

The Earth is Our Mother

What Are the Economic Implications?

This Earth is precious. Teach your children what we taught our children. The Earth is our Mother. The Earth does not belong to man; man belongs to the Earth. Every part of this Earth is sacred because everything is connected, like the blood which unites one body. Trees, air, water, animals, grass, Earth are like many fine strands that weave the web of life; men are merely a strand of it. Respect your Mother because whatever befalls the Earth soon befalls the sons of the Earth.

Chief Seattle, 1855

Talking Religion and Politics

The brief for this seminar series included the requirement that contributors had strong ethical or religious basis to their views on replacing capitalism. That intrigued me, as a person who has a strong spiritual commitment and yet a sense of alienation from organised religion, or even sharing religious experiences. I decided to volunteer myself as an 'ecofeminist', which appears to be a reasonable term for what I am. Yet ecofeminism is often devoid of spiritual content, 'materialist ecofeminists' such as Maria Mies, Vandana Shiva, Mary Mellor and Ariel Salleh explicitly avoiding this dimension in a way typical of left-based critics of capitalism.¹

The personal spiritual journey can, in fact, be a source of great radical power. And without any spiritual insight or commitment the politically involved can find themselves operating in a moral vacuum and frequently recreating the same problems by reacting to existing situations without insight. The spiritual side of ecofeminism is well represented in the work of the US witch Starhawk. She has identified three main strands to the spiritual belief system of ecofeminism:

- Immanence: the source of the sacred in all aspects of the planet and her people;
- Interconnectedness: a belief in the inevitable relationship between all these aspects of the sacred, closely supported by ecology;
- Unity-in-diversity: the need to respect difference and to value the whole as requiring all of its different parts.

Starhawk engages in non-violent direct action and magical ritual, as well as providing inspiration to other ecofeminists through her visionary writing.²

I also gain a great deal of personal strength from my idiosyncratic spiritual beliefs. My view of the earth as sacred allows me to be in permanent contact with my Goddess, although this can be more difficult in high-rise buildings. Because the planet is always with us in an inevitable way, I can use it as a very real and physical source of strength when in stressful or demanding situations.

¹ Mies, M. and Shiva, V. (1993), *Ecofeminism* (London: Zed); Salley, A. (1997), *Ecofeminism as Politics: Nature, Marx and the Postmodern* (London: Zed).

²The definition is taken from her contribution to Plant, J. (1989), *Healing the Wounds: The Promise of Ecofeminism* (London: Green Print); her most famous piece of fiction is *The Fifth Sacred Thing: A Visionary Novel* (New York: Bantam, 1993).

Ecofeminism is not so far from the sort of religion that more literary and legalistic religions think of as 'magical'. The *Concise Oxford Dictionary* defines 'magic' as 'the power of apparently influencing the course of events by using mysterious or supernatural forces'. It is no longer blasphemous to point out that exactly these sorts of powers are believed by the Christian religion to be exercised in this realm by God and by his specially endowed representatives on earth known as saints. Blasphemy laws may draw a distinction between 'magical' and 'miraculous'; an anthropologist could not. The magical aspect of religion relies on imagery to reinforce belief and even, perhaps, to influence physical reality. For this reason I would like to share the image I have of how capitalism will be replaced.

I see it as an old-fashioned house, perhaps a colonial house in India or Latin America. The results of traditional, violent challenges, such as socialism and the anti-globalisation movement, can be seen in the form of broken windows and graffiti. In my vision shoots are beginning to appear at the base of the building and they grow and increase until it has been taken over again by the jungle, a natural system. This is how we, the people of the planet, will replace the capitalist economic structure.

Practical Implications of the Earth as our Mother

The phrase 'the earth is our mother' appears to the Western rational mind as immensely impractical. That was my first reaction when I came across the phrase several years ago when editing together a collection on the subject of *Green Economics*. The chapter was written by Daniel Zapata of the Xikano Xiximeka tribe from Arizona. He wrote that 'The land is the legacy of indigenous peoples' ancestors in which their history and their specific cultural values and practices are inscribed. All land is sacred. It is their bible.'³ I found reading the chapter a life-changing experience, at once challenging and reassuring.

So how can this view of the Earth inform our economics? What does it imply about our relationship with our planet? For many indigenous peoples the earth is literally sacred, so that mining is blasphemous. According to Zapata, 'Natural resources are "relatives" that have their place in the ecosystem, the universe; next to peoples, they are treated with respect and are not depleted' (ibid. 237). We might not feel the need to go to this length but perhaps we might follow the route of the native Americans in expressing gratitude to the earth for her resources, rather than stealing from her purse like disrespectful children. We might adopt their mindful attitude of giving thanks to the Great Spirit or the Earth Mother for all that she has given us. If this feels too culturally alien, perhaps we could think of it as an extended harvest festival. Such an attitude would make impossible the get-rich-quick appropriation of capitalist economics. The sort of expropriation of the bounty of the earth into a few white hands would be impossible within such a mindset.

This sort of attitude is easy to see in the extraction of physical resources such as metals and petroleum. It is a similar attitude that now governs industrialised farming practices, whose objective is always to take more from the land, rather than working in harmony with it. The latest

³ Zapata, D. and Schielmann, S. (1999), 'Indigenous Peoples, Globalisation and Transnational Corporations', ch. 21 of Cato, M. S. and Kennett, M. (eds.), *Green Economics: Beyond Supply and Demand to Meeting People's Needs* (Aberystwyth: Green Audit), p. 236.

extension of this philosophy is the development of GM food, resulting from ‘man’s’ confident conviction that he can improve on nature. I was amazed to notice that the two crops that definitively failed the recent biodiversity test in the farm-scale trials were beet and rape, two words that take on quite other meanings if you think of the Earth as our mother.

The feeling of our ownership of the planet may have a religious origin in the biblical suggestion that we are made masters over creation [quotation]. Eventually our mastery has extended beyond killing and eating animals for food and cutting down trees for firewood. We have stripped resources from the seas and the forests and the underground reservoirs with no thought of their replacement. The absence of a sense of limit to this process has forced us beyond the bounds of our own territory, resulting in the appropriation of the resources in distant lands, initially through ‘trade’ and later through the formalisation of the system of theft we call ‘empire’.

What else does this attitude to the Earth imply about our relationship with each other? Clearly if we are all the children of the same mother then every living person on the planet is our brother or sister. Adopting this view of others would invalidate the exploitation of one person by another and the fundamental inequalities between people that characterise economic relationships under capitalism. Would we accept that 41,000 die every day due to lack of clean water in developing countries if these were our own sisters?⁴ Would we choose the working conditions of the sweatshops of South Wales or Manila if it was our brothers who had to work there? It is difficult to maintain this view of the real Family of Woman, especially so as globalisation extends economic relationships ever greater distance. We might conclude immediately that it is easier to think of others as our brothers and sisters when they live in our communities, which is why the green economy will be much more localised, reducing the temptation to resort to exploitation and unfair shares.

There is a more serious consequence of our forgetting that we are each others’ brothers and sisters: the vicious struggle with each other over resources and ideas that is war. In a later section I to explore how the Iraq War was a consequence of the globalised finance-capitalist system, and further, how this system requires permanent war to ensure its survival. To avoid the depression that sinks in when we begin to think about such heavy topics I would like to pass on a piece of wisdom about violence from another religion: Islam. According to a speaker on Radio 4’s Thought for the Day the prophet Mohammed said ‘If you are angry, sit down; if you are still angry, lie on the ground.’ If only his followers were not so blinded by their justifiable outrage that they were able to hear that.

Forgetting that the earth is our mother has resulted in these three horrors—appropriation, inequality, and war—three defining characteristics of capitalism. To back these up we have an ideology of ‘progress’ that relies on an ideologically biased measurement system, and a unit of measurement, money and specifically dollars, which is both biased and politically controlled. So to replace capitalism we need to tackle these bulwarks of the system too. In the rest of this paper I explore how we might do this. The process can be illustrated in a figure comparing the system we have now, under capitalism, with where we would like to be (see Figure 1). The bold marks the primary problems; subsidiary problems are left in roman type.

⁴ 5. The number of children who die every day because of unsafe water is estimated at 41,000. *Source*: Alex Kirby, UN Makes Water Point, BBC Online, 27 January 2003.

Dimension	Capitalist	Green
Measurement	Progress	Balance
Market-place	Inequality	Justice
Work	Appropriation/competition	Emancipation/cooperation
International relations	War	Peace
Value	Money	Energy

Replacing progress with balance

Capitalism is portrayed as a shark because of its survivability, but mainly because without permanent forward movement it will die. The first and most successful response by green economics to the problem of the capitalist shark is the call for a 'steady-state economy', as made by Herman Daly, Hazel Henderson, and others. Recognising the limits on available resources makes the issue of distribution much more pressing. Politicians' obsession with growth is difficult to explain without reference to the money system that began as a servant of the economy but has now become its master. This has been discussed in a later section. For now I will address the issues of how we measure value and how we can create a system of measurement that does not rely on growth.

The need to put an end to economic growth is the first principle of green economics. It stems from the origin of the environmental movement with the publication of *The Limits to Growth* in 1974.⁵ It seems self-evident that within the closed system of planet earth we will in the end either use up all available resources or be confronted with our own waste, but this point still evades conventional economics. Early proponents of the need to move towards a non-growth or 'steady state' economy used the contrasted images of the cowboy and the spaceman to explore our attitude to our environment.⁶ The cowboy, who finds his apotheosis in American capitalism, is always pushing outwards, expanding his available resources, finding ever new frontiers to exploit. The spaceman, by contrast, is forced to recognize the limits of what he has brought on his small ship:

Earth has become a single spaceship, without unlimited reservoirs of anything, either for extraction or for pollution, and in which, therefore, man must find his place in a cyclical ecological system which is capable of continuous reproduction of materials even though it cannot escape having inputs of energy.

⁵ D. H. Meadows, D. L. Meadows, J. Randers, J. and W. W. Behrens III, *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind*, 2nd edn. (New York: Universe Books, 1974).

⁶ Boulding, K. E. (1966), 'The Economics of the Coming Spaceship Earth', in H. Jarrett (ed.), *Environmental Quality in a Growing Economy* (Washington, DC: Johns Hopkins University Press); quotation from p. 303.

It is an interesting ironic development of this contrast that, with the Mars escape project now itself using up a large quantity of earth's resources, the cowboy will meet the astronaut at the final frontier: space.

Neoclassical economists have never accepted the reality of planetary limits. Efficiency and technology are posited as solutions, enabling ever-growing populations and ever-increasing levels of consumption.⁷ The proponents of the limits thesis were ridiculed because their early predictions about resource depletion were far too pessimistic. In fact, it is the other side of the equation, our waste overload, that has come to limit economic activity. The debate has been effective at the international political level, leading to the Brundtland definition of sustainability which, for all its shortcomings, forces two basic principles of green economics onto the international agenda: the recognition we that need to balance our needs with those of future generations (the intergenerational principle), which itself implicitly relies on the fact that planetary resources are limited (the limits principle). Since the publication of *Our Common Future*, the Brundtland Commission's report, capitalist apologists have mutated this principle into that of 'sustainable development', which pretty much means business as usual. However, the recognition of limits is there and can be used to our advantage.

