would be based on the broader needs and greater good of the society compared with the financial calculations in each individual company. Instead of having a rate of return on invested capital being 5, 10 or 15 percent perhaps 1 percent could be deemed sufficient.

This could go hand in hand with changing the goal of companies away from profit maximization. More socially optimal goals would be to create good livelihood conditions for the working people and to produce functional (as well as durable) goods and services. These changes would all together free up resources for improving the income situation of the direct producers, rising social and environmental standards and also reallocating resources to a societal fund for sustainability investments. A socially optimal profit level will also counteract the self-expansion of economic activities which follows from the circulation of capital under capitalism which stands in dire contradiction with the natural limits on earth.

Is it possible to change the objective of capitalism through regulation? Most likely not, at least not in the long term. The system strives for a situation where there are no obstacles to profit maximization. Thus it is important to address the ground fundament on which capitalism rests, which still is the private ownership and control of the means of production. To alter the system it is necessary to extend democratic decision-making and influence over the economy where today financial speculators and private capital enjoy the privileges of being despotic rulers.

Social movement and political parties thus have to formulate strategies for economic democratization (<http://transform-network.net/home.html>). In this process, questions surrounding participation, transparency, decentralization and accountability need to be highlighted. There is a multitude of communal, collective or community based forms of ownership that can be considered.

Focus, however, ought to be put on both the macroeconomic level, in modernizing outdated property relations and rights, as well as the microeconomic level in reinvigorating participation and local self-management. Irrespectively of which form of ownership that is reckoned appropriate the most important aspect is the increased collective influence exercised by the working people as well as other concerned groups.

Thus extension of democracy constitutes an integrated part of a societal transformation towards sustainability. Another important aspect is the need for a fairer redistribution of resources, wealth and working time both globally as well as within nations. More growth is not the answer. All economic growth these days that is not to 100 percent based on recycled/reused materials, only uses renewable energy sources and causes no pollution will only bring us closer to complete ecological meltdown.

Globally resource use has to be decreased with at least 50% to reach more sustainable levels. Fairer redistribution will make such a transition smoother. Enhancing universal social protection or constructing a welfare society constitutes redistributive mechanisms. This is especially so if it financed through progressive taxation and is based on needs. Such a model ought to be rights-based, and provide both social insurances and income stability. Considering the negative incidents, like for example illness, accidents and unemployment, inevitably will strike some of us (perhaps you, perhaps me), the most feasible solution would be a common responsibility and solidarity with and for all people.

Another mechanism would be to compress income disparity. If the disparity level in some countries today amounts to 1:50, or perhaps in even more extreme cases to 1:500, a socially optimal income disparity for say 1:5 could be proposed. This would mean that the highest incomes would have to be drastically reduced, while potentially also increase the incomes for the poorest people. Such a model would mean that if the people with the highest incomes want to earn more, the only way to do it is to increase the incomes for the people on the lowest thresholds. The agreed relative disparity level on 1:5 would thus remain intact.

Another aspect would be to introduce top ceilings on personal wealth. The more wealth a person has accumulated, the less important that any additional marginal changes. If you already own 100 million USD, one more million does not mean much. But this money could be used productively in the society to increase real social value for other people. Introducing top ceiling on wealth on say 1 or 2 million USD would force the richest people to do

something else with their lives than just accumulate wealth which is transferred to tax havens around the world (<http://www.guardian.co.uk/business/2012/jul/21/offshore-wealth-global-economy-tax-havens>).

A final aspect to be discussed is the need for changing the contemporary model of mass consumption. This has been described by Tim Jackson as that we are "persuaded to spend money we don't have on things we don't need to create impressions that won't last on people we don't care about" (http://www.ted.com/talks/tim_jackson_s_economic_reality_check.html). This is also expressed by the so called hedonic treadmill. This means that people who desire more wealth, status and/or material possessions will only obtain temporary satisfaction, while ending up at the same point of departure over and over again, but with even higher expectations.

Mass advertisement, social status positioning and commercialism can also result in anxiety and great stress. Focus needs to be switched from desires to human needs. The latter can be estimated based on for example the *Universal Declaration on Human Rights* (food, water, housing, education and health care) as well as conventions on decent work and good livelihood conditions. From this assessment an optimal income level can be set that would guarantee the fulfillment of these rights, and/or create the public systems/infrastructure that would enable them.

Instead of constantly stimulating ever higher levels of private consumption, resources can be channeled to public consumption (universal social protection and welfare states), public investments (for sustainability and reflective public spaces) and shorter working time. This would enable a societal infrastructure that allows people to live sustainably, and move away from an economic model that is dependent on intensified resource use and private consumption. Mass advertisement and commercialism also need to be counteracted.

The expectation of what we think we need to consume needs to be changed. New forms of sharing, borrowing and renting should be stimulated. Also functional use of different goods or services could be encouraged where access and not private ownership is the main feature. E.F Schumacher once concluded that "since consumption is merely a means to human well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption".