

NEW EUROPEAN



**Biannual Views
of International Affairs
Autumn 2013**

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NEW EUROPEAN

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Editorial

Some thirty years ago when it was mooted that Switzerland might apply for membership of the European Community, the *Wall Street Journal* declared that it would be better for the EEC to join Switzerland. The reason for this was that the French, Germans and Italians have been able, for Centuries, to live together peacefully within their frontiers while outside they have fought each other or planned to do so.

This could be attributed to the unique constitution of the Swiss Federation. The distinctive feature here is that the Central Government has extremely little to do as the powers have been devolved to the Cantons. These are almost entirely homogenous being the German, French and Italian. Each one has the same strength and size as its neighbours so that none of them are under the hegemony of others. Under the Cantons are the Communes which are the units of local government. If any issue arises in either Canton or Commune a referendum takes place to decide the issue.

More than any other country in Europe the individual citizen has command over his own life. Democracy is not only meaningful but in its ultimate form.

The *Wall Street Journal* seemed to have provoked group of futurists in Brussels to conceive an alternative to the Swiss Model. This was to be a Europe of the regions. The whole continent was to be divided up into regions with borders that frequently crossed the national frontiers, thus detaching the regions from the national governments.

The regions with their own elected assemblies were to have direct links with the European Commission, so that the national parliaments could be bypassed. In due course the plan was inserted into the Treaty of Maastricht. Stealthily the plan is coming into effect although it is a parody or rather a perversion of the Swiss model.

The members of the European Council having accepted the Treaty of Maastricht and the Lisbon Treaty are committed to the plan, but some of them now realise that the plan will diminish their own role.

Now is the time for our elected representatives in the national parliament to wake up to what an EU commissioner has called the Post-Democratic Age *R.B.*

Modernising Money

REVIEWED BY JOHN RATTRAY

While campaigners and researchers in the field of monetary reform have a long and honourable record, they have until recently been few in number and voices crying in the wilderness. Their prospects have, however, improved markedly in recent years.

This is in large part, of course, a reaction to the financial scandals and crises of recent years, but a number of new campaigners and organisations have also sprung up in the wake of the crises. Chief among them is Positive Money. Operating principally in the United Kingdom, but with a message which can be applied in any currency area, this group has yet to break fully into the political and economic mainstream, but has nevertheless begun to have some influence. It runs popular campaigns, but these are backed up by rigorous economic analysis.

Even after the events of the last few years, most people continue to labour under the misapprehension that the money they use is created by the Government through the Bank of England (in the case of the UK). It comes as a considerable surprise to them to learn that only about three per cent of our money is created in this way, with the remaining 97 per cent being created as interest-bearing debt by the banks. It is this system, along with their proposed alternative, which Andrew Jackson and Ben Dyson, two of Positive Money's leading members, examine in this book.

Beginning with a brief but informative history of money, the authors go on to describe the current monetary system. They then explain how a reformed monetary system would work and, most importantly, give a detailed account of how a smooth transition from the current system to a reformed one could be made.

Under the present system, banks can create money as interest-bearing debt; when a loan is agreed, the new money to cover the loan is created by simply writing it into the bank's ledgers. The bank has incurred a liability by crediting the loan to the borrower's account, but

has also acquired an asset - the repayment of the loan plus interest. Repeating this process on a grand scale leads to excessive burdens of debt, both for the economy in general and for individuals. As the economy labours under these burdens, banks create and lend ever-larger amounts to maintain their profit margins. This leads to unsustainable inflation of asset prices and reckless lending, the eventual results of which have become all too apparent to us.

The authors propose replacing the present system with one in which all money is created by the Bank of England (in the case of the UK) under the control of a Money Creation Committee. This would meet monthly, rather like the present Monetary Policy Committee which would no longer be needed, and would determine whether to increase, decrease or keep unchanged the money supply, based on the prevailing level of inflation and state of the economy. The new money could be put into circulation by a number of means, including crediting it to the Government's account for use in public expenditure, lending it to the banks for onward lending to the productive economy, or even paying a national dividend or citizen's income to each individual.

The Money Creation Committee would be independent but accountable to Parliament. Price stability would be the MCC's prime objective, although Parliament would be able to alter this if circumstances required. The authors stress the importance of democratic accountability in the system. Although the authors do not make the point, the importance of the democratic aspect may make it much easier to implement these principles with a national currency rather than in the Eurozone.

Fears that the creation of money in this way would be inflationary are, they claim, misplaced; there would be far greater control of the overall money supply than under the present system, and it would be matched to actual levels of activity in the economy. Not only would this system be perfectly compatible with a free enterprise economy, but it could even prove a more favourable environment for market economics as instability and the burdens of excessive debt are reduced. In the longer term, lower debt could also mean lower taxes, as the level of Government debt falls.

While it would not be possible, in the infamous words of Gordon Brown, to "abolish boom-and-bust", the risk of banking failures would be very substantially reduced, and the expensive overheads of the current banking compensation schemes would no longer be needed. Bank accounts would be divided between Transaction Accounts and Investment Accounts. The former, mainly for everyday use, would be absolutely guaranteed, as their funds would actually be held electronically at the Bank of England and would therefore

be protected should a bank become insolvent. The latter, mainly intended for investment, would have no guarantee. Banks would no longer be “too big to fail”, encouraging a more realistic and responsible assessment of risk.

The book has no index but does have an extensive bibliography, and refers to the interest which major figures in economics, including Irving Fisher and Milton Friedman, showed in this question. The authors also refer to a working paper on the subject (*The Chicago Plan Revisited*), submitted to the International Monetary Fund by Miroslav Benes and Michael Kumhof as recently as 2012, which has attracted the interest of a number of commentators.

Some previous treatises on this theme have tended to be heavily polemical and to concentrate on the idealism of their case, perhaps in the process becoming rather off-putting to all but the truest believers. This book, while losing nothing of the idealism, is welcoming to the uncommitted reader. The authors acknowledge that parts of the book may be challenging to the non-economist - it was certainly so for this reviewer - but they have taken pains to eschew jargon and to write in an easy and accessible style; this is no forbidding economics textbook.

The route plotted here by Jackson and Dyson is ambitious and far-reaching, yet is also practical and, given sufficient political will, achievable.

Modernising Money

why our Monetary System is broken and how it can be fixed

Andrew Jackson and Ben Dyson

Positive Money , ISBN 978-0-9574448-0-5 , 334pp., £14.99

The Financial Crisis

SØREN SØNDERGAARD

On September 15th, 2008 one of the world's biggest investment banks, Lehman Brothers, crashed as a symbolic expression of the seriousness of the crisis. Soon an impressive string of big banks lined up to follow suit.

In a way the immediate cause was quite simple. The banks had been gambling with borrowed and fictive money; and when the speculations failed they were no longer to pay the investors' money back.

In my opinion the best thing would have been if the entire host of gamblers had been left to go to the bottom of the sea and losing every bit of personal possessions and forbidden ever again to have anything to do with other people's money.

But the problem was that these people and these institutions were not only key players in the entire financial system, but had also been allowed to take control of ordinary people's savings and daily economic transactions, from payment of rent to shopping for food.

Thus, in our part of the world the EU and the governments of the EU countries were facing a political choice. They could either nationalize the central parts of the banking sector and separate it from the gambling economy. Or they could pour billions after billions into the empty bank coffers that the gamblers had left behind.

It was not least the EU Commission and the European Central Bank who pressurized for the latter option. They established mechanisms for borrowing where the countries that had been hit the hardest could get money for the bailout. This was, by the way, contrary to the EU Constitution.

Ireland is an instance. In 2008 Ireland's public debt in relation to the country's GNP was 44.5%. In 2012, when a number of failed banks had been bailed out the public debt amounted to no less than 117.6%. During the same period, and for the same reason, Spain's public debt went up from 40.2% to 84.2%.

The bill for this enormous creation of debts in order to save the banks has been sent to the taxpayers. In order to reduce the debt the EU has dictated a merciless retrenchment policy for the public expense of the member states. The failure of the gambling economy has been paid by unemployment and cuts in public welfare.

On September 11th this year Manuel Barroso, the EU Commission President tried in his annual speech on the state of the Union to tell the members of the EU parliament, that the sacrifices had been worth it, and that things now were moving forward.