It is bizarre that the commitment to growth results in a situation where growth is automatically interpreted as progress. This is how we end up in paradoxes such as the discussion about whether we will be able to afford to save our planet.⁸ The reality that everything we have of value comes from the planet has been turned on its head. The confusion of genuine value with monetary value must be addressed by a revision and demotion of the role of money in our economy.

Richard Douthwaite minutely anatomised the claims to progress in his 1992 book *The Growth Illusion* [quotation] In business-speak growth has now broken the confines of the intransitivity to become a verb that can take an object. We use to hear that businesses, like pumpkins, grew as though by some natural, organic process. But more recently they required suited businessmen to grow them. This may be a significant change: rather than respecting nature's role in creating the conditions for growth the business community has grown so arrogant that it appropriates this role to itself. Gardeners may claim to 'grow' prize leeks but they would acknowledge the crucial role of the planet. In the industrial arena we hear of businessmen as the cause of non-organic growth. Language is catching up with our economic system's inability to recognise the source of all genuine value as outside its control.

So does size matter when we are assessing the economy? The answer to this depends on the measurement tool that you are using, and the units it measures in. The most commonly used measure in neoclassical economies is GDP or Gross Domestic Product. This is a way of measuring all the economic activity carried on in a country that has monetary value. It includes no consideration of the benefit from that activity. As Ed Mayo has written:

What is wrong with GDP is quite simple. It only performs, repeatedly, one simple arithmetic calculation. It adds. Yet in reality much of what it adds in

⁷ The foremost proponent of the infinite availability of resources is Julian Simon: see his article 'Resources, Population, Environment: An Oversupply of False Bad News', *Science*, 268 (1980), pp. 1435-6.

⁸ Ekins, P. (2000), *Economic Growth and Environmental Sustainability: The Prospects for Green Growth* (London: Routledge).

fact serves to reduce the quality of life. It is as if economists have not yet learned to subtract. The central question we need to ask about growth is 'growth of what?' No doctor assumes that a growth of cancer is a good thing. Yet the costs of crime, ill health, stress, environmental damage and social breakdown can all add to economic growth as measured by GDP.⁹

GDP also fails to count things that are very important but cannot be measured in money. In a neatly titled book *If Women Counted* Marilyn Waring made famous the case for including housework in the national measurement of economic activity. But this is only the tip of the iceberg. Maria Mies's iceberg (reproduced as Figure X) illustrates the invisible economic activity that is outside the realm of measurement of GDP. We can extend her categories even further by including self-provisioning, sharing, and the whole gift economy.

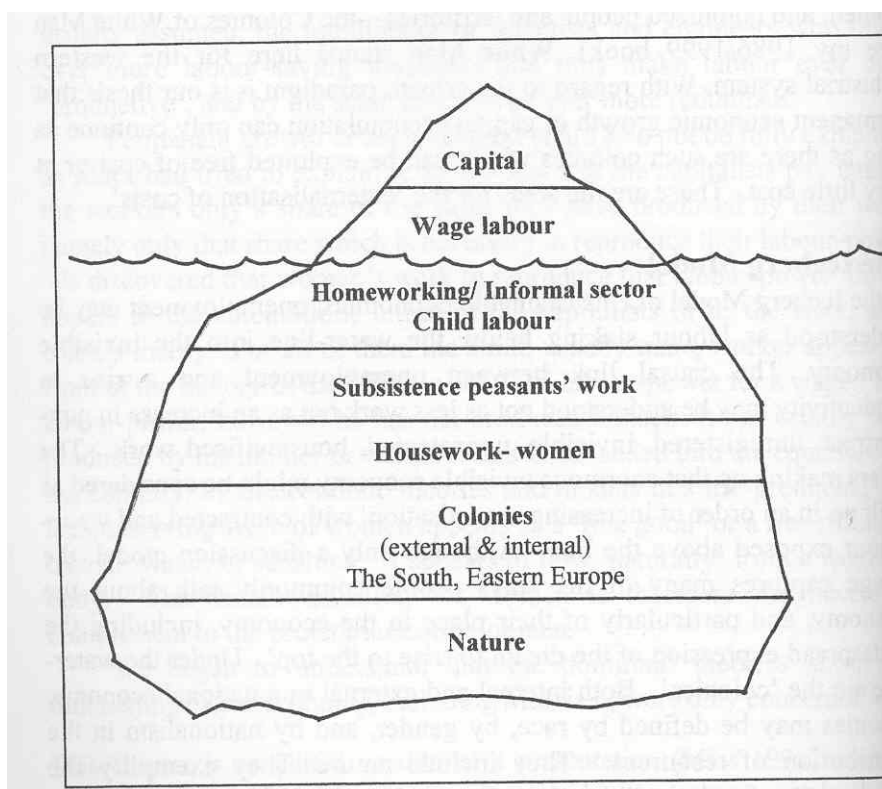


Figure X. Maria Mies's Iceberg Model of Unsustainable Economics

Source: 'Women in the World Economy', ch. 5 in Cato, M. S. and Kennett, M. (eds.), *Green Economics: Beyond Supply and Demand to Meeting People's Needs* (Aberystwyth: Green Audit), pp. 48-62.

We need to move towards measuring what we value about economic activity, rather than what can be assigned a monetary value. The concentration of so much activity in focusing on entirely the wrong target, money rather than well-being, has had powerful repercussions through global social and economic life. Reversing the measurement process would have an equally powerful effect. Some steps have been taken in this direction

⁹ Mayo, E. (1999), 'More Isn't Always Better: The ISEW as an Alternative Indicator', ch. 11 in Cato, M. S. and Kennett, M. (eds.), *Green Economics: Beyond Supply and Demand to Meeting People's Needs* (Aberystwyth: Green Audit), pp. 119-27.

by changing the way national accounts are prepared and reported, but this is usually by way of adding satellite accounts in addition to GDP. So the fundamental thinking has not changed, but the existence of these satellite accounts gives us useful information on which to base our calls for change. The Welsh Assembly government prepares and reports certain alternative indicators annually, and other Welsh researchers are developing the Index of Sustainable Economic Welfare (the most well-known alternative indicator) for measurement of the Welsh economy.¹⁰

Replacing Inequality with Justice

Capitalist apologists justify the extension of the market into more areas of our lives and into the countries of the South on the basis that it generates wealth. The evidence is mixed: some studies show that the absolute amount of monetary value generated does indeed increase, but that this wealth is always shared unequally, both within and between countries.¹¹ A study by Branko Milanovic, the World Bank's leading poverty researcher, and conducted at the household level, showed that during the era of trade liberalisation inequality increased markedly amongst the poorest countries; his conclusion was that the export-growth model made the rich richer and the poor poorer. The inequality is maintained because some players in the market are more powerful than others.¹²

The most powerful place to be in a capitalist market is in the middle, between buyers and sellers. There you can gain from what economists call 'arbitrage', i.e. the ability 'a good or asset in one market where price is low, and simultaneously selling in another market where price is higher. This does not involve taking any risks'.¹³ Not only do these middlemen (in the modern capitalist economy mainly corporations) face no risk, they can also control both ends of the exchange. They themselves often controlling the buying end directly, by producing goods themselves in sweat shops, while they control the selling end through a system of brand creation and advertising.

The global aspects of this injustice and their relationship with global conflict are discussed in a later section. For the time being it is sufficient to explore how the capitalist system requires inequality for its operation, so that any theory that suggests that once there is enough money it can be shared with the poor is either a deceiver or has not understood the system. Capitalism operates like a pump, where the energy of those who have least pushes them upwards to become those who have most; inequality is the motor that operates this pump. The fuel the pump motor uses is the

¹⁰ Roberts, A. (2003) 'Assessing Progress towards Sustainable Economic Development in Wales', paper presented at the Welsh Economy Research Unit's 11th Annual Conference, *Sustainable Development in Wales: Theory, Practice and Measurement*, 14 May; see also Midmore, P., Matthews, J., and Christie, M. (2000), 'Monitoring Sustainable Development in Wales: A Pilot Index of Sustainable Economic Welfare', *Working Paper No. 11* (Aberystwyth: Welsh Institute of Rural Studies).

¹¹ Adams, R. H., Jr. (2003), *Economic Growth, Inequality and Poverty: Findings from a New Data Set*, World Bank Policy Research Working Paper 2972 (New York: World Bank).

¹² Rebello, J. (2002), World Bank Study Contradicts Its Free-Trade Income Theories, Dow Jones Newswires.

¹³ Black, op cit., p. 13.

monetary system, which is addressed in a later section. For now we will concentrate on the social consequences of the inequality.

This inequality has damaging psychological consequences. There is understandable anxiety in the medical community surrounding the statistical evidence that those in professional occupations live considerably longer than those in manual occupations. Data from the Office for National Statistics indicate that men in social class I live 7.4 years longer than men in social class V; for women the difference is 5.7 years.¹⁴ More surprisingly, US researchers have found that inequality is bad for life expectancy of all in a society, since the relationship they found between a measure of inequality across society as a whole (the Gini coefficient) and the life expectancy of that society remained after they had controlled for poverty. They called this finding the Robin Hood Index, suggesting that Robin Hood's redistribution deserves the warmth it has always received. The authors conclude:

*The paper suggests that that there is a relation between income distribution and life expectancy. It concluded that variations between states in the inequality of income were associated with increased mortality from several causes. Relative poverty, i.e. the size of the gap between the wealthy and less well off, seems to matter in its own right: the greater the gap between the rich and poor, the lower the average life expectancy. This association is independent of that between absolute income and life expectancy. Therefore it matters, not only how affluent a country is, but also how economic gains are distributed among its members.*¹⁵

Jeremy Seabrook argues that what is so damaging about inequality under capitalism is that it is used to spur us to greater economic effort and to do this we must feel ashamed of our relative lack of affluence. Our desire to remove the shame of poverty is what generates our energy to engage in capitalism, to increase our monetary holdings, to ensure that we are on the winning side of the unequal distribution:

*If at the earlier moment of industrialization the persistence of poverty could be explained by a productive capacity only rudimentarily established, such an excuse is no longer possible. It becomes clear, therefore, that the survival of poverty is essential for ideological and no material reasons. Indeed, the maintenance of a felt experience of insufficiency is essential to any capitalist version of development.*¹⁶

The feeling of insufficiency, what has elsewhere been called 'the ethic of scarcity' becomes part of our drive to accumulate more, in a rat-race that we can never win. The advertising industry plays its own part in increasing our feeling of 'deprivation' and our felt need for a range of wholly worthless gadgets that we are sure the person behind the Leylandia hedge must already own.¹⁷ Oliver James identifies this endless struggle to keep up with

¹⁴ ONS (2002), *Trends in Life Expectancy by Social Class 1972-1999* (London: SO), Tables 1-4.

¹⁵ Kennedy, B.P., Ichiro, K., and Prothrow-Stith, D. (1996) 'Income Distribution and Mortality: Cross Sectional Ecological Study of the Robin Hood Index in the United States', *British Medical Journal*, 312:1004-1007.

¹⁶ Seabrook, J. (2001), *Landscapes of Poverty*, p. 4

¹⁷ Cato, M. S. (2003), 'Sen and the Art of Market-Cycle Maintenance', *FEASTA Review*.

the Jones's as a primary cause of the epidemic of depression afflicting Western societies.¹⁸

Becoming part of the global market means accepting the culture of shame associated with being at the bottom of the inverted pyramid that capitalism inevitably generates. Wolfgang Sachs, a barefoot economist, tells the story of his visit to Mexico City shortly after the 1985 earthquake. He was impressed by the progress that had been made to restore the City:

We had expected ruins and resignation, decay and squalor, but our visit had made us think again: there was a proud neighbourly spirit, vigorous activity with small building cooperatives everywhere; we saw a flourishing shadow economy. But at the end of the day, indulging in a bit of stock-taking, the remark finally slipped out: 'It's all very well, but, when it comes down to it, these people are still terribly poor.' Promptly, one of our companions stiffened: 'No somos pobres, somos Tepitanos' ('We are not poor people, we are Tepitans') . . . I had to admit to myself in embarrassment that, quite involuntarily, the cliches of development philosophy had triggered my reaction.

The insult was created by Sachs's assumption that he could impose an objective judgement of poverty, that he could decide from the outside the acceptable standard of living, that he could deprive the Tepitans of their right to be poor. As Sachs concludes, "The stereotyped talk of "poverty" fails to distinguish, for example, between frugality, destitution and scarcity . . . Frugality is the mark of cultures free from the frenzy of accumulation.' His conclusion about the Mexican village where he was working is that "Poverty" here is a way of life maintained by a culture which recognizes and cultivates a state of sufficiency; sufficiency only turns into demeaning poverty when pressurized by an accumulating society."¹⁹

I have argued elsewhere that the solution to this is to reject the ethic of scarcity and the 'frenzy of accumulation' that capitalist ideology imposes.²⁰ This requires a change in thinking rather than a major political change and, while the ideology is powerful, it is within our power. Indeed, for many this change has already been made, so that new cars or new clothes themselves become the source of shame!

Building the Cooperative Workplace

The question that first sent me back to the study of economics was not primarily about the environmental implications of capitalism. What amazed and intrigued me was why people considered work to be an end in itself. I could not understand why people would go on long marches to claim the right to work, as though it were a benefit. I am several years older and, I hope, wiser now but I still find it sad that the people I have written about in South Wales are passionate about their desire to return to work as miners. It is such a dangerous, unhealthy and difficult form of work and yet they have

¹⁸ *Britain on the Couch Treating a Low Serotonin Society* (London: Random House, 1998).

¹⁹ Sachs, W. (1992), 'Poor, Not Different', in P. Ekins and M. Max-Neef (eds.), *Real Life Economics: Understanding Wealth Creation* (London: Routledge), p. 161.

²⁰ Cato, *op cit.* (2003).

no higher aspiration. This demonstrates the power of the capitalist ideology of work, which I have dissected in another book.²¹

My conclusion after studying this issue for some years is that Marx correctly identified the problem with work in our society some 150 years ago. Although the superficial structure of the economic system has changed beyond recognition over that period, the skeleton remains the same, and the Surplus Value Hypothesis is still valuable today. According to the *Oxford Dictionary of Economics* 'surplus value' is:

*The excess of what workers can produce over what they need to consume. . . Political economists, including Marx, were concerned with the division of surplus value between various members of society. Marx believed that it would be appropriated by capitalists.*²²

It seems to me inescapable that Marx was right. What other explanation can we find for the fact that, in the words of Ewan McColl, 'them as works the hardest are the least provided'? The division of the surplus is adjusted only marginally, and only when the desperation from the dispossessed becomes irresistible, and usually violent. Even if this does not seem convincing in the context of the West, it is an irresistible conclusion when we consider the division between the West and the South.²³

Marx had several other concerns about the way work was organised. One was summed up in his famous phrase 'wage slavery'. While this feels extreme, and is a typical example of his youthful rhetoric, it is a phrase which merits reapplication to our modern economy. There are some literal examples of slavery—East European women being trafficked as sex slaves, or Indian sharecroppers—but for the most part the essence of slavery, the ownership of one human being by another has disappeared. This was, of course, true in Marx's day too. What he was referring to was the removal from people of their ability to provide for their own needs from the land, and hence the removal of their freedom to choose whether or not to work. He traced this to the appropriation of common land by enclosure, which is a similar process to that taking place in the South today. Without land people must work or starve. Here again we see appropriation: first of the land, then of the value of people's labour.

Marx's third concern about work under capitalism was that it generates what he defined as 'alienation'. This is a complex and, I find, invaluable concept. It is based in Marx's view, which I share, that work is essential to human well-being. Without work we lose identity and psychological health.²⁴ And yet under capitalism the only work available inevitably humiliates us by requiring us to lose our autonomy. So we face a stark choice—loss of autonomy or loss of identity. This is the essence of our

²¹ See Scott, M., *Seven Myths About Work* (Aberystwyth: Green Audit, 1996).

²² Black, J. (1997), *Oxford Dictionary of Economics* (Oxford: University Press), p. 454.

²³ I use the word 'West' as shorthand for the nations that are powerful and dominant in global capitalism; the word 'South' is used as shorthand for the nations that are the exploited victims of the system. The distinction is thus theoretically rather than geographically guided.

