

We must think big

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Susan George is known for her critiques of corporate-driven globalisation and hard-hitting books on hunger, development and debt. Now, she argues, we can borrow lessons from the early 1940s to transform our shattered economies and halt runaway climate change before it's too late.

Our poor battered world is beset by multiple crises. There is mass poverty, and growing inequality within and between rich and poor countries. The financial disaster which began with sub-prime mortgages has spread inexorably throughout the US and elsewhere, threatening to plunge the global economy into a prolonged period of stagnation as severe as the Depression. Most ominous of all, climate change and species destruction are accelerating faster than most scientists, much less governments, thought possible.

These crises feed back into and intensify each other. After years of irresponsible "innovation", huge financial institutions are bailed out by the public purse and top management takes the money and runs, while millions lower down lose their jobs and often their homes. Seeing the housing balloon shrivel, speculators stampede into commodities markets, spurring the rise of food and energy prices. Dramatically higher prices for staples plunge another 150 million people globally into destitution. Resource-poor communities grab what they can, fell trees, kill animals and over-exploit the little land they have, but the rich cause far greater damage with their dinosaur-like ecological footprints.

Piously pretending to reduce its carbon dioxide emissions, the US devotes more than a third of its corn and soya land to agri-fuels, pushing food prices further skyward. Global warming and the fury of the storms it provokes hit the poor and the poorer regions of Earth hardest, just as the Intergovernmental Panel on Climate Change (IPCC) long foresaw.

So is there an escape route? Yes, but not the one well-meaning environmentalists have long advocated. Sorry, but "we" can't save the planet even if "we" halve our energy use by tomorrow. I'm not suggesting that individuals should not make every change they can, but they should not harbour any illusions that personal behaviour, however carbon-virtuous, can do the trick. The worst offenders will not desist and voluntary measures are ineffective. Scale is the problem, and our task is to promote a quantitative and qualitative leap in the scale of environmental action, recognising that big can be not just beautiful but crucial if we hope to avert the worst.

Is such a leap possible? Is the planet salvageable as long as international capitalism prevails, with its focus on growth and profits at all costs, predatory resource capture and footloose finance? As a wise man said: "All for ourselves and nothing for other people seems, in every age of the world, to have been the vile maxim of the masters of mankind." That was Adam Smith in the Wealth of Nations, not Karl Marx.

If Smith was right and our "masters" continue to display both greed and avarice, must we organise world revolution before we can hope to save Earth? Is there a single point of attack? If so, please tell me the name of the tsar and the address of the Winter Palace. It's not to be found on Wall Street,

which not only survived 9/11 but seems to have captured the US government, despite a radical winnowing of the major firms. Nor would anyone welcome the political systems that shrouded those vast areas where revolution did occur. Somehow, though, because our present system seems bent on catastrophe, we need a third way between red-in-tooth-and-claw capitalism and a worldwide uprising as unlikely as it is utopian.

There is a historical precedent. When the Allies faced fascism in the second world war, it was as dire a foe for them as climate change is for us. The US had not yet fully emerged from the Depression, but it had in Franklin D. Roosevelt a president who understood what was required. Under his guidance, the economy was shifted to a war footing in an amazingly short time. My native city, Akron, Ohio, the “rubber capital of the world”, switched to producing tyres and equipment for the army and air force. Every other industrial centre also switched to meet military needs. Chief executives became prestigious “dollar-a-year men”, paid that symbolic sum by the treasury for meeting government quantity and quality targets. Many framed the cheque like a badge of honour.

Yes, there were still worker-management conflicts, but on the whole it was a time of opportunity, especially for women and minorities. Workers were well paid, everyone pitched in, “victory gardens” were cultivated, children used their allowances to buy war stamps, petrol was rationed. The country had never been so united before – or since. The war pulled the country out of the Depression at last. It was Keynesian economics, named after British economist John Maynard Keynes.

A similar effort is required to fight environmental meltdown and it would be less difficult than it sounds. The political point is that ecological Keynesianism is a win-win scenario that could provide something for everyone. People are generally way ahead of governments in recognising danger, and they tend to build coalitions to convince politicians they will vote for whoever takes a specific crisis as seriously as they do. Politicians can win on a Keynesian environmental programme because now, as then, it promises a society of highly skilled, highly paid quality jobs and renewed export opportunities.

But where is the money to come from for this? The world is actually awash with money, the problem is getting at it. According to US financial services giant Merrill Lynch, 10 million people worldwide are sitting on \$40 trillion of investable cash. Banks must be told that in exchange for the bailouts they must devote X per cent of their loan portfolios to environment-friendly products and processes at below-market interest rates. They can make up the difference by lending to big greenhouse polluters at 10 per cent.

Stringent standards for new buildings have to become the norm, while older ones can be retrofitted on easy terms; families and landlords can be offered financial incentives for installing green roofs and solar panels – and sell excess energy to the grid. Research can be oriented towards alternative energies and strong, ultra-light materials for aircraft and vehicles. Technically speaking, we already know how to do these things, although some clean solutions are still more costly than dirty ones. Mass-produced, that could change.

The environmental crisis provides an ideal opportunity to get the global financial system under control. Taxing international currency transactions and other market operations needs only political determination and some software. Debt cancellation for poor countries promised by the G8 for a decade must happen, with the requirement they contribute to the global effort through reforestation, soil conservation, and the like. Tax havens would have to go. Half of all world trade currently passes through them; they allow rich people and corporations to stash trillions in assets that could provide governments with at least \$250 billion a year in tax revenues.

What about reluctant or hostile executives? Let’s create an ultra-exclusive Order of Carbon

Conquerors or Eco Heroes, give them shiny green-gold silk rosettes for their buttonholes, banners for their energy neutral homes, and fanions for their efficient, lightweight cars. We could even pay them \$1 a year. Wouldn't that be nicer than another war?

P.S.

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