

Taming the Global Economy

An Interview With Hazel Henderson

By Paul Boin (1996)

Paul Boin: What does sustainable development mean to Hazel Henderson?

Hazel Henderson: Sustainable development, well the way I described it in *The Politics of the Solar Age*, was pretty much the same as that of the Bruntland Report, some seven years later: the idea that you have to use resources in such a way that the same options for our grandchildren and all future generations would be available. For me it (sustainability) was the shift from fossil fuels and depleting resources that were nonrenewable, and shifting all of our production systems to renewable resource use that was sustainable over the long term.

P.B.: Today, it seems that there is not much, if any, difference in the wording of sustainable development when used to justify both sustainable and unsustainable practices.

H.H.: The word, “sustainable development” has been overused and politicised as phrases always are. You hear finance ministers talking about sustained and sustainable growth, and other oxymorons. So I realise that the way a lot of corporations and finance ministers use it, it really is an oxymoron but I don't think it's a good idea to throw the word “development” out, because what we human beings are doing is evolving. We've been evolving for millions of years, since single celled organisms. The idea that we are somehow not going to continue to develop from here seems unlikely. So to throw out that word seems ludicrous to me.

P.B.: So you give more meaning to development?

H.H.: Yes. Most of my work focuses on making it more ecologically sustainable but if it isn't about human development then what is it about? I mean it's not about the development of the economy. All of my work shows that. GNP growth mistook means for ends, and got them confused. So my thirty year dialogue with economics has been to get the main “score card” straight.

P.B.: In a 1996 interview with David Suzuki he stated that if development was equated with economic growth then sustainable development was an oxymoron.

H.H.: Absolutely. And to make that clarification has been a very important part of my life.

P.B.: How do you incorporate sustainable development into your daily work and personal life?

H.H.: I've struggled with this all of my life. After writing my second book in 1981, *The Politics of the Solar Age*, I sort of burned out. The reason was that I had such high expectations. I was very politically active. I had organised Environmentalists for Full Employment. I was very much on a “performance” type of short leash. How many pieces of legislation had I helped pass? For example, with the help of environmental groups we passed the Humphrey Hawkins Bill on full employment. So I figured the 1980's were going to be the transition to the Solar Age. After six years of service

on the US Office of Technology Assessment, I was still trying to push the whole sustainable development agenda: the transition to the solar age. This meant taking our whole industrial production base off fossil fuels and shifting it to renewables, closing the loops, shift from the end of pipe type of regulations to ending up with changing the industrial processes so that they were sustainable. An enormous agenda, that I had wrote about in *Creating Alternative Futures* and in the *Harvard Business Review* since the sixties. I was on much too short a fuse. So basically when Reagan came in 1981 and proceeded to cut the solar budget - including closing down SERI (the Solar Energy Research Institute) – many of the things I had worked so hard for during the seventies were undermined. Also during this time my new book published by Doubleday, sank like a stone - you couldn't even find it in a Doubleday store. So after this I crawled into my shell for a while.

P.B.: You must have been completely discouraged.

H.H.: Yes, totally discouraged. So I realised that I'd need to go deeper in myself for my motivation to continue with this work. It couldn't be about how many bills had I passed. I began to realise, O.K. my life is about this. I was going to go on doing this even if there were not results in my lifetime, I then began to operate, in a personal way, more sustainably. At that time I was living in Gainesville Florida, and living very low off the hog. I figured that a change agent who was trying to shift a whole culture, which is obviously going to take at least a whole generation, better figure out how to live on a minimal scale.

PB: Yes, and living more simply is living more fully.

H.H.: Yes. So I had really been doing that all along. That was part of my analysis with what I call the "Love Economy". I understood that humans have bartered, and had lived for thousands and thousands of years, long before we ever invented money. So in a personal way I'm always playing around with this. I'm self-employed and so I've been able to work out of my house all of my life. I realised that I didn't need a car and I love to ride a bike.