²⁴ Jahoda, M. (1982), *Employment and Unemployment: A Social-Psychological Analysis* (Cambridge: University Press); Gershuny, J. (1998), 'The Psychological Consequences of Unemployment: An Assessment of the Jahoda Thesis', ch. 7 in D. Gallie and C. Marsh (eds.), *The Experience of Unemployment* (Oxford: University Press), pp. 211-30.

alienation which begins in the workplace but then infects all other aspects of our lives until we are the 'low serotonin society' described in Oliver James's *Britain on the Couch*.²⁵

The escape from alienation is via mutualism by working together to solve our problems. In the economic realm this means building up that sector of the economy where workers are responsible for their own businesses, and, incidentally, where the surplus is shared between them. This is the cooperative sector. The International Cooperative Alliance gives a list of values that cooperatives should share (information from the Cooperative Union Ltd., Manchester): 'self-help', 'self-responsibility', 'democracy, equality, equity', 'solidarity' and finally 'social responsibility and caring for others'. Taken together these values stand in opposition to the system of appropriation that lies at the heart of capitalism, because this is what they were designed to do. I see no point in reinventing the wheel when the earlier victims of the economic system that oppresses us today have done such a good job. I would point out, however, that this system of values is not sympathetic to state socialism, since it is based on grassroots action, people working together to solve their problems, not ringing up the council or writing to the government to do it for them.

Peter Kropotkin, who was responsible for the phrase 'mutual aid' which he saw as preferable to state intervention, also suggested reviving and modernising the form of work organisation that prevailed in European cities in the Middle Ages, i.e. the guild system. It is hard to establish any exact dates for the inception of Medieval guilds. The first documentary evidence that is available is from the 12th century, although it makes it obvious that guilds already had a long history at that time. Their development was a natural consequence of the need for organisation within the steadily growing European cities, within which the marketplace enjoyed special protection.²⁶ The most thorough source of information concerning guilds in England was provided by the fortunate discovery of the Census of 1388 in the basement of the Chancery in London in the middle of the 19th century. This provided a full picture of the central role played by guilds in the economic life of England at that time (see Smith and Smith, 1869).

The guilds played a range of interesting roles in Medieval life. They organised the production and distribution of goods, through a market system, although not a free market, since they were responsible for maintaining the price and quality of goods. They were also responsible for ensuring that their members did not engage in what would not be considered 'entrepreneurial activities', for example those who deliberately stock-piled goods to ensure a higher price could be expelled from the guild and thus, effectively, from employment. The guilds also played a significant social role, supporting members in difficulty and their widows and children. They ran the apprenticeship systems, thus providing mentoring for young men and women which is so lacking in today's society. Guilds had considerable responsibility for civic and political duties including defence against attackers and fire protection.

It is important to consider these various roles of the guilds together, rather than focusing exclusively on their economic role. Part of the problem of the global economy is that corporations are able to operate both their buying and selling activities in a footloose manner, paying no regard to the social and political consequences in the countries that they operate in. In

²⁵ Op. cit.

²⁶ Kropotkin, P. (1902), *Mutual Aid* (Harmondsworth, Penguin, 1939).

the UK the growth of the organisation Business in the Community is a recognition of the need to address this dislocation, as are the numerous examples of corporate sponsorship, but these initiatives are a far cry from genuine grass-roots connection such as that offered by guilds of producers.

Such medieval ideas experienced a revival around the turn of the 20th century which focused around the writings of the Medievalist A. J. Penty and the 'guild socialists' William Morris and John Ruskin. Then, as now, the concern was to end the loss of autonomy and self-respect inherent in capitalist employment patterns and the call for complete and responsible democracy. They saw the opportunity to (in Marxist terms) 'end the commodification of labour' through the creation of communities of craftsmen organised through guilds.²⁷

If the problem with capitalism is the appropriation of the value of others work by the minority who control capital, the solution is the reorganisation of production along cooperative and mutualist lines. As Kropotkin noted:

*We are laughed at when we say that work must be pleasant, but—'every one must be pleased with his work', a mediaeval Muttonberg ordinance says, 'and no one shall, while doing nothing appropriate for himself what others have produced by application and work, because laws must be a shield for application and work.'*²⁸

International Justice to Replace War

War serves two purposes under capitalism: to defend an unjust international settlement and to prove to rivals who the defender of that unjust settlement is. The firepower is technologically sophisticated, but the psychology is not. The proponents of war have made little philosophical progress beyond the gorilla who steals food from a rival and then beats his chest to frighten the rival off retrieving what is rightly his. The war in Iraq was just such a war. The USA has an economy heavily dependent on oil it can no longer produce itself. To ensure its access to supplies from the Middle East it must dominate the region through its satellite state Israel and through bolstering its military bases. Iraq has provided an opportunity to support both these strategies, in addition to lucrative contracts for some debt-ridden US corporations.²⁹

In a fascinating but deeply disturbing book Ramón Fernández Durán traces the history of finance capitalism from its origins, which he identifies in the discovery of America. He traces the struggle between the successive hegemony and the war and suffering this struggle has generated, first as Spain fought the Netherlands, as Britain fought France for control in the 18th century, and so on right on through the First and Second World Wars and up to the proxy wars of the 20th century.³⁰ The end of the period of warfare is marked by the establishment of a new world order, apparently more just than that which preceded it. But it is the nature of the economic

²⁷ Hutchinson, F. (1997), *The Political Economy of Social Credit and Guild Socialism* (London: Routledge).

²⁸ Kropotkin, *op. cit.* 159-60.

²⁹ Cato, M. S. (2003), 'How Halliburton Was Saved by the War on Terror', *Corporate Watch*.

³⁰ Duran, R. F. (2003), *Capitalism (Financero) Global y Guerra Permanente: El Dòlar, Wall Street y la Guerra Contra Irak* (Barcelona: Virus); see also

system to continue to generate ever-increasing inequality until those who are deprived are forced by their desperation to fight for a fairer share. This is why conflict and war are inherent in capitalism. In this case the solution is straightforward: since the conflict is caused by the injustice, once we have established a just international economic order we will have removed the need for war.