At least two comments might be made to this:

One: Nothing fundamental has been changed in the system that led to the failure of Lehman brothers. Well, some minor changes have been made concerning capital backing and surveillance, but fundamentally the mechanisms are the same. For instance, no separation of the gambling economy from banks for the day to day transactions of ordinary people has taken place.

Two: If the present policy is continued unemployment and poverty will still harrow the EU countries for many years to come. Barroso made a great point out of mentioning that employment had been decreasing in Spain recently. But if the decrease continues at the same rate it will take at least 70 years to get rid of unemployment in Spain!

If the retrenchment policy dictated by the EU is not given up another 15-25 million EU citizens will be condemned to poverty during the next decade, according to an Oxfam report published on September 12th, 2013.

The head of Oxfam's EU Department, Natalia Alonso says in a comment to the report: "The only people benefiting from austerity are the richest 10% of Europeans who alone have seen their wealth rise."

Perhaps it is time for the 90 per cent to say No Thanks!

SØREN SØNDERGAARD is a member of the EU Parliament, representing the Danish People's Movement Against the EU

EU in Western Sahara: Trading Fish for Human Rights.

ERIK HAGEN

When the EU cultivates its good neighbour relations with the occupying power, Morocco, things become hard for the people of Western Sahara.

Morocco is the only occupying power on the African continent. Its government refuses to respect the more than a hundred UN resolutions that call for the Saharawi people's right to self-determination, and to follow up former peace agreements for a referendum in Western Sahara. Morocco receives international criticism for the brutal way it cracks down on those who fight for their right to self-determination.

Nevertheless Morocco is the country outside Europe that has the closest ties to the European Union.

Two states have an almost exclusive power to define the EU's foreign policy towards Morocco and Western Sahara. One is France, Morocco's faithful ally and well-disposed trade partner. The other is Spain, Morocco's next-door neighbour and the former coloniser of Western Sahara. In all processes concerning Moroccan affairs, France and Spain lobby intensely in the institutions of the EU and the United Nations. During the spring of 2013, Morocco, Spain and France carried through the feat of turning down an attempt made by the United States in the UN Security Council to allow the UN mission in Western Sahara to report on human rights violations in the territory. Few other EU member states choose to spend their political capital against France and Spain on the issue of Western Sahara.

Morocco's continued breaches of international law and human rights seldom become an issue in negotiations with the EU. Much is done to avoid any mention of Western Sahara whatsoever: Western Sahara is the elephant in the room. It is the topic that should have been discussed, but never is. The EU claims to support the UN peace process and to act in line with international law. But it doesn't.

The European Commission's deep felt wish for good neighbour

relations with Morocco finds its expression in ever new ways by approaching Morocco ever closer to the EU. On 22 April 2013 the EU initiated negotiations with Morocco on an agreement which will integrate the market of Morocco closely with that of the EU. These talks, which would result in a so-called "Deep and Comprehensive Free Trade Agreement", is referred to by the EU as the reward to the governments who dealt with the Arab Spring in a constructive way. Morocco is the one among the EU's neighbours that has made the biggest progress in the talks, and so far the country has succeeded in dragging the occupied areas along in the negotiations.

All the groupings of the Saharawi civil society have asked the EU to respect international law and have insisted that Morocco cannot sit down and negotiate their country's future with the EU. But the EU ignores these anxious signals, whereas both the EFTA states and the US have clearly excluded Western Sahara from the co-operation agreements with Morocco. The area is not internationally recognized as part of Morocco.

It is, however, in other agreements that this spiriting away of the Saharawi people is most clearly to be seen. In July 2013, while the other EU institutions were on summer break, the European Commission signed a four year fisheries partnership agreement with Morocco. The fishing will take place off the coast of Western Sahara – an area that Morocco has not even laid a maritime claim over (the Saharawis have). The EU will pay the Moroccan government 40 million Euros annually for the illegal fisheries rights. The agreement will be presented to the Council of Ministers and the European Parliament to vote on during the coming months.

The EU's own evaluation of its previous fisheries agreement in Western Sahara concluded that it was destroying the fish stocks offshore the territory. Now, the new agreement will cover even more licences. This development happens at the same time as half the people of Western Sahara are living as refugees. One child out of four is suffering from acute malnutrition. In recent years the EU has paid four times as much to Morocco for the fishing in Western Sahara's waters as the Union has given as humanitarian aid to the refugees who are the rightful owners of the fish.

"As a European I feel embarrassed", said the former Under-Secretary-General for Legal Affairs and the UN Legal Counsel on the previous fisheries agreement. For several years the EU Commission has misinterpreted and abused the legal opinion written by the UN legal chief. He has described the fisheries agreements as being point-blank contrary to international law and emphasizes that the EU is putting a spoke in the wheel of the UN peace process.

The pressure from the socialist and conservative parties in Spain and France via the EU institutions is also pulling the policy of its close European allies in a negative direction. The current Danish government has, for instance, turned around on the issue of fisheries in Western Sahara. Denmark now supports the fisheries plans, and the Danish government is now running a campaign in the Folketing to obtain support for the unlawful Spanish fishing in Western Sahara.

The Spanish government also pressures its own citizens, known for their strong sympathy for the Saharawi people, to support the fisheries industry. In the summer of 2013, the Spanish fisheries minister was seen travelling to Spanish coastal towns to ask them to pressure European Parliamentarians for renewed fisheries. The same towns are instrumental in supporting Saharawi refugees.

The pressure from Spanish and French governments is hard to withstand. As one representative of a delegation to Brussels said in confidence: "We know what international law says that we should do about the case of Western Sahara, but in this case we follow Spain".

ERIK HAGEN is Chairman of *Western Sahara Resource Watch*.
<http://www.wsrw.org/>

NOTE

A more than gratifying message reached the Danish public on October 8th: Folketinget has decided that Denmark shall vote no to prolonging the EU fisheries agreement with Morocco. Riksdagen in Sweden has held this position all along and even voted that the country should recognize Western Sahara as a state. Norway follows the EFTA position and expressly excludes Western Sahara from all agreements with Morocco. Ed.

Organic Farming: More Necessary than Ever

SIR RICHARD BODY

Until the recession there was a very impressive growth in the demand for Organic Food, but the rise in food prices has caused many householders to make economies in their purchases; and sadly this has stemmed the growth in demand for organic food in the UK.

The good news is that many buyers for our supermarkets recognise that the current methods of modern agriculture make new and added demands upon the finite resources of the world; some of which could be exhausted by the end of this century; and what happens then?

The argument in favour of Organic Farming is stronger than ever.

As the world population rises so does the demand for food which in turn has strengthened all commodity prices. The statement in 2006 by Margaret Beckett, that as a trading nation we did not need to worry about growing our own food, is in the distant past. Politicians are now talking about food security, sustainable production systems, crops for biofuels and farms for energy harvesting.

Because the UK is a densely populated island with limited resources for the production of food, we have done more than any other nation to push up the level of output by methods which are patently short-sighted. The other members of the EU will not feel some of the dangerous consequences for several years yet, and so they cannot be expected to see the urgency of change.

The question of Agriculture's future is crucial for everyone, for nobody can stand apart unconcerned. We are at critical crossroads. We can continue with a 'business as usual' model for food and farming – characterised by a reliance on high oil and chemical inputs, and intensification of food production, with its attendant pressures on resources, wildlife, landscapes, animal welfare and the global expansion of unhealthy diets. Or we can seek to re-balance our diets, and a return to resource efficient and more environmentally-friendly farming methods.

It is time for the policy-makers to reflect on whether chemical

farming is capable of continuing throughout the 21st century. One by one its methods will begin to fail us because they are linear. In the case of pesticides, for example, there is a limit to the number of chemical compounds that can be made lethal to the pests; as pests gain resistance to each in turn, so the efficiency of pesticides to do their work gradually recedes. That form of chemical farming is then at the end of the line. So, too, with all the chemical aids used by the farmer of today. Biological farming is, on the other hand, cyclical: its efficacy has no ending.

Of all the dangers caused by the chemical treadmill there can be none so fearful as the destruction of our soil.

The pace of desertification is accelerating. It is happening in our own country. In Lincolnshire it is said “the Wolds are getting whiter”; on the downs in Berkshire, Wiltshire, Hampshire and Sussex where wheat is growing, the chalk is also coming through as each year a little more of the thin soil gets swept away by wind and rainfall. No soil: no life; and if we allow this to go on, millions of our acres will, in not so many years from today, be agriculturally useless. When the same has happened all over the world, we will indeed have cause to fear starvation.

Sir RICHARD BODY is a former Member of Parliament and farmer and is the author on several books on farming and on the future of Britain and Europe

Building the Future

CHRIS WRIGHT

The London Olympics changed a lot of perceptions, not least about Britain's ability to deliver on large-scale construction projects. Until very recently such undertakings had invariably come in well over budget and late; so much so that there was a sense that the vision and energy of our Victorian forebears had evaporated into thin air. The key to turning things round can be summed up in one word – 'alignment'. Instead of the various elements of a large project fighting their own corners and resisting change that might benefit the project as a whole, everyone concerned is now encouraged to sign up to the end result and to see themselves as part of a process. Conception and design, finance and construction are dovetailed and the emphasis is on the relationship of the parts to the whole and how the ultimate goal is the critical thing. It means that the inevitable unforeseen circumstances can be tackled in a spirit of cooperation rather than competition. Managing the relationships between people is central.

Which is all very timely: Britain's infrastructure is in desperate need of repair and upgrading, and the Government sees building as a key plank in its attempts to get the economy moving again. Are we about to witness a new golden age to rival the Victorians? Perhaps, but before we get too carried away, we need to ask what outcome we are hoping to see. What is the even bigger picture within which each project's vision has its place? The Victorians had no such grand plan. Someone saw an opportunity, raised the cash and went for it; which could mean two railway lines running parallel to each other in places. With the complexity of twenty-first century society that *laissez-faire* approach isn't an option, not least because funding is only available within the context of Government guarantees (the utilities, for example, raise the capital for projects having agreed prices in advance with the regulator).

So, what vision does the Government have? The debate over the expansion of air travel suggests that, insofar as there is one, is driven

by purely economic considerations: if London is to retain its status as a commercial hub growth is essential, end of story. High Speed 2, the proposed replacement nuclear power stations and Crossrail are likewise more of the same, aimed at making Britain more competitive. How does all this square with the green or sustainable agenda, and are we missing a once in a generation opportunity to lay the foundations for a future that is likely to be very different from the one we see today?

Any attempt to plan ahead should be based on clear principles; which is why politicians fall back on the logic of the global market place because it appears to be the only game in town. A project's contribution to a sustainable future, if it features at all, is tacked on at the end with the incorporation of energy-saving technologies, rather than being intrinsic to part with it will play in that bigger picture. The following thoughts are offered as the kind of benchmarks by which any building programme should be judged from a sustainable perspective.

1. Sound and Sustainable Conception and Design

It may seem obvious but any project should begin with conception by asking the 'What' (what do we want to achieve?) and the 'Why' (why do we want to achieve it?) questions. The clearer the answers are to these questions the easier it is to move on the Design phase by asking the 'How' question (in the light of the answer to the first two questions how are we going to achieve it?). All too often the starting point for big construction goes something like this, 'Business Leaders and City Experts are screaming that we need increased airport capacity if we're to remain competitive! Ok, so we've got to build an airport? Well, we know what one of those looks like, so let's get on with it'. The excitement comes in using new technologies and clever systems to create a state-of-the-art airport that wins every award going – until the next airport comes along and yours is yesterday's project. It happens because politicians and their bureaucrats fudge the first two questions, pulled this way and that by interest groups, focus groups, demographics and their own backbenchers. The result is that no one really knows why we need a new airport, so the focus is on ensuring that as many people as possible recognise that we're producing a truly great airport. And, of course, the new airport will be used and, pretty soon, like motorways, we'll need another or bigger one. Compromise – what politicians can get away with – stalks every project every step of the way. Either stuff doesn't get built or it isn't quite what was needed and/or it's in the wrong place.

Supposing we take a different starting point: if someone in the

street where I live decided they wanted to open a shop in their front room (something that used to be commonplace in Britain's towns) they currently have to obtain planning consent, a process located in a distant town hall and determined by rules that may apply all over the country (if not Europe). The project is not viewed as a one-off, but measured against a supposedly objective set of criteria that apply in every case. Lip-service may be paid to consulting me and the other residents, but decision-making is a largely bureaucratic exercise in damage limitation: and, in the unlikely event that permission was granted, I would have no say in how the finished shop front might look.

On the other hand, if the decision was down to the residents, the approach would be quite different. For a start, in a street where people had experience of making their own collective decisions, there would be some history to the idea of opening a shop. It would have been discussed informally and that process may well have shaped how the idea developed and who took it on. When it had reached the stage where a decision needed to be taken, consensus-building meetings could be held that *would* address the 'what' (to provide a local amenity/greengrocer/baker) and 'why' (because we believe 'local' is the best way to secure a sustainable future) questions. It would also be possible to look at alternatives and consider other priorities in a meaningful way – a luxury rarely open to national or local governments. Assuming people were in favour of a shop, that process would provide a clear context for the 'how' question and professional advice could be sought on the best technical solution to achieving it.

This approach may be time-consuming, but wouldn't necessarily take longer than the current planning processes that can drag on over months if not years. It is also a more natural, organic approach than the objective, at-a-distance, bureaucratic model and is thus more likely to yield a result that everyone is happy with. Clearly, this approach couldn't be applied to the building of an airport or a high-speed train line, but doesn't that say something about the priorities of the modern world? If we truly believed that local capacity and resilience were necessary to build a safe, secure and sustainable future then surely the emphasis should be on developing local infrastructure in the way described above: building from the bottom up.

2. Sound and Sustainable Finance

Big construction requires immense amounts of credit (i.e. money up front) and that comes from the banks and other financial institutions, using mechanisms such as quantitative easing (effectively freeing up

money that can then be loaned out – in theory). The government is also directly involved in offering ‘sweeteners’ and other incentives, such as ensuring returns over the long-term, to encourage the corporate world (the only ones capable of delivering large-scale projects) to take a punt. In other words, if not quite a licence to print money, the whole edifice is a self-referential group of individuals and organisations who have a vested interest in making money by getting projects off the ground.

The word ‘credit’ comes from the Latin *credere* – to believe or to trust – and the obvious and immediate question is, how far you trust a system that has brought the world economy to its knees; not to mention governments who have transferred the private debt mountain created by the so-called ‘masters of the universe’ to the public purse without so much as a by-your-leave from the electorate to whom they are supposedly answerable? Is it any surprise that the gap between the rich and poor is getting bigger all the time, or that the corporate world neither knows nor cares? Another consequence of this approach to financing projects is that, as well as potentially ending up with the wrong project in the wrong place, we inevitably enrich the wrong people.

So, whom can you trust? Well, traditionally it has been people you know. At the start of the Industrial Revolution, e.g., banks mushroomed, not to service some distant and objective debt but because the movers and shakers came from the same circles and a proposal’s viability could be judged from firsthand knowledge. That kind of self-perpetuating elite continues to exist but it is no longer confined to Manchester or Birmingham where relationships were personal. It is global and corporate now, driven purely by the desire to make money rather than any sense of local pride or loyalty. Relationships, insofar as they exist, further that goal not just on the big construction projects, but through all aspects of the global economy from military expenditure (ex-generals in bed with manufacturers to influence ministers) to industry (tax breaks for car manufacturers) and the media (politicians and moguls enjoying Christmas together). Meanwhile, the rest of us struggle to make ends meet.

If we go back to the shop in our street, however, it immediately becomes a very personal issue with everyone involved in the decision about whether it is a good thing or not and, if so, how it might best be achieved. Judgements can be made about the capacity of the individual(s) involved to achieve their vision and what further support they might need. Assuming that the project has everyone’s backing it would then be but a short step to funding it through direct loans from neighbours or raising some kind of community bond to

ensure that all concerned had a stake in the shop's success. Making money isn't the first and only consideration.

Sound money is money that you know isn't going to disappear over the horizon at the first hint of trouble or whose value might suddenly be eroded because of events on the other side of the world. Sound money in an uncertain world is money that we all have control over. Local systems of credit and exchange, that are truly independent of the casino-like activities of the international banking system, provide a bulwark against further economic difficulties. They are also more likely to increase the flow of quality goods and services that people actually need within each community rather than forever trying to increase the speed with which mass produced baubles flow around the world.

3. Sound and Sustainable Construction

Building typically involves technology, materials, energy, skills and knowledge. As projects get bigger and bigger so the machines become ever more sophisticated, with the result that they can be manufactured by only a few firms, usually non-UK based. The elements that go to make the finished product are likewise shipped from around the globe - although concrete usually plays a major part in construction: and concrete may contribute up to 5% of humanity's carbon footprint because it is energy intensive and the production of cement, one of its major components, releases significant amounts of carbon dioxide. That is a particular consideration in the construction of, say, nuclear power stations that use vast quantities of concrete for shielding and means they have to operate for many years before they are producing genuinely green energy.

Energy, as we all know, is a crunch issue both from a climate change perspective and the fact that reserves of fossil fuels are diminishing in the face of increasing demand worldwide. Anything that contributes to those two problems, either directly or indirectly, must come under close scrutiny. It is difficult enough to get governments to factor in the full environmental costs of a project: how much more unlikely is it they can be persuaded to undertake and publish a full-scale energy audit? We need to be reducing the amount of energy we consume, but our drive for growth at all costs encourages profligate waste in the search for new sources of profit.

Big construction effectively separates knowledge from the ability to apply it directly. Most of the work on a project will have been done before the first sod is turned. Years of time will have been spent, not just on designing the project itself, but on the machinery required to realise it. Such effort is entirely theoretical, creating virtual pavilions

and one-off earth cutting machinery with the click of a mouse. The people who actually do the work on the ground are either technicians who service the huge machines or labourers who do what labourers have always done: there is little opportunity to build up the experience that will allow skills to be transferred to other situations. By contrast, a craftsman is someone who embodies the fusion of knowledge, experience and hand-eye coordination needed to create something excellent. Attaining skills requires practice and, if used consistently, becomes part of who that person is.

Finally, the knowledge of how to complete new projects becomes increasing esoteric and ever more confined to the tiny group of individuals and organisations alluded to above. This narrowing focus only adds to the sense of a self-fulfilling prophecy that has little to do with actual need and everything to do with keeping the show on the road by pushing for the next project.

In our street the time has come to start the work that will lead to the creation of a shop. Some of that labour may require specialist input – although even installing an RSJ to support the larger window can be done by a competent builder – but most will be within the reach of people nearby. Perhaps there will be someone who makes furniture as a hobby who can create the counters and storage (using materials from a local recycling centre) or a keen decorator to provide the final finish: all of which can be paid for from the money raised to undertake the project. Everyone's stake in the enterprise will have been reinforced but, equally importantly, our street's ability to do things for itself will have been increased both in terms of the confidence to take on projects and the pool of skills available to achieve them: a 'library' of tools that anyone can use may also be created, further enhancing people's ability to do things for themselves and one another.

What becomes clear from comparing 'big build' with 'small build' is that people and the relationships between them are the difference. 'Alignment' may be seen as the vital part of successfully completing large projects, managing the relationships between the various elements of the programme, but it is based on the kind of relationships that are driving us to the edge, self-referential and interested only in the bottom line and the next cash cow of a project: they are exclusive and typified by precedence at the trough (bankers first, of course). By contrast, the bottom up approach is focused on what's best for the locality both now and in the future. It depends on having a shared vision that brings people together to realise it: relationships are inclusive and mutual. In the process people are empowered not only because they have achieved something but because their confidence and skills have increased.

The Olympics were a life-affirming event which lifted us, for a brief moment, out of the deadening and demoralising grind imposed on ordinary people by global economics and corporate rapacity. That in itself should tell us that we don't want or need ever bigger infrastructure projects: we should be building for a different future, one in which a sense of community and purpose is an everyday experience. Clearly there are relationships and relationships. Let's back those that are positive, enabling and most likely to create the kind of resilient communities that are going to be needed if we are successfully to face the challenges ahead,

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E. F. Schumacher and the 21st Century

JOHN RATTRAY

E. F. (Fritz) Schumacher was one of the twentieth century's most original thinkers. This was apparent from an early age. Throughout his life he was a fount of ideas for "world improvement schemes", and was a catalyst for creating organisations to bring his schemes into reality. The expression "small is beautiful", the title of perhaps his best-known book, has long been a common catchphrase, albeit often used by people with little or no knowledge of Schumacher or of the significance of his work. But what is the legacy of Schumacher (who died in 1977), and how relevant is it to our present time?

Diana Schumacher, his daughter-in-law, has a long and distinguished record in Schumacher-related activities, and here has provided a substantial answer to these questions. Beginning with an informative potted biography (fuller biographical accounts being available elsewhere), she goes on to describe the many organisations and projects set up by or inspired by Schumacher, as well as the continuing influence of his views on education, food and agriculture, economics, industry, finance and that which we nowadays call "sustainability".

As well as his formidable intellect, one of his gifts seems to have been an ability to inspire and enthuse others who wanted to put his ideas into practice. Thus Schumacher joined the board of the Scott Bader Commonwealth, and Godric Bader acknowledges the influence of Schumacher's ideas in this company, the ownership of which the Bader family had, on their own initiative, already transferred to a trust controlled by the employees, demonstrating an alternative to conventional private or state ownership.

The Schumacher Society was set up shortly after his death, and its numerous offshoots, including lectures, awards, briefing notes and a college, have taken on lives of their own yet remain rooted in their original source. A short spell as an economic adviser to the government of Burma in 1955 had a strong effect on him, and he urged them not to adopt a western-style economy willy-

nilly, but rather to evolve an economic system suited to their own culture and actual needs. This was not well-received by his Burmese employers! The formation of the Intermediate Technology Development Group (now known as Practical Action) was one of the consequences. This organisation works at a local level to provide practical solutions to everyday problems, often involving ingenious invention of instruments and devices, and with ecology and the human scale at its core. Numerous other organisations owe their existence to Schumacher or those inspired by him.

He was ahead of his time in many matters, such as his prediction of “peak oil” long before the term was coined, in his opposition to an oil-dominated energy policy, and in his advocacy of renewable energy. Most importantly, he also recognised the importance of the spiritual as well as the material aspect of life.

So where does Schumacher’s legacy sit today? In the United Kingdom, when David Cameron became Leader of the Conservative Party he talked a great deal about sustainability, localism and the “Big Society” (although Schumacher and his friend Leopold Kohr would probably have talked instead about a patchwork or multitude of small societies). Since coming to office in 2010, albeit in a coalition, Mr Cameron’s record on these matters can perhaps be charitably described as “mixed”. The record of most other governments, and their leaders, would seem to be similarly disappointing. On the other hand, Schumacher’s ideas, writings and organisations continue to resonate in Britain, in Europe and around the world, and this book is an admirable summary of where his legacy stands today. In particular, those coming to Schumacher for the first time will here find a comprehensive and accessible summary from which they can go on to explore the man and his work in more detail.

Small is Beautiful in the 21st Century.

Forty Years on – the Legacy of E.F. Schumacher,

Diana Schumacher. Green Books (for the Schumacher Society)

978-1-900322-75-1. 127pp. £8.00

JOHN RATTRAY has been and continues to be active in a number of Green and Eurosceptic organizations and campaigns

Alliance for Human Scale

MICHAEL BREISKY

More and more people think "TOO BIG TO FAIL" will lead to disaster, but believe that more often than not SMALL IS BEAUTIFUL.

These people should rally in the ALLIANCE FOR HUMAN SCALE

1. FAQ

What is Human Scale?

We define Human Scale as the framework which should allow individual man to make best use of his mental, social and physical capabilities.

The "framework" has material as well as immaterial dimensions; and "best use" must be interpreted in away that is holistic, constructive and joyful.

Why this Alliance?

As we increasingly struggle with the general crisis of the "Western" model of society, this Alliance believes that the great ideas behind this model have not been proved wrong - but by the neglect of Human Scale, they have been driven from success to excess.

The best way to bring good ideas back from excess to Human Scale is to balance them with equally good counter-ideas, like linear efficiency with holistic resilience, tolerance with identity, globalisation with regionalism, market-supply with cooperative practices.

This Alliance does not want to shock people with gloomy 'what-if' scenarios, but rather help people discover the potential of individual self-empowerment. This should make them strive for a "good life" with more sustainable and agreeable alternatives.

What are the aims of the Alliance?

- The idea of a „Return to Human Scale“ seems to mushroom today. Although worked on independently and with different nuances, it is in the general interest to rally all forces committed to the Human

Scale; therefore, what needs to be done is to build a lively network among like-minded people, institutions and companies with the aim of developing guidelines for a life in harmony with Human Scale – so practical it puts tangible results into everybody’s reach and smart enough to suit media and politics.

To establish a reference basis about Human Scale already in exercise, by

- a) a database of institutions, scientists and companies: who does what, how and where;
- b) matrix-like reports about the performance of real and typical entities ;
- c) certification (upon recommendation by an independent commission) of compliance with Human Scale.

What are the Alliance’s instruments?

- Setting up an inter-active home-page
- the LinkedIn group “Alliance for Human Scale” for discussions and networking (*for invitation to join mail office@breisky.at*)
- publication of an online journal (*depending on sponsorships!*)

Who supports the Alliance?

There number of members in our (personal) LinkedIn group is rising impressively, and so is also personal support from outside.

Support and membership from like-minded people and institutions will be listed here as soon as we have resolved some technicalities. Nevertheless, three weeks after foundation, we had received messages of support from prominent members/representatives of institutions such as

- the Leopold Kohr Academy
- the German Schumacher Society
- www.Managerismus.com
- the Ivan Illich community in Bremen
- the British quarterly New European
- John Papworth and his British friends of Leopold Kohr

A support-page listing institutions, NGOs, Scientists and companies in support of the Alliance will be publicized shortly!

2. Texts open to discussion

2.1. Old and New Enlightenment:

Enlightenment brought us the use of Reason. After a long success-

story, Reason now tells us that Enlightenment requires also something else: consideration for what is unreasonable in man. And so we learn that reason works best where it stays within Human Scale – i.e. in an environment where individuals have a maximum of holistic understanding for their situation as well as their doings. All technological progress was not able to extend this environment much beyond your sense's reach (“un-instrumented visibility”, *Überschaubarkeit*). Outside this area we must rely on linear projections, where the risks of failure become unreasonably high.

Old Enlightenment projected a few great ideas into sky-high cathedrals, dreaming of a better world. New Enlightenment shares these ideas, too, but asks why the better world would never dawn; and sticks to the ancient system used by nature and masons: cells and bricks. Building with many small, independent and versatile units gives the system a flexibility so high that the whole will not be affected, if one or the other unit fails to function; and its buildings will not exceed Human Scale. Therefore, its cathedrals may not reach to the sky, but they can be at least as beautiful – because more often than not, “small is beautiful”.

2.2. Human Scale, according to Leopold Kohr and E.F. Schumacher:

“Small is Beautiful” is the title of a book by E. F. Schumacher, published in 1973; it is also known as the motto of his friend and teacher Leopold Kohr (1909-1994), who had developed his philosophy in the 1950s (published 1957 in “The Breakdown of Nations”). The two authors were the first to stand for the Human Scale in society. Kohr was more the socio-political “philosopher in general”, highly regarded even in fields as diverse as architecture and cancer-research; while Schumacher dealt more with economic issues and the use of technology. What they said about Human Scale half a century ago survived great social revolutions, but it is as valid today as it was then. How Kohr and Schumacher saw Human Scale may be summarised as follows:

On Man:

- Individual free man must be at the centre of all politics – not “the people” or the nation, and not even “mankind”. And this man is neither Dr. Gallup’s average-man nor the superman of various ideologies, and certainly not the “economic man” – just the real man, “warts and all”.
- Man is weak because he often errs, fails and cannot escape death; he is strong where he laughs and loves (laughing means holistic understanding, love is active engagement!). He is always good for

a surprise, which is the source of his dignity. If accompanied by fair friends and staying within Human Scale, his surprises will rather be constructive than destructive.

- But to live as a free man is often tiresome and, therefore, a good excuse to hide in anonymity. There anonymous man becomes a statistical number, his behaviour will be figured out and is easily manipulated; the bigger the size of the political entity he is living in – or the less defined its function - the more calculable he becomes. This again gives old-fashioned dictators and modern oligarchs the best chances: They offer a hiding in brief feelings of cozy belonging and get obedient subjects in return.

On Growth and Society:

- Where a biological or social organism grows, its internal complexity will increase exponentially faster than its size.

- Once the rising complexity begins to produce more costs than benefits, nature commands: *“either split-up like cells or die!”* – and society should do likewise!

- Growth and mergers leading to bigness make sense in the short term, where there is a (rare) need for the clout of a sledgehammer. In the long-term, however, the versatility of Swiss army-knives is more useful, because the rising complexity of bigness will inevitably appear and demand the dire price of rising costs

And irresponsibility; for there cannot be responsibility without comprehension. Therefore, society should keep its size manageable, apply devolution and obey strictly to the principle of subsidiarity!

On Ideas:

Ideas are abstractions of complex things and situations. Where there is comprehension of the whole situation, it may be acceptable to disregard parts of the complexity for the sake of an idea’s usefulness. But if projected onto other and more complex scenarios, the complexities “abstracted away” might strike back and undo the whole idea. Therefore, Kohr extended the old adage *“The dose makes the poison”* to the world of ideas (this might be the turning point from Old to New Enlightenment!).

The best way to protect a great idea from excess is – first - to confront it with a complementary countervalue, like valiance and caution, identity and tolerance, direct and representative democracy; then to discuss both values in the context of a real situation and attribute the burden of proof to the more aggressive idea.

- If ideas remain unchallenged by alternatives, they become insatiable and will eventually either implode or explode. Today one wonders

whether there really no alternatives to the great ideas of “security by (military) supremacy”, GDP-growth, market-supply, mega-banks...

On Development and Globalization:

Where the domestic socio-political standards lag behind the standards and needs of international trade, developing societies will not be able to sustain competition on the world-market and will see a constant bleeding out of their human and natural resources; i.e. the economic hardware and technological skills of a population must be in harmony with its “common sense” for the mechanics and needs of society (like solidarity, rule of law, tax morality etc.)

Socio-political standards develop only gradually and must follow the historic development: first to village-societies with a first division of labour; then to city-state-like regions, where light industry can develop; then further on to nation-states with all forms of industry; and to various forms of international integration.

There is a strong caveat:

- Grants and similar forms of development assistance distort domestic price-ratios and even slow down the socio-political development.
- Similarly, early introduction of high technology will weaken employment and disturb the over-all development. To mend this problem, Schumacher devised a system of intermediate (or appropriate) technology that is more effective than the traditional technologies, but less costly and more labour-intensive.
- Socio-political standards on a national or international level are - in contrast to regional standards - often outside the Human Scale. They fade away easily, therefore, once they are no longer supported by regional standards.

Democracy at early stages of this development is not helpful either, because it will favour consumption over investment in infrastructure.

If you look at the Euro-crisis, is it not evidence of clear disrespect to all these points?

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See more at *Alliance for Human Scale*,

http://www.breisky.at/Publications-E/Eintrage/2012/11/5_Alliance_fo...

Dr. MICHAEL BREISKY is a retired Austrian diplomat and a writer

MORALITY, VOTING AND DEMOCRACY

JOHN PAPWORTH

There is a widely-shared illusion that if everybody has the right to vote for somebody to represent them in a particular parliament or other government body then they are living in democratically governed societies.

The illusion no doubt springs from the fact that such voting power is indeed an essential factor in any democratic society, as it was in ancient Greece, whose citizens appear to have been the first to have written books on the subject.

It does not follow of course that they were the first to practice it, for the process of conducting collective business on the basis of ascertaining the majority or general view of any proposal is probably as old as tribal or collective societies themselves.

Nevertheless there was one factor common to the ancients, when they sought to proceed on the basis of collective decisions at all, which is a vital integument of the democratic process and that is the scale on which it is conducted.

Democracy is, after all, a moral attribute, a recognition of the equal right of members of a society to have an equal say in the governance of its affairs. But unlike an algebraic equation that functions regardless of human motives or concerns, it is in fact an implicit expression of human values and, above all, of human relationships.

Even more important, we have to recognise that the existence of those relationships is a basic condition for the capacity of any moral values to find expression at all.

