

JULES PECK

ROBERT PHILLIPS

CITIZEN RENAISSANCE



CITIZEN RENAISSANCE

CONTENTS

PROLOGUE

Introduction to *Citizen Renaissance*

An overview of the key themes and definitions of *Citizen Renaissance*; the three seismic shifts of our time; and the rise of Public Engagement in a lower-consumption world.

PART ONE - THREE SEISMIC SHIFTS

An examination of three seismic shifts which, taken together, represent a very real threat to the planet and its people – but also an historic opportunity for change.

Chapter One: The Perfect Storm

The Perfect Storm of environmental issues, surrounding and including Climate Change.

Chapter Two: Wellbeing Imperative

The thirst for Wellbeing in the face of falling happiness. The emergence of a resurgent Citizenship away from relative-materialism and the threat this represents to the current model of corporate Consumer capitalism.

Chapter Three: Digital Democracy

The inexorable rise of Digital Democracy and Citizen Politics – the power of engagement, generated by the online revolution.

PART TWO - WHERE HAVE WE COME FROM?

An historical overview of PR and Marketing's role in the rise of Consumerism – and Margaret Thatcher's role in the breakdown of society.

Chapter Four: The Century of the All-Consuming Self

A look at the impact of Edward Bernays on the rise of Consumerism.

Chapter Five: Focus Group Politics and the Death of the Citizen in the late Twentieth Century

A look at the impact of focus group politics on the emasculation of politics, the dilution of leadership and the death of the Citizen.

PART THREE – WHERE ARE WE HEADING?

Chapter Six: Consumption Fatigue and a Return to Citizenship

The resurrection of the Citizen – an examination of personal and societal empowerment out of Consumerism and towards Citizenship.

Chapter Seven: The Rise of Wellbeing Economics

An insight into alternative economic models to safeguard the Wellbeing of the planet and future generations.

Chapter Eight: From Corporate Social Responsibility to Capitalism 3.0

The implications of the three seismic shifts for Business and the opportunities for leadership in a new economic environment.

Chapter Nine: The Politics of the Green New Deal

A call for a new political philosophy.

PART FOUR – TOWARDS A SOLUTION

Chapter Ten: The Individuation of Business, Politics and Citizenship

An examination of the implications of the three seismic shifts. Where we currently are in the journey. Where that journey might take us. What we need to do.

Chapter Eleven: A Changing Communications World and a New Era of Public Engagement

An overview of the New World Order for Communications and the imperative for PR to evolve into Public Engagement.

Chapter Twelve: Fit for Purpose Marketing and Communications – Whereto From Here?

The challenges and opportunities for Communications companies of the future. The burdens of responsibility and leadership.

PART FIVE – BUILDING A PROGRESSIVE MANIFESTO

An invitation for you to write with us, collectively, a manifesto for progressive:

- Business
- Politics
- Citizenship

We have kick-started a conversation. We want you to join in and help us shape our collective futures.

APPENDIX

References

Disclosures

Thanks

Citizen Renaissance

PROLOGUE

***Citizen Renaissance* started off as a conversation, developed into a White Paper and will end up as a bookⁱ. We are initially publishing it on-line in order to seek opinions and measure interest - and to openly invite provocative thoughts, relevant challenges, case studies and contributions.**

When we started writing, we sensed that there was something genuinely interesting and powerful in the convergence of what we will come on to describe as the three seismic shifts of our time: the Perfect Storm surrounding **Climate Change**; the **Wellbeing Imperative**; and the reforming power of **Digital Democracy**.

We write this as two independent thinkers (who do not always agree) and in our own voices, not those we work for or with. We write this with our experience as professionals who have worked for many years at the interface between business, politics, Communications and civil society. But we mainly write this as Citizens.

Our aspiration in writing *Citizen Renaissance* is to examine in detail the three seismic shifts. We consider their meaning and effect on all our lives and the consequent impact on both Consumerism, as we know it, and our current Communications landscape. We do not have the final answers but seek to engender and facilitate a debate, an accelerator for public conversation to focus on the biggest and most urgent issues of our times.

Citizen Renaissance first examines the three seismic shifts in detail and considers what each one means for us, as individuals and within our communities - how we need to re-think the way we live today and what consequences this holds for capitalism and the politics of tomorrow. We believe that the issues we raise are increasingly front of mind for progressive business leaders and politicians of various hues. Hence, the Communications industries need to make them front of mind for themselves, too, so - in turn - they can better understand the impact all three will have on the current Communications landscape and our world beyond.