But I still have a lot of contradictions in my life, because most of the way I earn my living is by going all over the world while studying the processes of globalisation. I go where people have read my books - where they've been translated into other languages. I really did have to get there by plane. And so I was burning up jet fuel, and a lot of my deep ecology friends fretted about those things. Quite rightly . At the Neo Luddite Conference, very thoughtful and wonderful people were agonising over the fact that they had flown to the conference and had brought their laptops, yet they hated technology (laughter). So this is very important stuff to wrestle with. We really do need to take an inventory of how many compact fluorescent bulbs we change, how much garbage we put out, and all those sorts of things.

As a futurist I found it absolutely impossible to think of working for some institution. Writing about the future of General Motors, the future of transportation or the future of anything I realised that conforming to an organisation was not what I was about. I wanted to be free to float around the planet, conceptually, and the only way I could think about it, about the future, was by being autonomous and self employed.

P.B.: What is the "Win-Win Paradigm"?

HH.: Well, I would like to contrast it with the “Win-Lose Paradigm” which we are currently labouring under. Which is basically the paradigm of market economics, which is now ascendant after the fall of socialism and the Soviet Union. There is no other ball game in town except this competitive economic free market paradigm. But if we took off the spectacles of economics, which up to now has defined development options, we could see that *there is a much broader repertoire of strategies for human beings that go way beyond economics. Most of them deal with culture and psychology and deal with issues such changing behaviour and life styles.* I found that if you shifted to game theory, which is just as rigorous a discipline as economics and probably more so, you would find that human beings have just as many games in their repertoire that are co-operative and win-win and deal with sharing as they do towards competition and individual self-maximising win-lose games.

So what I've been trying to do is to show that *we are under the influence of this very narrow discipline (economics) which is limiting our social imagination, and limiting our options to this pattern of win-lose behaviour. There's nothing wrong with this win-lose competitive behaviour but it is only half the picture.* And of course the economics discipline has also prevented us from seeing the “love economy”, which is the economy of win-win - the other half that is not conducted in money, is about sharing and caring, and it's largely undertaken by women. If you start looking at this, you see that economics is completely patriarchal. It's an ideology which has a certain group of people in control of the world. I do believe it is coming to an end because we humans have such a broad repertoire of other behaviour patterns. The win-win paradigm is pulling back and taking a wide shot and looking at all the contrarian strategies whereby human beings create different kinds of games to get out of old systems which are limiting them. In many ways what we are seeing today is the development of a lot of investors, environmentalists, consumers and asset managers who cared about their grandchildren, cared about the planet, and got together during the early eighties and formed funds. We said to Wall Street “you can go on playing your mainstream win-lose profit maximisation game, but we have created a new game over here which is going to grow and become a virtuous circle.” The only thing that can happen in the win-lose games of cut throat capitalism and competition is a race to the bottom - a vicious circle.

So I want to open up the social imagination and help remind people that we humans are incredibly inventive. We love win-win games and sharing games just as much as competing with each other.

P.B: What role can education and the media play in helping us bring this level of thinking into fruition.

H.H: Well, I have to think of your magazine *Ecolutions* because this is exactly the prototype role that the media has to play if we are to achieve a sustainable future. I have talked about this need for many years. I remember doing an article in the *Columbia Journalism Review* on the whole question of access and the media as a problem in democracy in, would you believe, the Spring of 1967. What we need is for media to search out all of these social innovations. The media right now has a bias towards technological innovation, however trivial. Yet for many reasons our western cultures have been averse to social innovation, because it implies getting together and creating new win-win games. During the Cold War it got mixed up with rhetoric about socialism and communism and free market capitalism. Hopefully all that nonsense is behind us now. *Technological innovations,*

because they took place within the free market system, were praised however dumb they were. As long as you found some investor and you could make money with them and nobody had to worry about the social and environmental costs, they were going to run ahead. And so the “tortoise” of social innovation has got to catch up with “hare” of technological innovation.

P.B.: How can the United Nations be restructured, and improved, to help us achieve sustainability on a global level?