This of course was the basis for the effective functioning of democracy in ancient societies; they were human-scale entities in which the members had a substantial personal relationship with each other. All this may be regarded as being far too remote from current realities to merit serious consideration so why waste time conjuring with abstractions that have no bearing on modern life and problems?

The reverse is very much the case, for democracy, based on governing policies which reflect a general consensus of the citizen body is not

only failing to operate, but that failure is producing crisis situations in almost every sphere of human collective concerns. One reason for this lies in a failure to grasp the essential factor of the human-scale if any moral concern is to operate at all, for if the human scale is ignored and the scale of society is allowed to grow to any degree beyond it, then another factor proceeds to displace any sense of moral priorities and that factor is power.

All societies embody some degree or other of power, but in a human-scale democracy the factor of power is subordinate to the moral judgement of its members, but once the scale of operations is allowed to grow the factor of power not only increases with such growth but, as all modern history is such a terrifyingly horrific witness, becomes so large as to become a decisive element in its own right and beyond moral control.

It is important to grasp why this happens: It is because the increase in the scale effects a transformation in the relationship of its members not only with each other but with the power of the governing centre; for whereas in a human-scale democracy it is the personal relationships and the values implicit in them which governs the proceedings, so that they reflect the moral priorities of the members as a matter of course, in a non human-scale society the factor power assumes its own superior importance owing to its controlling position at the centre. As a result the moral relationships of members with each other are diminished and become transformed largely into power relationships with the centre.

The importance of this transformation can scarcely be emphasised enough, yet all political theory and comment appears to ignore it completely. Where citizens once controlled the workings of society on the basis of their equal relationships with each other on the basis of their moral perceptions, in mass-membership societies they are beholden to a centralised power, a power which is able to repudiate both their equality and their morality. They do not control the power at the centre (how can they?) for the power of the centre now controls them.

But, it will be asked, what about the power of the vote and the answer lies in the power of the centre to appoint, to determine, to organise and if need be to prosecute and to persecute. To this, in the modern era, must be added other forms of power, the power of money and banking and, not least, the power of the press, of radio, TV and publicity in general. These are not in the hands of the citizenry nor within its reach.

Elections today are conducted on a mass basis; the turn of their results depends on the capacity of the centralised agencies (political parties and their wealth backers) to raise the requisite funds. Perhaps, it may be suggested, the voice of the citizen can be registered in democratic terms by his membership of such mass-parties, but this is to ignore

that political parties are also subject to the same pattern of forces as determines events in the county as a whole as we are here discussing.

This is why centralised forces governing political parties enact the same disempowering process that government centralised forces pursue and govern any giant mass-membership organisation. We are not here in the realm of moral choice or moral decisions, whatever moral slogans or soundbites are uttered, we are in the realm of power, power the citizen does not, and because of the lack of human scale, cannot control.

It will be asserted, indeed it often is, that so long as there is a free press the essentials of democracy are able to prevail; it is an assertion that ignores the power of money and of media ownership, a power that has largely superseded or assumed control of the power of much localised journalism, a power derived from substantial financial backing and a power able to condition the presentation of news in accordance with the views of power and money rather than with those of the public interest.

What may be of importance here is to note the extent to which the moral judgement of the individual is superseded by the power judgement of the power barons. We are not remotely in a world of free exchange of the moral promptings of our neighbours, we are members of a mass, the views and values of which are shaped and projected by the power of money in the promotion of moneyed concerns, and we cannot emphasise with sufficient stress that this is a situation accomplished not by any free individual choice but by the enlargement of scale on which affairs have come to operate. It is not a scrap of use seeking to pass moral judgement on the actions or the policies of any particular leader; we are in a world where moral concerns are subject not to moral judgement of any individual but to any reckoning to hand which may serve the interests of power as an end in itself.

It impels us to a conclusion widely prevailing but universally ignored, that the silent revolution of the individual from being a meaningful voice in a human-scale community to the powerless membership of a mass-society is one of the most fateful, dangerous, catastrophic and least recognised transformations of the human condition in all human history.

When people are confronted with demands for war, the consequences of economic collapse or loss of job they are apt to complain they are powerless to affect things. The fact is they are indeed powerless; they have been rendered powerless by the growth of scale on which public affairs are conducted. If they seek, as the socialists have done, to make the machine responsive to human values then, because they seek to operate on the same scale they run into the same problems of

individual powerlessness confronted with the deployment of power on a mass centralised scale, which inevitably serves the needs of power rather than of moral concerns.

This is why the Stalinist terror was able to operate in the Russian revolution as 'the will of the people', and why anyone who sought to oppose its horror was labelled an 'enemy of the people'. Power imposed on the mass simply obliterated the moral judgement of 'the people' and was able to operate regardless of any moral consideration at all.

It was the same principle that enabled Prime Minister Blair to embark on the Iraq war in defiance of the two million people who marched in the streets of London, and others in other urban centres. It has enabled Prime Minister Brown to commit billions of money to rescue the bankrupt banking system, why leaders of all big parties are silent on the campaign to establish a united incipient EUropean war machine in Brussels in defiance of popular hostility. People, whichever way they vote for whichever mass-party, do not control the war machine, the banking system, the stock markets or any other of the forces dominating or controlling their lives and it leads us to the general conclusion that since, when seeking change on moral grounds, such changes can only be morally effective when people enjoy moral relationships with each other which are strong enough to prevail against the power relationships imposed on them as a matter of course by membership of any mass-aggregation.

Such moral relationships can only prevail on a localised basis and this enables us to grasp why any increase of centralised state power is not only retrogressive, whatever moral soundbites may be deployed to achieve it, but robs the individual of his or her powers of effective moral judgement.

This helps us to perceive another important distinction between membership of a human-scale society and that of a mass-society. In the former there is an approximate degree of equality between the members; it is a feature which may suffer some abridgement in social or occupational terms. A lay member of a church may be hard put to assume equality with a bishop, just as a gardener with a lord of the manor employing him, or a student with his professor. Nevertheless each person's voice in a democratic community is presumed to be significant and be able to claim an equal hearing.

In the mass structure, as the behaviour of mass leaders invariably demonstrates, the status of leaders and led is one of emphatic inequality. Policies of war, unsustainable economic policies, degrees of taxation or inflation are pursued entirely in the interests of the power forces at the centre; it is true policies may be marginally adjusted to meet the demands of a transient popular clamour, or to cope with some

perceived electoral advantage, but in each case the adjustment will be to serve the power concerns at the centre.

We propose to deal later with the consideration that such adjustments are, as invariably assumed, evidence that mass-democracy is a workable proposition. Here it may suffice to note that the only substantial degree of equality expressed in mass-voting exercises is to express an equal assertion of the powerlessness of the voter.

Not least of the illusions that continue to dominate political life is that the mass leaders and their fellow members elected to form a government are actually in control of the governing process. In reality nothing could be further from the truth.

Power in political terms today is embedded in a variety of guises of which an elected legislature is only one, and frequently in a subordinate position at that. A modern industrially developed state functions in part on the basis of decisions made in the boardrooms of major industrial and commercial companies, for energy supplies, for transport, iron and steel, chemicals, trade, finance, banking, communications and so on.

These companies have been formed with the overriding purpose of achieving the highest level of profits possible and on the whole they tend to succeed. This is why they are there. It may be asked, who then guards the public interest when that aim finds itself in conflict with it? Who decides our forests should be preserved rather than destroyed for profit? The answer to this fundamental question, on which hangs the entire destiny of Western civilisation, is no one at all. One of the extraordinary aspects of the prevailing crisis, where it might be assumed that a wise group of morally inspired statesmen are maintaining a close watch on the general direction of economic activity, is that no such watch is remotely at work or in prospect.

One reason for this lack lies in the work of Adam Smith, a Scottish professor of economics who wrote a widely acclaimed book, *The Wealth of Nations*. His argument was based on the supposition that if entrepreneurs were free to act in a free market, moral considerations would largely take care of themselves, because if any one trader sought to charge more than a just price he would be undercut by his competitors who would charge less.

He fully recognised that there was a moral element in economic activity: "Your butcher does not provide your Sunday joint because he loves you", but he was convinced that market activity was self-regulating and did not require government intervention. In this he was profoundly mistaken, his ideas have long been exploded by events but this does not prevent them from continuing to be the mainstay of economic reasoning to this day. Smith was really thinking and working

on the assumption that the scale of operations was small and that any response to market conditions would stem from individuals working within a moral framework of what had become traditional Christian values.

He seems to have had a blind spot on the possibilities that successful entrepreneurs would get bigger whilst smaller ones would largely disappear, as indeed they have. The modern industrial company working on a global scale in global markets seems to have been beyond the reach of his theorising.

Yet this is the modern reality, of vast impersonal enterprises, with budgets or values or both operating with £billions, with hundreds of thousands of workers, impersonal, gigantic and dominant in particular spheres, and often having a controlling concern in several other spheres to a like degree. Where here is the voice of democracy, morality and even reality?

To suppose such concerns have no impact on the political process, however devious, calculated, intrusive and hidden is to share Adam Smith's blind spot. What confronts us is the blunt reality that they largely control it. No elected government can afford either to disregard their concerns or to act to counter them. Any attempt to do so is to ignore their money power to fund rival candidates or parties, to ignore their control of the media and its capacity to subvert public opinion to their interests and purposes, or to juggle with financial or market conditions in ways which can undermine their authority.

We have here an explanation of the extraordinary silence and quiescence of political leaders over the boardroom project to foist a giant European war-machine in Brussels by emasculating the historic democratic national institutions of different European sovereignties in defiance of popular opinion. We are no longer here remotely in the sphere of democratic politics; we are in the grip of boardroom power at its most impervious, ruthless and malignant, seeking at any cost to the public weal to foist its own concerns on a public largely, but far indeed from wholly, driven by non-involvement in the actualities of democracy into a state of passive acquiescence and indifference.

The Brussels scheme has neither legal nor moral authority, and it is part of the sickness of modern mass-politics that the moral factor, instead of being one of overriding importance, is regarded as being some kind of disposable extra in the field of largely bogus legal niceties, not even though the scheme's own auditors have refused for nine successive years to give credibility to its accounts.

Elected governments are not remotely controlling the markets, the boardroom markets are controlling them, and doing so in defiance not only of popular opinion but of the sober realities of an economic life

based on the supposition that endless, limitless expansion of material production is a realistic process in a finite world.

Yet the most imposing aspect of the global economic crisis that is now spelling the finale of this form of development, where rival political leaders are desperately seeking to keep a sinking ship afloat with projects for tax cuts, bail-outs for the banks, promises of relief to dispossessed homeowners, to job-seekers or to hard-pressed pensioners, is that the entire works is quite out of control. In disposing their power in the way they do the boardroom barons may well echo Lady Macbeth: "What need we fear who knows it, when none may call our power to account?" But events themselves are doing the calling and proving taskmasters in their own right.

The boardrooms are proving victims of their own disdain of moral constraints, for without such restraints, whatever immediate benefits may accrue, the long-term effect is chaos, and since greed has been pursued on a global basis, it is now global chaos. It may impinge on millions of lives in the form of job loss or homelessness, the destruction of savings or of the value of shares, or simply blank destitution, but it will also engulf the boardrooms themselves, even if individuals are able to salt away millions into tax havens and like measures.

In terms of moral limitations it may well be asked, what then of the power of our moral spokesmen and leaders? And to this there is no effective answer.

Moral authority ultimately depends not on the accumulated wealth of former generations, but on a readiness to assert moral standards, to fight for them, devote lives to upholding them, and even perhaps a readiness to die for them. Established Church authorities have shown not the least inkling or readiness to do anything of the sort. If only they had! The policy instead has been one of accommodation with the prevailing forces, to do what they can to alleviate some of the suffering resulting from the untrammelled greed of market forces, but on the question of opposing that greed they have been content to maintain a discreetly unwholesome silence. No Church voice has been raised to question the immorality of the boardroom Brussels exercise, the global boardroom devastation of the environment, nor the social consequences of the boardroom destruction (mass-motoring, out-of-town supermarket shopping, the falsity of mass-advertising or the centralised conduct of local government concerns), of local community power, status and life.

We may be urged to love God and to love our neighbours, but moves to destroy God's creation and to obliterate the meaning of neighbourhood structures and relationships have been met with pursed lips, silence and an averted gaze. It is little wonder that church

congregations shrivel, even as they introduce a moronically pretentious ritual called 'the peace' where people are supposed to show peaceful neighbourliness to each other with a handshake, a hug or a kiss, the intrusiveness, insincerity and vulgarity of which merely drives people away.

The Church, which ought to be holding the key to some resolution of the crisis, has proved no more to date than simply another causative factor. For if the crisis is to be resolved it can only be on the basis of a dynamic revitalisation of the moral force of local human-scale community life, and this, in turn, if history is any guide, suggests a vital role for those concerned with the moral and spiritual framework of not only our individual lives but of the social structure that best expresses the best and reinforces it.

Over the generations our societies have developed a seething, constantly enlarging cauldron of competitive concern for profit margins, ones which were able to maintain a rough unstable equilibrium so long as the process of ever more growth continued: To do so required the general collective confidence of the investing entrepreneurs, but once that confidence was pricked with any serious shadow of doubt the result was not growth but recession. It may be thought that a society dependent on alternate swings of greed and fear in the conduct of its mundane affairs of ensuring its supply of daily bread might be well advised to seek a more reliable and possibly more morally elevating basis on which to proceed. So, at any rate, events have judged.

The present global economic crisis is now making that need insistent. Our rival political leaders appear to be living in a dream world of stark unreality as they make one proposal or another to end it. Whatever the merits of any proposal they may make they are ignoring the most imposing aspect of the crisis that stares them in the face: that the affairs of our economic system are out of control, they are simply not responding to the controls because they have developed into proportions far too large for any control to be effective at all. They have done so on the basis of moral promptings which are contemptible and which now need to be abandoned by adhering to those promptings of our moral heritage which might elevate the human condition and at the same time enable people to control the system for decent social purposes. The need therefore for the localisation of those controls into the hands of multitudinous village and urban ward councils is not simply a matter of political preference as of human survival, for it is the only way that dangers of war, resource exhaustion, social breakdown and of problematic climatic changes can effectively be countered.

Fortunately the need for such changes, involving as they do a transformation of outlook that recognises the crucial importance

of division rather than unity as the secret of control, has become a worldwide phenomenon. In every continent local tribes, clans and small nations are asserting their inalienable right to govern themselves and to repudiate the domination of monster empire states or giant mass entities that now hold them down. We are seeing here the politics and economics of the future, one in which at last people are able to enjoy the reality of the democratic control of their own lives.

Each community across the world is confronted with its own pattern of conditions, traditions, limitations and institutions; here we can only focus on those that prevail in the UK and the changes that need to be made, bearing in mind the extent to which we are confronted with a continuing, generational, centralised drive to destroy localised community government in those spheres where it once was paramount as a matter of course.

As a general principle we need to assert certain points which current practice either ignores or positively repudiates: that government governs best that governs least; that democratic government is not government of the people, nor for the people, it is government by the people; and that in democratic terms g

overnment needs to be controlled by the people, rather than that people should be controlled by the government.

In this light the role of national government needs to be strictly confined to national matters and in no way allowed to intrude into the sacred precincts of local community affairs. It means that a general trend where national government has any right to assume control of local affairs must be reversed. It is a trend which has had the effect of creating a bottleneck in parliamentary procedures through which local interests and concerns have found it more and more difficult to exert any influence.

This has had two retrogressive and anti-democratic effects. The more that national government has interfered in local concerns the more the focus of parliamentary concerns have been diverted from their proper national focus, as their record in relation to the appalling inroads into their authority by the unelected commissars in Brussels is ample witness. Instead of defending the realm they have betrayed it by allowing those inroads to proceed whilst they have busied themselves with such matters as correspondence from their constituents about matters relating to health, education, welfare and so on which are none of their business at all.

The second effect has been on the status and conduct of local government itself. What was once a proud and emphatic affirmation of local pride and dignity and of local esteem has come to be regarded as a minor backwater of concern. The mayor in his robes, backed by

the aldermen in theirs, have come to be viewed as a concession to antique views of polity having no bearing on current realities, when their diminished power and authority is creating many of the problems they exist to resolve. (We may note in passing that the totalitarianism of Brussels is having the same effect on Parliament itself).

It was little recognised that the passage through Parliament of measures for a national health service and for similar measures for 'welfare', pensions, education and so on, could only have the effect of destroying the power, the authority and the esteem of locally elected councils and in doing so destroying much public concern, interest and involvement.

The more Parliament has intervened in local affairs the more the bottleneck between the public and the controlling forces has become so overloaded as to block effective involvement between them.

The result is not government by the people, it is not even government by the peoples' elected representatives, it has become government by permanent officials whose functions are so detailed and multifarious as to make it impossible for those elected to govern to do so.

It is common today for planning permission to be sought for considerable changes in the pattern of local life, changes which may be strongly opposed by the local community affected. It may be to build hundreds of houses, to build an airport runway, or to enlarge a local school to an extent involving the need for dozens of buses to convey in children from other communities. A protest meeting will be held and the proposal will be voted down.

So, the people have spoken, they may emphatically have rejected it, but that is not the end of the matter so much as the beginning. An 'inquiry' is held, chaired by a senior member of the bureaucracy that favours the proposal and in the end permission for the unwanted proposal is given. A form of unelected bureaucratic judgement, considered to be superior to the judgement of the people, is made rampant and acceptable at the cost of further demoralisation of democratic values and the devitalisation of democratic standards.

What confronts us here, always in the name of democracy of course, is an inverted triangle of power, with the multiple forms of power at the top simply overwhelming any possibility of power being exercised at the narrow base. What we need is a triangle the right way up, with maximum degrees of power shared in multitudinous human-scale parishes and urban wards at the base and only essential minimal national powers being exercised at the top.

JOHN PAPWORTH

initiated *Resurgence* and *Fourth World Review*

Over the Farm Gate

JOHN BISHOP

Just under a year ago a small young lad came to our door. He was 12, living with very caring grandparents, but had only seen his mum twice that he remembered and didn't know his dad. Both had been drug users. He wasn't coping with school and was frequently excluded. It was generally for verbalising what many of us probably thought about certain teachers when we went to school. Instead of checking the stock first that day we went straight to Hermitage and bought the largest child-sized John Deere overalls, which were too big. He put them on with a growing pride. Next job was helping a lamb which had got stuck on its side. It took us 20 minutes to carefully coax it back to its feet. The day continued, and grandfather arrived to pick up a very different person. He had achieved, and had something to tell, and experiences to be proud of. Over the year he has been coming for 2 days a week and had grown in confidence. He was especially good at making sure newly born lambs were mothered up correctly during lambing. He had also taken to feeding half the workforce with an excess of Wagon Wheels, Penguins, chocolate chip cookies and crisps. He would only eat one of the two Chicken Caesar salad wraps. I was the bin for the other one. I got fatter, he stayed the same.

Today he arrived and cried. The game was over. The school's patience had run out. It was special school time for him. There was an interview tomorrow and, if accepted, a taxi on Monday morning to take him to Reading. We tried to make it a good day for him, gave him a reference, said we really cared and do really hope for his future, but he is not alone in the world we are so quick to measure, judge and condemn, There are 50 staff at his new school looking after 58 young people and what stories could they each tell.

Chairs on tables, children and don't forget, education is a wonderful thing – *S. Henderson*.

JOHN BISHOP runs an Organic Farm in Berkshire. For his public services he was made an OBE in the last New Year Honours List

Letters from Europe

Ljubljana, Ult. September 2013

Dear Reader,

Once a model country of transition, called the »best pupil in the class« by the European Union for joining the Eurozone as the first among other fellow new Member States back in the mid-2000s, Slovenia has, seemingly unexplainably to the eye of the outside world, found itself in the unenviable position of a potential financial breakdown that may result in dire consequences for its economy and well-being as a whole. But, for the critical eye of the locals, the austerity measures, introduction of new taxation and the raising of existing ones such as the VAT, are only but a drop in the sea after several decades of failing governmental policies, corruption, nepotism, over-spending and the failure to shift from the »communist« governance to what is known as democracy.

Perhaps the most pertinent issue at hand is the struggling budget and the rising deficit that might place us in the ranks of Greece, Spain and Portugal. In terms of the deficit, one needs to understand that the communist regime between 1945 and 1990 differentiated among those in power – the elites, who were able to award jobs, tenders (for jobs done poorly for high amounts or not done at all but ending up in the pockets of the select few on top) and all sorts of other privileges to others in their ranks, that resulted in excessive over-spending of national resources – and the remaining population. This trend continued after Slovenia gained independence in the 1990s, as the country fell in size considerably and family members could much more easily award each other jobs and other privileges based on the logic »if you know someone«. This was especially prominent in the construction sector that built the Slovenian motorways, where tenders were awarded exclusively to large Slovenian companies with connections in the government for low-quality overcharged services for which the government needed to take out loan after loan after loan. After all motorways were constructed, the entire sector collapsed, leaving thousands of people jobless and their former employers unable to settle overdue taxes amounting to millions of euros, that

the government would so desperately need.

Coupled with unstable governments and the government's inability to leave the euro or for the National Bank to introduce any relevant policies, Slovenia is slowly (but, unfortunately, I believe) surely reaching the point of no return as the necessary shift in the way of thinking has not come about. The government does not invest in the economy but attempts to save money on social policies that are the only thing still keeping the country from erupting into a revolution. You cannot solve a problem by the same measures that have caused it. I honestly hope this changes soon, otherwise our Prime Minister might soon find herself begging Europe to lend us money – on its terms, not ours.

Regards, *Dora Debeljak*

DORA DEBELJAK is a Member of the Board of June List Slovenia, dedicated to transparency, equal social rights of all Slovenians, and Member of the Board of TEAM. She was a member of June List's campaign headquarters for the National Assembly elections in 2004 and local municipal government elections in 2005. In June List Slovenia, she is involved in international cooperation with like-minded organisations and individuals. She works as a professional translator in Ljubljana, Slovenia.

Copenhagen, Ult. September, 2013

Dear Reader,

"Today the majority of national laws are based on EU legislation", writes the EU parliament in its new information campaign in Denmark before the EU election in May 2014. Also, a new report from Local Government Denmark (the interest group and member authority of Danish municipalities) shows that the EU is influencing most local laws in Denmark. This is of great importance before the Danish local and regional elections on November 19th.

The centralization of EU decisions is speeding up. In the spring the EU commission president will present a proposal for a more federal EU, and there are proposals for a banking union and a new EU patent court. In the Danish People's Movement we are using the slogan *"Should the EU decide everything?"* This has upset some EU supporters. But none the less the majority of the Danish parliament

and the government wants to hand over more power to the EU, so the question is relevant.

Denmark has several opt outs (due to the Danish people's No to the Maastricht Treaty in 1992), and the government does its best to criticise and undermine them. Due to the legal opt out Denmark cannot join the supranational justice and home affairs policy. This will be of great importance when the EU's police authority (Europol) is going to become supranational, because then Denmark will have to leave the Europol.

The EU supporters state that this will prevent Denmark's fighting cross border crimes, such as terrorism, drug trade and trafficking. But in the People's Movement we are not afraid. We can see that Norway and Switzerland with independent justice and home affairs policies are not the centres of crime in Europe. Actually, Norway uses its freedom to think further on how to combat for instance trafficking by trying to target the criminals by giving more security to the victims.

Many other matters are also on the agenda in Denmark. Just a couple of instances.

Denmark is likely to have a referendum on the EU patent court.

And the EU is sanctioning against the Danish Faroe islands due to a conflict about herrings. Denmark has therefore taken the matter to the United Nations Sea Commission.

The developments in the EU have made the Danes more critical to EU membership than for long. More than 70% are against the euro, and in a Gallup poll in June 395 said that they want Denmark to leave the EU as against 45% for staying. This in a situation when there has been no national debate on leaving the EU as in the UK.

However, earlier polls show that if we present alternatives to the EU a clear majority wants Denmark to leave. Hopefully Denmark can join hands with the UK outside the EU. We joined the EEC together in 1973, and now it is time for us to leave the EU together. A better Europe is possible, but not inside the EU.

Regards, *Lave K. Broch*

LAVE K. BROCH is campaign coordinator for the People's Movement against the EU in Denmark and will be a top candidate in the 2014 EU parliament elections.

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