In our world the major screaming injustice is between West and South. The international trade system, working hand in hand with the money creation system, has created a world where 41,000 children die every day in the South because of a lack of clean water, while in the countries of the West people die from the diseases of over-consumption. The rules of the international trade system favour the rich nations who devised them.

The trade system that is presently operating has disastrous consequences for the planet and her people. The planetary impact is multi-faceted but the most urgent and obvious negative consequence is a vast increase in transport-related CO₂ emissions. OECD data show that carbon dioxide emissions from Indonesia, Malaysia, the Republic of Korea and Thailand while they were positively regarded as Asian Tigers because of their rapid development increased by between 100 and 278 per cent.³¹ The New Economics Foundation report points out that the poor countries are 'set up to lose the trade game', citing as an example the impact of global trade talks, where the powerful nations of the West set the terms of trade in their favour. This results in situations where the poor nations are always moving backwards, such as the case of Ghana, which increased its exports of cocoa by nearly 80 per cent between 1986 and 1996 but earned just 2 per cent more in return.

The collapse of the most recent round on World Trade Organisation negotiations at Cancun in Mexico earlier this year demonstrated the utter frustration of the countries of the South at the West's refusal to remove their double standards, especially farm subsidies, which make fair trade impossible. A report from the US Green Party delegation reports the walk-out by the Kenyan delegation that precipitated the collapse of the ministerial negotiation:

*Our delight in hearing about the Kenyan delegation standing up to intense US/EU pressure to cave into their demands, made us realize and appreciate the decades of effort of Kenyan Green Party Deputy Minister of Environment Wangari Maathai. She led the movement to inform Africans and other developing nations about the destructiveness of economic globalization and corporate control over people and land.*³²

In the face of the monolith of global capitalism it is gems like this that give me hope, that make me feel I am part of a global movement for emancipation.

The system for managing the global economy was established following the Allied victory in World War II at Bretton Woods in New England. The system had three parts: the World Bank, the International Monetary Fund and the General Agreement on Tariffs and Trade, since metamorphosised into the World Trade Organisation (WTO). This system has been flawed since its inception, allowing too much power to the dominant

³¹ Simms, A. (2000), *Collision Course: Free Trade's Ride on the Global Climate* (London: New Economics Foundation).

³² Quoted in *Green Wisconsin*, Oct. 2003, p. 10.

economic power, the USA. There were two controls in the system that prevented the USA from excessive economic domination. The first was its obligation to maintain a link between its currency and gold, which was abandoned in 1971, when the costs of the Vietnam War made it impossible for Nixon to continue to prosecute the war and maintain national solvency. The second was the controls over currency that countries abandoned when financial markets were deregulated during the 1980s. These developments have left us with a global financial system that is rightly described as a 'casino', generating injustice and instability.

The USA's refusal to limit its creation of dollars has allowed it to build up a powerful military machine and to import a vast number of goods from the rest of the world, effectively in return for pieces of paper.³³ It was foreseen at the Bretton Woods discussions that exactly this would happen. Britain's negotiator, J. M. Keynes, proposed an alternative trading system, based on balance and a neutral trading currency he called the 'bancor'. The urgency of the need to deal with the problem of climate change has resulted in a proposal to improve on this proposal by relating the amount of the currency produced to the planet's carrying capacity of carbon dioxide. This idea was originally suggested by Richard Douthwaite and is supported by the Global Commons Institute and the New Economics Foundation.³⁴ such as the bancor proposed by Keynes at Bretton Woods, but backed by carbon dioxide

An interesting new twist is offered by the urgency of the need to deal with the problem of climate change by reducing carbon dioxide emissions. A policy response to this problem also neatly ties up the issue of global poverty by proposing CO₂ limits shared on a global per capita basis. The model, developed by the Global Commons Institute and known as Contraction and Convergence, proposes limiting CO₂ to a level that matches the planet's carrying capacity and then simply dividing by the number of citizens on the planet. This will reallocate the energy of the world economy from rich countries to poor.

The purpose of the new currency is twofold. First, because it is based on a per capita allocation, it will redistribute global energy away from the rich West to the poor South. Secondly, it will encourage the development of strong local economies so that goods are provided at the most local feasible level.³⁵ The cost of transporting goods will require large inputs of the new currency to purchase carbon dioxide licences, hence locally made goods will become much more attractive, as will those made in an energy-efficient way. The new currency will also encourage a reduction in pointless consumption that is generated by the advertising industry to create profits to the producers and sellers, and the distance between producers and consumers will be reduced, removing the possibility of arbitrage profits by corporations.

The new currency will need to start with a clean slate. As part of its introduction, existing paper debts by developing nations will have to be

³³ This is a fascinating story, which there is no space to explain here. It is presented at length in Rowbotham, M. (2000), *Goodbye America! Globalisation, Debt and the Dollar Empire* (Charlbury: Jon Carpenter).

³⁴ See Douthwaite, R. (1999), *The Ecology of Money*, Schumacher Briefing no. 4 (Totnes: Green Books); for some initial calculations of the sorts of global redistribution involved see Cato, M. S. and Cooper, T. (2003), *Proposal for a Global Trading Currency Backed by Carbon Dioxide* (Aberystwyth: Green Audit).

