

YES, THERE IS AN ALTERNATIVE¹

Robin Broad and John Cavanagh[©]

It makes us angry when we hear—time and again—mainstream pundits and policy makers claim that there is no alternative to the past 30 years' path of gearing economies toward the global market. Nothing could be farther from the truth. Currently, as financial markets stagnate and food prices swing wildly and the environment is under siege, more and more people, communities, and nations are taking steps to reduce their vulnerability to a volatile global economy. Many are proceeding to build what we like to call more “rooted” alternatives.

In the Philippines, for instance, we find a refreshing openness to new directions from the halls of the new Congress to the rice fields of the southern island of Mindanao. Many people have come to understand that the dominant approach to the economy since the final years of the Marcos dictatorship, building on 400 years of colonialism, has failed: This more vulnerable approach geared the economy toward the plunder of fish, forests, and minerals that enriched the few and impoverished workers, farmers, and fishers. It created an agriculture sector that is dependent upon unreliable imports rather than geared to feeding the people.

Industrialization occurred in export enclaves, mainly of electronics, that profited corporations but remains dependent upon unreliable overseas markets. And, the model depends upon the export of Filipino workers to other countries to send home money to relatives, since the economy is not providing for their needs. The result is a plundered environment and an economy that is vulnerable to the shocks of a shaky world economy. We will tell you more about what we find in the Philippines in subsequent blogs, but today we want to deal head-on with the “there is no alternative” myth.

So, What is the Alternative?

How about an economy that encourages the stewardship of forests, fisheries and land for community needs? One that encourages agriculture that is good for the soil, feeds everyone an adequate diet, and reorients industry for people's needs? How about a finance system that helps small enterprises, and an economy that creates enough good jobs and livelihoods so that youth see a future at home? There is in fact an upsurge of efforts in this direction in the United States, in Europe, and in a number of poorer countries—including many parts of the Philippines. In the United States, the Institute for Policy Studies, YES! Magazine, and several other groups have come together to form a “New Economy Working Group.” They have proposed that in order to transform economies to meet the crises, economic life should be organized around three principles.

The first is “ecological balance”—ecosystems should be managed sustainably. This is best done when communities control the natural resources on which they depend. The second is “equitable distribution.” A growing body of evidence suggests that societies that share wealth more equitably enjoy greater health, less violence, and stronger communities. A final principal is “living democracy” (in the words of both Vandana Shiva and Frances Moore Lappé) which involves daily practices of civic engagement in decision making as well as broad participation in the ownership of community assets. People around the world are proposing alternatives and rebuilding parts of economic life based on these principles. Here are four key areas:

¹ Yes! Magazine, December 20, 2010

- **New indicators:** What you measure is vital. The emphasis of most governments on measuring growth does not reveal much about the health of a society. So, a number of institutions, from the United Nations Development Program to a French government commission led by Nobel laureate Joseph Stiglitz, have developed new indicators that measure health, welfare, and different aspects of the three principals above. When governments around the world start paying more attention to such indicators and less to growth, there will be more incentives and even more popular demand for policies that enhance community and human welfare.
- **Close the financial casino:** For two decades, there was competition in the financial centers of most countries to develop elaborate new-fangled financial instruments that enriched a new financial elite. This casino activity is what triggered the Wall Street collapse of 2008. Today, more and more economists, business people, and citizens are pressing for regulations that would ban such purely speculative financial activities. The U.S. government, for one, is now giving some incentives to boost local financial institutions offering credit to community enterprises and to individuals in need.
- **Sustainable agriculture:** Around the world, millions of farmers are shifting from chemical-intensive agriculture to organic and sustainable agriculture. We find a frenzy of such activity on the ground in the Philippines, and in future blogs we'll introduce you to farmers whose shift to organics has lowered costs, improved health, cleaned up the environment, and empowered individuals and families.
- **Global rules and institutions that support a new economy:** Vibrant local communities depend upon governments to make rules at the national and global levels supporting such activity. Our governments should replace the World Trade Organization, which sets global trade and investment rules in ways that inhibit local and national governments from favoring local firms over global ones. In the Philippines' case, the WTO has been central to the ripping open of agricultural markets, making the nation dependent on rice and food imports that led to the food price crisis of 2008. The alternative? Building global institutions and rules that support more rooted economies. For example, several governments and many citizen groups in the West are now pressing richer countries to place a small "speculation tax" on the sale of stock, currency and derivatives, and to steer the revenues toward jobs and climate finance in poorer countries like the Philippines.

So, in the spirit of the holiday season: Yes, Virginia, there are a multitude of rooted alternatives.