H.H.: Well, I have to first say that I am very embarrassed and ashamed that my country (the United States) has created a UN financial crisis, and both parties of government have been acting extremely irresponsibly toward the UN. The UN needs to be restructured like IBM needed to be restructured. In a communications era the UN can become more of a distributed system, just as corporations have been able to flatten their layers of hierarchy. So that kind of restructuring has been beginning to happen at the UN but the US withholding dues hasn't made it any easier. You don't starve a system in order to restructure it. You restructure it in a more rational way. The pressure that has been put on the UN by the US has actually held up the kind of restructuring and rethinking that was going on in the UN.

In 1994 I went to a UN round table on global change with higher level UN ambassadors and personnel. and they were talking with each other about the changing role of the UN. They were saying that “we don't have the same kind of structured authority that we used to have and were getting to be where most of our influence now is as ‘conveners’ of conferences, as ‘brokers’ of various national interest groups, as norm and standard ‘setters’ and ‘networks’”. They were deprecating about that. I was saying “my God this is wonderful”. Actually the more the UN embraces this role and continues in those four very powerful roles in this information age, the better off the UN will be.

The biggest function the UN performs at the moment is “peacekeeping” but there's a lot of dissension around that. That whole role has to be rethought beyond the idea that risk of attack from another country requires military responses. Today you can deal with a lot of risk as political risk. I'm quite involved with the UN's rethinking of what peacekeeping should be. In my view peacekeeping is an insurable risk. And one of the proposals that I, and my co-author Alan Kay, have made with the Global Commission to Fund the UN is the idea of setting up what we call the United Nations Security Insurance Agency. This (agency) would allow small countries that can't afford these huge military budgets a credible deterrence in the form of an insurance policy for peacekeeping. The premium that they would pay for that insurance policy would be a fraction of their military budget, and could release an enormous amount of money to be invested in their civilian sector. Take small countries like, for example, in Central America. If they got together with other countries and they all went and asked for these insurance policies together, everybody's premium would go down. So the idea is that this would be a partnership between the United Nations, the insurance industry, and civil society groups that work all over the world and are on the ground. These groups could be online and act as an early warning mechanism.

This segues you back into sustainable development again. Once you've got peacekeeping under way and you've begun to rebuild trust in civil society then you really do have to make sure that your people have opportunities to develop their own potential, new business, as well as meeting

real needs in real communities and not only in international markets. Then you have to go in with micro lending and all of the things we now know about ‘trickle up’ development rather than the old ‘trickle down’ model. So I have great hopes that the UN will be able to continue pursuing this agenda. Boutros Boutros Ghali had a lot of this in his two early reports and it really is a shame that he was demonised because of the US elections. It was just appalling that we vetoed his renomination.

The other agenda of the UN that simply needs more resources, not restructuring, is all of the work they facilitate on standard setting. For the past fifty years the UN has been making these win-win regimes and we don't even notice them. I mean, we couldn't take a flight anywhere in the world if the UN hadn't fostered the International Air Traffic Association. All of the work that the World Health Organisation, UNICEF, the World Meteorological Organisations do - this is where nations today have to pool their sovereignty. *Each individual nation state has already lost some sovereignty. We have created global interdependence as a result of the global casino. It's kind of comic, because we did that to ourselves.* And now we have to create these new international agreements for how we coordinate the management of this system.

The UN has fostered many proposals and codes of conduct dealing with conventions on human rights, labour standards and other areas. Now the UN, and this agenda, is in a real tussle with the World Trade Organisation, which is a Trojan Horse created by multinational corporations to pull power away from the UN. Their agenda is to weaken human rights and labour organising rights that have been built up over generations. *The WTO would now like to make the world “safer” for more mobile capital, but human beings are being penned up and are not even allowed to have the rights that capital is allowed to have.* There are a lot of issues here. If the UN weren't here we'd have to invent it. So I'm very high on all of the possibilities to use the UN to create partnerships and new win-win games of all kinds.

P.B.: I remember seeing, about six months before the gulf war, a cover story in the *US News and World Report* questioning whether we still needed a military as a result of the downfall of the communist block. During this time there also was a questioning of what role the US was to play in this new world order, and how we were all going to benefit from the coming “peace dividend”. Then the US identity crisis seemed to kick in and rather than helping to marshal in a new win-win paradigm, the US reverted back to its old identity as a global policeman within the win-lose paradigm.

H.H.: We are having an identity crisis.

P.B.: Within the win-lose paradigm.

H.H.: Yes, and it's sad. I'll just keep on trucking. But when I think of all of the opportunities we've missed and that there is very little understanding of this in Washington, it is disheartening.

Jean Houston, helped Hillary Clinton with her book, *It takes a Village*. But the Washington milieu is so totally caught up in the win-lose paradigm - political infighting. Bob Woodward, in his *The Choice*, characterised Houston as Hillary's guru who was giving seances at the White House, in

order to sell his book. Those are the kinds of traps we are in here in this country. Washington is so much part of the problem now.

P.B.: So America's and largely the world's, best hopes for positive change lie with it's citizens rather than the leaders that are happy with the status quo.

H.H: In *Building A Win-Win World*, the chapter I had on perfecting democracy not only deals with freeing media to focus on win-win, socially innovative, solutions, but also figuring out how ordinary people, who naturally are the ones that always carry the innovations, can participate more. I describe the Americans Talk Issues (ATI) surveys, where over a ten year period on all of the main policy questions facing the US, it was clear that America would have been better governed by the American people than by any of legislators we elected. I still believe that's true because some of the recent ATI surveys on things like asking the people if we should be taxing the global arms trade and give the money to humanitarian purposes, you can't get the American people below 70% approval of that idea. And these are scientifically impeccable surveys. Another recent ATI survey asked about having an exchange tax to curb currency speculation, like Keynes and Tobin had suggested, and about 68% of the people said yes, let's do it. On the idea of an international criminal court to bring war criminals to justice, the American people are 80% in favour.

70% of the American people don't trust the government in Washington - they trust the UN more than they trust the government in Washington. So one of the things that is holding everything up is that our democracy has decayed very badly. Congress could devote some of the money that they currently spend on phoney surveys, to doing statistically valid national surveys like ATI on all of the major policy issues and immediately releasing them to the press. In Washington they say 'don't confuse us with the facts', with what the American people think, because we know where the money comes from (special interest groups). Maybe such more direct forms of democracy will take hold in Canada, Denmark or Japan before they will take hold here.

P.B.: What specifically needs to happen to "tame the global economy" for sustainable development?

H.H.: *What needs to happen first is a currency exchange fee which would address the speculators and wouldn't do anything to hurt real investment. The fact is that 90% of this 1.3 trillion dollars that sloshes around the planet every 24 hours is speculative. Quite often speculators cross borders with transactions 200 times a night so for them the tax would bite. All commercial uses of the global commons, whether it's the oceans or the air ways, should be taxed and paid for by the users. If we collected user fees on all of these international systems, which we rely on every day, we would correct the prices, and it would help to steer the global economy in a more sustainable direction. Carbon taxes for fossil fuel emissions, fines for cross-border pollution and for ocean dumping...this whole (global) regime of user fees has to be put together because most commercial activity has been able to escape the regulatory framework of individual nation states. And nation states, in many cases, were stupid enough to give it away. By deregulating the capital markets, setting up these kinds of regimes like NAFTA, and GATT, and the World Trade Organisation, governments have become impotent. They sold out to the influence of big (transnational) companies. And yet the only way to get that kind of influence and sovereignty back is through new international agreements to harmonise all of these regulations. This is another reason why we have*

to strengthen the UN so that it can convene these international agreements. The United Nations Environment Program (UNEP) also needs to be beefed up. The point is that is this the agenda of “We the peoples”. The best thing that the UN has done over the past two decades has been to run big conferences on the agenda of “we the people” not just the nation states. This has also helped us to lobby these kinds of global concerns, issues and values onto the agendas of our own governments.

I'm not one of those people that feels that globalisation is all bad. I feel it part of the evolution of the human species, that we will end up being a planetary species and that we will have some kind of planetary citizenship. We may not be ready for it yet, and nation states may not be ready to give up some more of their sovereignty to let this happen. I clearly see that this is the way to go and we will end up with an “Assembly of we the people” at the UN to counter balance its “trade association” of nation states and the Security Council. All of this is doable. I think that progressive politicians in all countries need to explain this to voters. That we won't be giving up anything but will be reclaiming some of the loss that people are experiencing now as their jobs go overseas. Today, our politicians have to run their national economies in such a way as to please central bankers. This has happened in Canada in the last few years where your central bank has been run in accordance with the way the Bundesbank thinks the world should be run. And this whole zero inflation thing is very dangerous. There's a wonderful group in Canada, right there in Toronto's Yonge Street called the Committee on Monetary and Economic Reform which publishes a journal called *Economic Reform*. There has to be a lot of reform in the global economic machinery itself - reforming the IMF, reforming the world trade system, reforming the way we manage our money supplies. This Committee, on which I'm an advisor, has been giving Paul Martin, and before him John Crow, hell as to why they're running the Canadian real economy into the ground just to please world financiers.

P.B.: Or you have a person at Moody's, or at Standard and Poor, in New York who dictates what our (Canada) national spending priorities should be.

H.H.: Yes it's terrible. Who elected them? So we have to politicise all these issues. Of course central bankers all over the world want to be completely free of political control and public accountability. We can't let them get away with it.

P.B.: But then, leading up to the Rio Earth Summit in 1992, you had the UN sponsored Centre on Transnational Corporations working on their Code of Conduct for Transnational Corporations, which was to be presented on the formal agenda to begin to harmonise international labour and environmental standards. But just prior to the summit their proposal was taken off the agenda.

H.H.: Yes, the Bush administration abolished the Centre on Transnational Corporations. This is the kind of politicking and strong arming goes on behind the scenes at the UN, which is absolutely disgraceful. And this is why citizens all over the world have to rally around the UN, if we want to tame the way our own governments give away the store to corporations.

P.B.: Many corporations have been able to escape the public interest requirements that national Anti Trust-type laws were meant to protect by going multinational.

H.H.: Absolutely.

P.B.: And there is no effective protector of the public interest at the global level.

H.H.: Exactly, and we have to start with the UN, and its coalition with civil organisations, to get a lot of the work that's needed done.

P.B: What role can technology play in helping us meet our present challenges? Are there any “guiding principles” that can be used to determine which technologies are appropriate or inappropriate?

H.H.: Technology has to play a role because we are in a state where technology created a great many of our problems. To now throw up our hands and say “we can't go on modifying technology” is ridiculous. This is a debate I have with a lot of people on this International Forum on Globalisation. I say, look, give me one scenario about how you're going to repeal TV, the internet or satellites? They can't be repealed. All we can do is be very aware of the way technology is going to be key and it has to be democratised. It's not the technology itself, it's the software that's being run by the big conglomerates, that's what's wrong with it.

The “guiding principles” really go back to an early book wrote in the sixties on democratising technology. *Basically we need to ask, Does the technology serve to empower individuals and is it ecologically sustainable? Like the criteria that's used by the Natural Step movement. On the social side, does it empower people? Does it create more opportunities for democratic control?* If you use these questions as a sorter you can very quickly see those technologies that are anti-human, like nuclear power, which people can't even understand never mind participate in. So that in anti-democratic technology because there is no possibility of popular participation and control.

Hazel Henderson is an independent futurist, worldwide syndicated columnist, and consultant on sustainable development. Henderson serves on many boards, including the Calvert Social Investment Fund, the Council on Economic Priorities, and the Worldwatch Institute. She was an advisor to the National Science Foundation and the US Office of Technology Assessment from 1974-1980. She is the author of *Creating Alternatives Futures, The Politics Of the Solar Age, Paradigms In Progress, Building a Win-Win World* and coauthor of the *United Nations: Policy and Financing Alternatives*. This interview originally appeared in *Ecolutions* (Vol. 3, 1997).