³⁵ Such an economy would be based on 'trade subsidiarity': see Cato, M. S. (2003), *Trade Subsidiarity: Reducing the Movement of Goods for the Benefit of People and Planet* (Aberystwyth: Green Audit).

written off. Since the value of goods transferred from South to West has already far exceeded the value transferred in the opposite direction this is an essential prerequisite for a just settlement. As Susan George has written: 'The debt has already been largely or entirely paid. The North is, in fact, substantially in debt to the South since it has received, since 1982, the cheapest raw materials on record and the equivalent of the value of six Marshall Plans, net, from the indebted countries.'³⁶ This does not even take into account the dubious nature of the system of money creation (see the following section) nor the reparations that the West should be making for several centuries of colonial exploitation and slavery.

Money to Make the World go Round

Money is a crucial part of the capitalist system, both technically and mythologically. When Jesus said 'You cannot worship both God and Mammon' he was making an important statement that today's anti-capitalists should remember, and it is no coincidence that both Christianity and Islam made efforts to limit the power of money. This is because money has similarities with God and can exercise power over people's lives in a similar way. Like God, money is something which has power because of the power that is imputed to it by belief. Its symbolic importance far outstrips its physical reality; its power is based on faith.

In the earlier sections of this paper I have described the machinery of capitalism and its three central flaws. The oil lubricating this machinery is money, which uses the system of interest to create the need for growth, instantiates and perpetuates the inequality, and facilitates the systems of unfair exchange. There has been much debate recently about the nature of money and how it is created. I would recommend that all those who seek to replace capitalism read further on this subject.³⁷ However, the central point is easy to grasp: money is created by banks and is owned by them; if it were created by the state it would be owned by us. (The figure shows the relative quantities of money created by the government and by the banks over the past 30 years.) Money is created as debt, hence the growing indebtedness of our society. Money must also earn further money through the system of interest, hence the need for the economy to grow beyond planetary limits.

The banking system is based on the fact that most people who deposit money will not need their money in usable form. Hence banks have, since the 17th century, felt safe to create more money, around ten times more, than they have in their vaults. Since the erosion of reserve ratios and credit and exchange controls over the past 20 years, the quantity of money that can be created has been directed relatedly to the amount we can be persuaded to borrow. This is the explanation for the spiralling levels of debt: private debt, public debt, and international debt.

³⁶ George, S. (1992), *The Debt Boomerang* (London: Pluto).

³⁷ Douthwaite, *op. cit* (1999); Rowbotham, M. (1998), *The Grip of Death* (Charlbury: Jon Carpenter); Madron, R. and Jopling, J. (2003), *Gaian Democracies: Redefining Globalisation and People-Power*, Schumacher Briefing no. 9 (Totnes: Green Books).



Figure 2. The share of money created by government relative to the banks, 1948-1996

Money is not in itself evil or destructive, but because of its extraordinary pseudo-religious power it must be carefully controlled. Our present politicians have deliberately, under pressure from those who stood to profit, relinquished their control. We need to take it back, to create a money system that works for us and respects planetary limits. In a green economy money would be used to facilitate economic activity, not as a means for those who have it to accumulate more, leaving the debts with others.

So what would a green monetary system look like? It would be important to respect the principle of unity in diversity. In the case of a money system this would require different moneys for different levels of activity: local currencies for our everyday transactions, a national currency, and a global trading currency along the lines of the EBCU discussed above. The global currency would limit economic activity at the level of the planet and should therefore be energy-limited. Shann Turnbull has proposed measuring the economy directly in terms of KWh (ref.). Richard Douthwaite's proposal of the EBCU is similarly energy based, only this time relying on carbon dioxide from fossil fuels rather than electricity. Since it is activity that matters, it seems sensible to measure this, both human activity, and the increase in that activity that can be provided by use of the planet's resources.

At the level of everyday interactions the money should match the level of economic activity, taking into account the velocity of circulation. Before we reach this halcyon future state we can make good progress by creating alternative currencies to make our currencies work at the local level. The understanding of how local currencies work in practice has developed

rapidly in Argentina in the wake of the failure of the official banking and monetary system. The lessons of Argentina are hopeful ones: human beings are creative in developing monetary systems when they need them, but it is important to make sure we have these systems in the culture to support them in place for when we need them.³⁸

The development alternative community currencies both challenges the dominance of the unjust money system of capitalism, and opens our minds to challenge other assumptions of that system. One basic assumption is the justice of the system of interest, which is not accepted by Islamic banking systems. The system of interest ensures that those who have money can use it to earn more, thus inevitably transferring money from poor to rich. The system of money creation endlessly inflates the amount of money relative to the real value in the economy. Add to this the fact that money is allowed to act as a store of value and you have a system for producing, increasing and maintaining inequality. Since interest ensures that money will be transferred from those who do not have it to those who do, the moral question is immediately clear. The JAK bank in Sweden has challenged the need for interest for social justice as well as ecological reasons.³⁹

Conclusion: Trust Everyone, Question Everything

If there is one thing we can all do as individuals to challenge capitalism and to think creatively about a preferable replacement it is to question everything. From the list of ingredients on the packet of biscuits to the promise to pay the bearer on the back of the £10 note, everything we are exposed to has been ideologically constrained by our economic system. We need to break those bounds. The most important step on the road to a post-capitalist future is the recommendation from Bob Marley: 'Emancipate yourself from mental slavery: none but ourselves can free our minds.' It is no coincidence that Bob Marley was a leading member of Rastafarianism, another earth-grounded religion. We will need this spiritual guidance and strength to keep our courage as we build a better future for ourselves and each other.

³⁸ Primavera, H. (2000), 'La Moneda Social: La Red Global de Trueque en Argentina', *LOTE*, 4/4, Apr.

Primavera, H. (2001), 'Social Money: Well Timed Permanence or a Break from Normality?', <http://money.socioeco.org>.

³⁹ A brief paper explaining how the system works is available from the author. See also the JAK website: