

Frontiers of Policy

Moral Economy Symposium Discussion Paper

The current system of economic management within many countries focuses on short-term growth at the expense of all other objectives. As a result, the ideology of geopolitical and economic competition, national self-interest and corporate welfare has become entrenched in many policy proposals aimed at solving complex economic and environmental problems. The general behaviour of society and the business sector seems to mirror these values which do not represent 'right relationship'.

Any new policy proposals must seek to re-establish socially favourable values and behaviours. Similar to 'right relationship', STWR propose that the principle of sharing should be emphasised and promoted as a means of creating a more sustainable and equitable economy, both nationally and internationally. Sharing in terms of resources, wealth, jobs and opportunities means living within ecological means, prioritising basic human needs over profit seeking, and strengthening democracy and political participation.

Right Relationship: A Shift in Values and Measures

Unlimited growth is economically and ecologically unsustainable, and morally questionable. As a general guide, governments should replace the economic growth imperative with that of economic sharing - which entails cutting the cake more equally, rather than endlessly expanding an unequal cake.

At the heart of the problem is misguided assumption that success is best represented by rising levels of GDP. This limited measure promotes unmitigated economic growth with little respect for the planet, and in many instances GDP actually encourages poor ecological management.

A new measurement of 'wealth' instead of GDP and economic growth could reframe the priorities of policymakers towards a more sustainable and environmentally friendly economy. Such a measure could incorporate social wellbeing, ecological management and the securing of basic human rights, and could be an excellent device to guide progressive government policies on the environment.

The need for a better measure of wealth is rapidly gaining ground; Nicholas Sarkozy recently commissioned Joseph Stiglitz to outline a new vision for economic wealth not based upon purely monetary figures.¹ Other examples include the New Economics Foundation's 'happiness index', and Social Watch's basic capabilities approach, both of which provide more appropriate measures than GDP.²

Sharing, a principle akin to 'right relationship', is a natural law of economy that can inform a more sustainable international policy framework through the United Nations. An empowered, reformed and democratic UN can play a crucial role in protecting the environment, regulating the global economy, and ending poverty.

Government Leadership

The proper incentive for addressing our ecological impact on the planet must be the desire to cooperate internationally to create a sustainable world - and this incentive must be infused throughout society. Individuals and communities can work toward right relationship if empowered to do so, and governments must be reminded of their responsibility to represent their citizens and not business interests.

At the global level, financial incentives - being predicated on market mechanisms, have been less effective than government intervention. This has proven particularly true in international attempts to mitigate climate change, where the current system of weak voluntary guidelines has been ineffective and insufficient. Instead, much of the responsibility and a large measure of environmental guilt have been placed on the individual consumer.

Given the seriousness of the ecological, financial and poverty crises, it has never been more crucial for governments to cooperate and reach global agreement on the necessary restructuring of existing economic institutions. History tells us that it is possible to rapidly alter the structure of a national economy, for example during the Second World War (most notably in the United States and United Kingdom), and more recent examples can be found in certain Latin American countries such as Cuba. Internationally, the coordinated bailout of the global banking system also illustrates that, when motivated, governments can act quickly and in a harmonized way to solve a common problem, and that sufficient financial resources are available when necessary.

Examples of appropriate policies which would require government intervention include:

- Replacing the economic growth imperative with the principle of economic sharing and right relationship
- Capping resource usage within ecological limits and reducing damaging environmental emissions
- Investing in the green economy - e.g. renewable energy and public transport to create jobs and decarbonise the economy
- Regulating corporate activity and rooting business locally

Prioritising the sustainable international sharing of essential resources will reduce economic competition and the impact of corporations on national and global governance. Together, these practices will foster greater cooperation and security at the global level which will inevitably lead to more peaceful international relations.

To conclude, STWR believes that the key to change is through focussing on common values and principles. The global public are disillusioned by an economic system based on self interest and competition, and increasingly express a collective desire to prioritise fairness and equal opportunity. The time is therefore ripe for the principle of sharing to be emphasised and promoted as the means for creating a more equitable world economy.

Sharing in terms of resources, wealth, jobs and opportunities entails working within ecological limits and strengthening democracy through political participation. Creating right relationship in this way will not impinge on cultural, ethical and religious traditions, but should rather strengthen them by emphasising internationalism and community.

¹ Carl Motished, [Sarkozy Seeks Le Feel Good Factor](#), The Times (UK), January 10, 2008

² New Economics Foundation, [The Happy Planet Index](#), London 2009; Social Watch, [Social Watch Report 2008 – Rights Is the Answer](#), Montevideo 2008