Jules Peck & Robert Phillips

September 2008

INTRODUCTION

SEISMIC SHIFTS, CONSUMERISM & CITIZENSHIP

Our world is at a crossroads. The global ecosystem is being wrecked by the depredation of increasingly needless consumption and economic growth. World population is growing in volume and inequality, just as food becomes scarcer and more expensive due to a host of man-made ecological disasters. Addicted as we are to fossil fuels, we have now to confront the reality of peak oil. And we have soiled and despoiled enough. Society needs to change fast or condemn those who come after us to a dying planet.

How do such catalysts change Consumerism, economics and the relationship between Citizens, brands, companies and politics? What are the wider implications for the way that they communicate with each other? And what does this mean for Communications as a discipline? We live now in a post-Inconvenient Truth world, and we increasingly accept that the traditional Corporate-Consumer model of Capitalism will no longer work within our needs and the means of our planet.

Climate Change, the Wellbeing Imperative and Digital Democracy have collided to generate a profound socio-cultural shift.

We contend that three seismic shifts – The Perfect Storm surrounding **Climate Change**; the inevitable rise of lower-consumption economics and the **Wellbeing Imperative**; and the emergence of a truly global **Digital Democracy** – have now collided to generate a profound socio-cultural shift. The reverberations from this shift are only just now beginning to be felt. We are sensing a return to Citizen, rather than Consumer, values – proof positive that it is Citizenship, not Consumerism, that is the more enduring ethos. In short, we are sensing a Citizen Renaissance.

This new generation of Citizens will demand that we all live within our means if we are to save our planet and ourselves. They will be not only accepting of the principles of lower consumption economics, they will most likely be passionate advocates. Fuelled by the power, accessibility and immediacy of the web, they will insist on new levels of transparency and authenticity and will hold Governments, Corporations and Brands (and each other) to account. This has profound implications for us all. The Socratic Method of Enquiry – borne in the ancient City States – reaches new heights in today's world. The questions come more rapidly. The conversation is bigger, more compelling – and more urgent.

Communications and Public Engagement in a Lower Consumption World

Communications today is about fostering a new dialogue – one based on the critical points at which Producer meets Consumer and where Consumer meets Business, Government and Brand. Within the next decade, existing rules will no longer apply and companies will need to re-shape if their license to operate is to remain unimpeded. A new series of Citizen-centric relationships are emerging, which is in turn demanding a re-think of prevailing Communications systems. We call this new model of Communications *Public Engagement*, which we describe in Chapter Eleven.

We believe, at heart, that the Communications discipline is facing its most profound challenge ever. Over the next ten years it will have to fully evolve to rise to the issues and challenges posed by the Citizen Renaissance described above. Current forms of mass Communications will inevitably play a much smaller role in a world orientated around the needs and behaviours of a new generation of active Citizens. Some are calling this period Capitalism 3.0 – within which we will see a likely re-alignment of Wants and Needs (especially in the Global North) and learn to live with the consequential truths of a lower consumption economy.

Current forms of mass Communications will inevitably play a much smaller role in a world orientated around the needs and behaviours of a new generation of active Citizens.

It is our contention that the advertising industry model of the late twentieth century is in serious decline and that, in time, what we currently call PR can evolve to ultimately enjoy a primacy among all the marketing disciplines. But, to many, the marketing and Communications sector itself is not yet fully Fit For Purpose. As we explore the journey from monologue to dialogue and into the economics of Wellbeing, we also consider the core issues that Communications companies must address if they are truly to emerge as responsible, strategic disciplines that can give responsible advice to responsible institutions, companies and brands.

We believe that Communications – as it moves towards genuine, multi-lateral Public Engagement – has the ability to effect the fast, radical and effective change in opinion and thought that is central to addressing the issues of the Perfect Storm and the nascent Wellbeing economic model. We recognise that Communications and marketing have, at times, been a central part of the problem of over-consumption. Public Engagement may yet be central to the solution. We believe that the Public Engagement model will at once serve and feed the Citizen Renaissance.

Definitions

Much has been written, published and said on what is popularly known as the 'Green' debate. For the purposes of clarity and navigation, we have set out our own definitions, as they apply to *Citizen Renaissance*.

Climate Change is a threat of a global apocalypse of mankind's own making. But it is only the canary in the coalmine and one of many symptoms of an underlying set of problems, the cause of which is our ecologically blind way of life. The Perfect Storm to which we refer speaks to more than the increase in global temperatures and the melting of ice-caps; it covers multiple and associated ills – not least the alarming increase in levels of scarcity from foods to fuels, and the growing inequalities which are leading not just to injustice but also to local, regional and, potentially, global conflict. At the same time, Climate Change has awoken the suppressed conscience of the people. We have finally recognised that – as individuals, in families and in communities – we now have the ability ourselves as Citizens, Consumers and voters to effect genuine change. 'Solutions' are no longer merely political abstracts. The future of our planet is in our hands – and we can do something about it.

With the Global North in particular struck by Affluenza, Less is increasingly becoming More. There is no proof that increased consumption has led to greater personal or collective happiness or fulfilment – and our contention is that only a society that tunes into the **Wellbeing Imperative** and pursues its Needs and not its Wants (this distinction is examined in Chapter Seven) can help save the planet and boost happiness levels. We see this as both a positive coincidence and a double dividend for us all. What is required now is for active Citizenship to supplant an unquestioning and avaricious Consumerism that has dominated both the political and economic system for the best part of nearly a century. Our focus is on the high consumption of the developed world (the Global North), not developing world issues. We now know just how small our global cake is. So we have to share that cake out far more fairly. There is no evidence, nor likelihood, of decoupling growth from resource use and environmental damage. If developing economies are going to grow and spread access to Wellbeing, then developed world economies will surely be the ones which need to contract.

Finally, the **Digital Revolution** – about which so much has already been written – has ushered in a new age of democracy. Others have described how we are witnessing the democratisation of everything and the death of deference. The truth is that, in today's world, a 'person like me' has just as much, if not more, ability to be heard as any so-called expert or influencer. We are more accountable, more transparent and, in the power of the collective, more influential than ever before. Traditional hierarchies can no longer apply and traditional authority figures are no longer in control. The power rests with the people.

Together, the three seismic shifts of Climate Change, the Wellbeing Imperative, and Digital Democracy are fuelling a resurgent and active Citizenship, where people, companies and governments will have to work to higher, more responsible and more far-seeing ethical standards. Yet the Citizen is not a new concept. The civic virtues and pride that pursue the common good are centuries old. They have, perhaps, merely been disrupted by half a century or so of runaway Consumerism. Today's Citizens increasingly have no patience with corporate grandstanding, spin or green-wash. They demand that we join them in

challenging both Governments and Businesses, seeking to make everybody collectively responsible for theirs and their planet's futures.

PART ONE: THREE SEISMIC SHIFTS

In the next three chapters we examine three seismic shifts which, taken together, represent a revolutionary threat to the world as we know it – but also an historic opportunity for change. They are:

- a. The Perfect Storm of environmental and other issues surrounding and including Climate Change
- b. The Wellbeing Imperative which is fuelling a resurgent Citizenship in the face of falling happiness – and a shift away from relative materialism, posing a threat to the current model of corporate Consumer capitalism.
- c. The new, Digital Democracy and the power of engagement and Citizen Politics generated by the online revolution.

Chapter One

The Perfect Storm

This chapter examines the reasons why our world is entering a period of transition. It deals with environmental issues, Climate Change; our over-reliance on oil; the damage that we are causing to our ecosystem by excessive, needless consumption; and the corresponding rise in inequality across the globe. It points out the very real dangers our world faces as the population continues to grow vastly while food will become scarcer due to ecological disaster. It also examines the reality of global recession connected to these seismic shifts.

We use the term Perfect Storm to describe the confluence of issues such as Climate Change, ecological meltdown, depleted natural resources, inequality and recession. We must recognise that our world is about to undergo rapid and radical transition due to the huge scale and urgency related to these factors:

- Climate Change
- Peak oil and gas
- Ecosystem meltdown
- Population and food
- Inequality
- Recession

Climate Change

Climate change has been described as the most serious threat facing humanity by world leaders and the collective voice of the scientific community. Global emissions need to peak between 2015 and 2020 and then start declining, while we simultaneously attempt to bring billions out of poverty. It is widely agreed we have at most a 12-year window of opportunity in which to de-carbonise our economies or plunge into climate disaster.

Increasingly alarming statistics are being announced on a regular basis. In April 2008 NASA's top climatologist, Jim Hansen, said the sensitivity of the climate to the heat-trapping abilities of greenhouse gases is twice the IPCC estimate. Hansen says the EU target of 550 parts per million of CO₂ - the most stringent in the world - should be slashed to 350ppm if we want to avert catastrophe. Ice sheets are melting and weather patterns are changing much faster than anyone has predicted. We are already at 383 and counting and were at 325 parts per million in 1970. Even Sir Nicholas Stern said in April 2008 of his seminal report published just 18 months previouslyⁱⁱ: "We underestimated the risks... we underestimated the damage associated with the temperature increases... and we underestimated the probabilities of temperature increases".

Several experts views climate change as a greater threat than terrorism, including former senior IPCC member Sir John Houghton, former UK Government Chief Scientific Advisor David King, and Prof. Stephen Hawking who said: “The West should have a war on global warming rather than a war on terror”.

We are perilously close to locking ourselves in to a 2-degrees+ temperature change, beyond which naturally stored carbon and methane (for instance from melting permafrost) will be released and an unstoppable feedback-loop meltdown will occur.

It is estimated that the UK needs to be cutting emissions by at least 8% per year by 2012, yet currently we are struggling to reach 1% per year. UK Government figures show an emissions reduction of 15% since 1990 – but when emissions resulting from our overseas travel and the

production of imported goods are included, the UK has actually increased its emissions by 19% during that period.

“The West should have a war on global warming rather than a war on terror”, Prof. Stephen Hawking

The International Energy Agency projects that to meet the world’s rapidly growing need for energy we need to invest \$21 trillion between now and 2030. Sir Nicholas Stern’s 2006 report on the economics of climate change stated that if we started the radical shift to zero carbon in 2007, costs could be 1% of GDP but a delay could see this figure rise to 5% or beyond. The figure of 1% would mean a cost of \$617bn globally to mitigate and adapt. But even Stern, whose report was based on aiming for a 550ppm target, now agrees the targets were too high. We should be aiming closer to 400 or 350ppm.

The carbon that caused the escalation of Hurricane Katrina was of course emitted decades earlier; even with immediate huge reductions it will take several decades for us to reach the recognised atmospheric stability of 350 parts per million of carbon. This tipping point is perilously close. ‘Business as usual’ efficiencies have taken us as far as they can in de-carbonising the economy – only radical action can now avert climate crisis.

Energy Famine – Peak Oil and Gas

Many now suggest that reported Saudi oil reserves have been over-inflated for political and economic reasons. In January 2006, *Petroleum Intelligence Weekly* reported on leaked documents from the Kuwaiti Oil Company that showed remaining oil reserves to be around 48 billion barrels, down significantly from the previously stated reserves of 99 billion. Overnight the world lost 5% of its total reserves.

The key issue with peak oil, in addition to any direct effect, is that sudden realisation could lead to meltdown in our financial systems if it is found these changes aren’t priced into the market. Jeremy Leggett, author of *Half Gone: Oil, Gas, Hot Air and the Global Energy*

Crisis (2005) has even warned that: “The far right will feed successfully on the legions of newly disenfranchised as the energy crisis rolls out.”

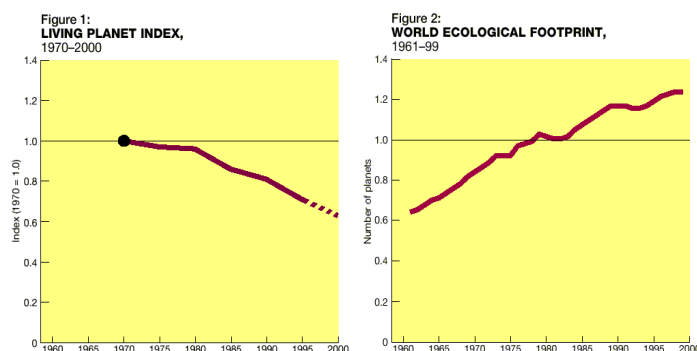
This is not just the stuff of conspiracy theory. In recent months, the Vice-President of Lukoil, the CEOs of ConocoPhillips and Total, the ex head of exploration and production of Saudi Aramco (by far the world’s largest oil company, dwarfing even Exxon ten times) and the International Energy Agency have said we are at or near the peak already. However oil companies and the oil states themselves are suggesting there are up to 30 years more oil. Someone is wrong. In June 2008 the *New Scientist* reported a survey of oil industry experts, which found that most of them believe global oil supplies will peak by 2010. Former US Energy Secretary, John Schlesinger has recently said “We can’t continue to make supply meet demand much longer...It’s no longer the case that we have a few voices crying in the wilderness. The battle is over. The peakists have won.”

To prepare for such a shock and adjust in time, we need to shift fast to non-fossil fuels. Companies, individuals and governments all need to be asking: What will a \$500 or \$1000 barrel world look like and what will it mean for each individual life, for business and society?

Ecosystem ‘Meltdown’

WWF warns that on our current trajectory we face global ecosystem collapse by 2050. This means an end to fish, fresh water and everything that human life depends on.

The two charts below show just how much planet we are eating up and how fast. According to ecological footprinting methodologies, at present we are using 23% more of the planet than it can sustain – and this depleting level of ‘ecological debt’ is rising fast.



Population and Food

According to the UN FAO virtually no progress has been made towards the WFS (World Food Security) target of halving the number of under-nourished people by 2015. World production of grain per person peaked in 1984 at 343 kilograms and has since been in decline. Food prices for things like wheat have doubled since mid 2007.

Food has the highest footprint per dollar spent on goods and services. By 2050 a projected 50% increase in population (to 9bn, mostly in poorer areas), means we need 50% increases in food production, which means 50% increases in water for agriculture. Disturbingly, even now there are water shortages and damages to land productivity through loss of topsoil plus excessive use of pesticides.

Moreover, agricultural productivity during the next 70 years is predicted to decline by at least 20% in tropical areas of Latin America, 30% across Africa and perhaps 40% in India.

We are already using 20% more of the planet than it can withstand.

Inequality – Mind The Gap

There are now almost as many overweight people in the world (1.2bn) as there are underfed and malnourished. The overweight are almost all in developed countries, the malnourished in developing ones.

World Bank economist Lance Pritchett says: “The magnitude of the change in the absolute gaps in per capita incomes between rich and poor is staggering.” World Bank economist Branko Milanovic says: “The likelihood of escaping from the bottom rung is almost negligibleⁱⁱⁱ.”

In Britain inequality is at its highest level for 40 years. Households in already-wealthy areas have tended to become disproportionately wealthier and many rich people live in areas segregated from the rest of society. At the same time, more households have become poor over the last 15 years. Between 2006 and 2007 the number of children living in poverty in the UK rose by 100,000 to 2.9 million and pensioner poverty increased by 300,000 to a total of 2.5 million.

In Britain, inequality is at its highest level for 40 years.

The two accepted ways of reducing poverty are to either increase the size of the pie we all share or share the pie more equitably, but those in industrialised nations consume resources and produce waste at 32 times the rate of those in the non-industrialised world.

In the 1980s it took around \$45 of global economic growth to generate \$1 poverty reduction to people on \$1/day or under. Today it takes \$166 of global economic growth to generate \$1 of poverty reduction for people living below \$1/day. So now the rich have to get much richer for the poor to get just slightly less poor. And all that extra wealth for the rich is eating up our planet. This growth is pushing the planet to the edge of collapse and not getting us anywhere near equity. The rich get much richer, the poor get fractionally less poor and the planet burns. And it is the poor and mostly women who suffer most from ecological damage

Beware those who use the slow-down as an excuse shift their focus away from the single most significant issue of our time.

and are most threatened by climate change. The rich can buy Evian and move to a golf course slightly more inland – the poor have nowhere to go.

It is now established that we are already using 20% more of the planet than it can withstand and so it is clear that there is just not enough planet to go around based on current consumption in rich countries. Therefore it is now clear that it is simply not possible to grow the size of the 'cake'. The alternative is to share out the 'cake' more fairly, but unfortunately currently redistribution is heresy to the International Monetary Fund. If everyone in the world were brought

up to the level of at least \$3/day and wealth distribution and the growth-resource intensity kept the same as it is now – we would need 15 planets. We have only one.

"If the whole developing world were suddenly to catch up," Professor Jared Diamond, author of *Collapse: How Societies Choose to Fail or Succeed* (2005), wrote in the *New York Times* in January 2008, "It would be as if the world population ballooned to 72 billion people."

The question is how much more unequal world income distribution can become, before the resulting political instabilities and flows of migrants reach the point of directly harming the Wellbeing of the Citizens of the rich world and the stability of their states?

And finally.... Recession

The current slow-down will inevitably mean people look to efficiencies, which in turn could spur beneficial changes: smaller/fewer cars, fewer flights, less luxury spending and less Consumer-credit-fuelled consumption. If the US recession deepens, one effect will be reduced imports from China, whose 10%-plus growth rates have been causing the most rapid global increase in emissions. A temporary reduction of 5% in Chinese growth could provide a breather from climate change and give us slightly more time to implement radical change. The risk however is that this could also destabilise Chinese politics.

Yet if recession proves not to be a temporary correction but a deep depression then it might hit sustainability efforts and commitments hard before they have time to prove their economic sense. And pulling our economies out of the nosedive of climate change disaster will cost huge amounts, investments which a depression may ill afford us.

As we write today, we share two thoughts. First, consider the irony of a supposedly buoyant, growth-focused global economy now in deep and deeper trouble. And, second, beware those who use the slow-down as an excuse to reduce their commitments or shift their focus away from the single most significant issue of our time.

Chapter Two

The Wellbeing Imperative

It is our view that a rising awareness of planetary harm in a post-Inconvenient Truth age, together with concerns for falling Wellbeing and the breakdown of community, are leading to a resurgence of Citizenship in societal values.

Richer societies are beginning to tire of materialism, realising that it does not bring happiness and Wellbeing whilst destroying our one and only planet. We examine how these concerns, combined with heightened connectivity described in our chapter on Digital Democracy, are beginning to kick-start the shift towards creating a better world.

The Consumer Society

We believe the current relative-materialist, corporate Consumer Society is a modern construct barely 40 years old (although it is widely assumed to have been with us forever), whereas the notion of Citizenship, doing good for one's fellow as well as oneself, has much deeper roots. As we examine later, it is only relatively recently that relative-materialist Consumerism has become our god.

Citizenship began with the city-states, Athens and Sparta and flourished, again, in Europe in the late Middle Ages. The values of a small society. Not perfect (far from universal suffrage) but clear, defined. Even when things got bigger – the Roman Empire, the British Empire – civic pride was high and, though social inequality reigned and materialism was

Consumer Society is a modern construct barely 40 years old.

firmly on the agenda for those who could aspire to it, conspicuous consumption was limited to the wealthy few. In Victorian times, Quaker families such as the Cadburys and the Frys built their businesses on Citizen-orientated foundations. Yes, it was patriarchal (no drinking in Bourneville, lads) and perhaps a product of enlightened self-interest but it was essentially borne out of good intent.

After the War years and rationing came the 'white heat of technology', the blossoming of a more general wealth creation and the rapidly accelerating rise of a materialistic world where SUVs and designer labels are becoming globally *de rigueur*. The urgent question right now is whether we have gone beyond the Tipping Point. Why should we expect emerging economies to deny themselves the luxuries we enjoyed ourselves, often at their expense? Can we pull ourselves back or do we live in a society where the buying frenzy can never stop and Climate Change becomes irreversible? Evidence suggests that societal values are shifting away from relative materialism.

Falling Wellbeing

The Perfect Storm described in Chapter One is pretty scary stuff – and it’s not just the planet that is hurting. Both the planet’s and the people’s Wellbeing is falling.

In *Affluenza*, Oliver James says: “The Affluenza Virus ...replaces our true needs with confectioned wants. We need emotional security or to be part of a community, we only want a newer i-pod or a car”. Less recently, Henry Thoreau was already questioning our race for ‘stuff’ when he said in *Walden*: “A man is rich in proportion to the number of things he can do without.”

The current economy seems to be blind not only to the planet but also to ourselves. Along with the growth in its economy, Britain has experienced less desirable growth areas:

- Growth in depression. More than two million Britons are on antidepressants. Self-harming has reached record levels.^{iv}
- Growth in drug abuse. ‘Binge drinking’ has reached record levels.^v A million Britons regularly take Class A drugs.^{vi}
- Growth in unhappiness. Unicef research suggests that British children are the unhappiest in Europe, the most likely to feel lonely and the least likely to sit down for a family meal, with barely 40% of over-11s finding their peers ‘kind and helpful’ – the lowest score in the developed world.^{vii}
- Growth in stress. The Samaritans report that five million people are ‘extremely stressed’, while the British Attitudes Survey shows time pressures encroaching ever more upon relationships with family and friends.^{viii}

The same is true for the US where serious clinical depression has tripled in two generations and increased tenfold in the 20th century. Since the 1960s the US divorce rate has doubled, teen suicide tripled, recorded violent crime quadrupled and prison populations quintupled.

Research shows that after around \$20,000 average per capita income the extra happiness every dollar brings an individual diminishes rapidly.^{ix} The levels of reported satisfaction of people with incomes of \$20,000 and \$80,000 are virtually the same. In the US there are now counselling services to help the rich deal with the psychological damage caused by their wealth.

Ironically our addiction to consumption and our economy’s addiction to growth are central to our reduced Wellbeing. As Thomas Homer Dixon^x says: “Consumerism helps anesthetise the dread produced by empty lives – lives that consumerism and modern capitalism helped empty of meaning.”

Research on the Index of Sustainable Economic Welfare (ISEW), which measures Wellbeing and planetary footprint, revealed that in the past the ISEW stayed relatively level with GDP increases but in about 1966 in most developed countries the ISEW stalled whilst GDP kept growing. In the UK in 1974 and in the US in 1986, after 20 years of stalling, the ISEW actually started to fall even as GDP rose. By 1990 in the UK the ISEW was only 3% above its 1950 level, despite once having been at twice that level and despite continuing GDP. What

this told us is that despite ever more economic growth, our economies are actually destroying value and progress, not adding to it. Rapidly diminishing returns on growth now mean that we are in a stage of uneconomic growth, delivering less and less added Wellbeing for people whilst destroying ever more of our planet. The figure below shows how the GDP per capita in the US has grown from \$11,672 in 1950 to \$36,596 in 2004, which corresponds to an average annual growth rate of 3.81%. On the other hand, GPI per capita remained near \$15,000 over the period 1950–2004, growing at a rate of only 1.33%, showing the impact of social and environmental costs on economic growth.



Real GDP vs. GPI (per capita) in US for 1950-2004
<i>(Source: Talberth et al., 2007)</i>
GPI = personal/household consumption expenditures
+ value of household work not counted in GDP
+ value of volunteer contribution work
- crime factor
- environmental degradation factor (resource depletion, ozone depletion, pollution...)
- family breakdown factor
- overextended worker stress factor
- exploding Consumer debt
- inequality of distribution of wealth and income

What Makes Us Happy And What Doesn't?

The happiest people have been shown by extensive research to be those with high levels of self-esteem, who feel in control of their lives, are optimistic and sociable. Being married, having children, being active in your community and having close friendships account for another large percentage of happiness.

According to Maslow,^{xi} there are general types of needs (physiological, safety, love, and esteem) that must be satisfied before a person can act unselfishly. He called these needs 'deficiency needs'. As long as we are motivated to satisfy these cravings, we are moving towards growth, toward self-actualisation.

The need for self-actualisation, self-determination, individuation or 'individualisation' is 'the desire to become more and more what one is, to become everything that one is capable of becoming'. People who have all of these can maximise their potential. They can seek knowledge, peace, aesthetic experiences and self-fulfilment. This echoes Jung's concepts of individuation. Psychologist Carol Ryff has done work which shows a high correlation between measures of self-actualisation such as self-acceptance and purpose in life and high levels of happiness and life-satisfaction.

Sociologists Ulrich Beck and Elisabeth Beck-Gernsheim^{xii} makes clear the distinction between individualisation (self-determination) and individualism (selfishness) in asking 'How can the longing for self-determination be brought into harmony with the equally important longing for shared community? How can we simultaneously be individualistic and merge with the group?' and in concluding that genuine self-determination can only be had by committing oneself to others. This idea that centres around Citizenship is indeed consistently shown to be true by Wellbeing studies which show that more community-orientated and selfless people have far higher levels of satisfaction and happiness. What makes us unhappy is, above all, envy.

Community-orientated and selfless people have far higher levels of satisfaction and happiness.

In his latest book *The Selfish Capitalist*, psychologist Oliver James alerts us to 'relative materialism' – also known as 'acquisitive materialism' – and shows that in English speaking countries we are twice as likely to suffer from mental illness and depression as in other Western European economies. James puts this down to the post Thatcher/Blair 'no such thing as society' form of 'selfish capitalism' in the UK, US and Australia which differs from Western European forms of capitalism. The real average wages in English-speaking economies has remained static since the 1970s, but as high tax payers have paid less and less tax over that period, the rich have doubled their share of national income.

“Status goods can be contrasted with useful goods that are of value to the user regardless of whether other people have them”, Prof. Peter Victor

Professor Peter Victor has this to say of status or positional goods in *Managing Without Growth*: “Status goods can be contrasted with useful goods that are of value to the user regardless of whether other people have them. With positional goods, one person’s gain is another’s loss. When an increasing proportion of a society’s consumption consists of positional goods, it reduces the capacity of economic growth to make people better off. In the extreme case, if all growth is in the provision of positional goods, growth is useless for advancing well being. When a person buys a commodity exclusively to enhance their status, others suffer a loss in status unless they make a similar purchase, in which case no one is better off. In both cases buying for status can be

a zero sum game in which one person’s gain is completely balanced by the losses of others. Either no one gains, or one person’s gain is another’s loss.”

In *Economics of Conspicuous Consumption*, Roger Mason finds that there is “an almost total neglect of status consumption within economic theory and thought. As a consequence, a significant part of the economic activity of modern societies lacks any theoretical explanation, and the social, economic and policy implications remain largely unexplored.”^{xiii}

We are increasingly encouraged to compare ourselves with others, resulting in an unsatisfied populace that continually pounds a ‘hedonic treadmill’ to meet escalating goals. In the UK, this means that 40% of households earning more than £50,000 per year still feel they cannot afford to buy everything they really need. 57% of the UK public agree that ‘I never have enough time to get things done,’ whilst 40% are ‘willing to spend money to save time’^{xiv}.

Citizen versus Consumer

What the above seems to tell us is that we are going to be happier people and have a happier society if we are more 'Citizen' than 'Consumer'. As we will see in Chapter Seven research like the ground-breaking Happy Planet Index show that some countries have already got this right.

Citizen vs Consumer

For the sake of this paper we use the terms 'Citizen' and 'Consumer' as shorthand to illustrate an original shift from broader Citizenship values to a society increasingly fixated on relative materialism:

The intrinsic values of our 'perfect Citizen' include personal growth, emotional intimacy and community involvement. These are also values that determine how happy we are and that tend to lead us away from hyper-consumption of 'stuff' and the concomitant damage to the planet, towards more meaningful sources of fulfilment.

Our 'perfect Consumer' lives their life defined by extrinsic values such as self-focus and selfishness and acquisition of material goods or image and position. These people have lower levels of personal Wellbeing, reduce the Wellbeing of those around them, over-consume and have high concomitant responsibility for damage to our planet. Of course, they are not 'perfect' at all.

We believe that we now live in a society made up of people exhibiting more of the 'Consumer' than the 'Citizen'.

Everyone exhibits traits from both 'Consumer' and 'Citizen', but we believe that we now live in a society made up of people exhibiting more of the 'Consumer' than the 'Citizen'. This preponderance of the 'Consumer' in all of us is simply not sustainable.

In much of our consumption habits we no longer consume for the sake of delivering to real needs such as hunger or warmth so much as for abstract, created, extrinsically focused desires. We no longer so much consume products, as lifestyles and attitudes associated with brands.

Our 'hedonic treadmill' means that:

- Because we have become so fixated on relative materialism and extrinsic values, our Wellbeing is dropping.
- Because this Wellbeing is dropping our lives feel more and more empty and so we search in vain for something to fill the void.
- Adverts and marketing messages bombard us with suggestions that this void can be filled by brands, so that is what we seek.

- But the shine soon wears off the next sparkling bauble in what is known as ‘hedonic adaptation’.
- In a perfect example of the triumph of hope over experience we chase after the next bauble and therefore lock ourselves in to the pointless soul-destroying hedonic treadmill.
- We cannot continue consuming anything like the same amount of material and producing its concomitant waste as we have in the past.

Levels of falling Wellbeing combined with intra- and inter-national envy and inequality are such that we are reaching a social tipping point that could bring chaos and revolution.

As Professor Peter Victor says: “We are not born consumers and employees but that is what most of us become. We are socialised through our families and educational, religious, political and media institutions, to adopt norms and values essential for the economy. Some people resist the pressures to consume and some, often through the fortunes of birth, have sources of income other than regular employment.”

It would seem that more and more we find ourselves in what Victor Frankl called in *Man’s Search For Meaning* an ‘existential vacuum’ in which we suffer from a life with little real meaning. This leads us to be “vicariously compensated for by a will to power, including the most primitive form of the will to power, the will to money.” In *Escape From Freedom*, Eric Fromm examines how we will resort to ‘escapism’ or withdrawal from experiencing ‘real life’ of which our current materialism, overeating, compulsive gambling or TV watching and computer gaming are merely further numbing our awareness and alienating us from life. As we show in Chapter Five, this escapism also manifests itself in a disengagement from politics.

We Just Don’t Buy It

Against this backdrop, the Wellbeing Imperative is fuelling a return to civic values and a shift away from what Oliver James calls ‘selfish capitalism’. The thirst for Wellbeing has not been quenched by needless consumption and there is increasing evidence of a backlash, which we explore in more detail in Chapter Six.

As Clive Hamilton wrote in *Growth Fetish*: “The greatest danger to Consumer capitalism is the possibility that people in wealthy countries will decide that they have more or less everything they need”. Already, we are beginning to see a shift towards lower-consumption as Wellbeing issues emerge as our only true Need.

Many have written about the changing nature of consumption and the implications for Business. Recently, a diverse group of depth-psychologists, marketing executives and environmentalists (disclosure: Jules Peck was a participant) spent two days working together to examine the role of stories in shaping self-perceptions and the way in which we respond to the challenges that confront humanity as part of an initiative called ‘beyond green consumption’. They invite you to join the debate at <http://awakenings.wetpaint.com/>

The group recognised that movements for social and environmental change need to engage psychologically with the stories we tell ourselves about who we are – stories that come to define how we see ourselves. These movements need to contribute to the dissemination of a new story for life amongst all people.

The group examined the story which gives rise to the ‘Consumerist self’ (the self that is identified in terms of material objects and aspirations mediated by material objects). It also tentatively developed an alternative story for life, which was instigated by honestly responding to the recognised fundamental truths about the human condition and the global situation.

Here is the story that emerged:

- Human beings can be awakened through an honest examination of who we are, and the nature of the world in which we live. Through a better connection with others, ourselves and our natural world, we move closer to those things that we know to be true.
- Our world-views are held within a social context – individualism and a belief that we are separate from nature is part of the old story. In sharing our understandings of who we are, we can shape and enrich a new understanding.
- ‘Awakening’ and experiencing the truth about ourselves requires us to lay our current worldview to rest (and this is likely to entail grief, through which we must help one another). Consumerism and unfettered individualism frustrates this awakening.
- This process is helped by the inevitability of dramatic change – as a result of a range of challenges, such as climate change. The world as we know it is drawing to a close. The question is: what will we embrace in its stead?
- Collectively our common values can give us a vision. Only by coming together can we begin to meet the challenges that face us in a positive, as opposed to a nihilistic, way.

There is nothing new here, perhaps. But what enthused this group was the process by which this perception emerged amongst a collection of disparate people with little preconception for what arose.

The group plan to broaden this dialogue to include key opinion-formers in the environment movement and business, before moving to engage those who seem at present to be remote from discussions about how we achieve a different future.

Chapter Three

The Digital Revolution and a New Democracy

The Digital Revolution has changed the shape of Communications and democratised it in a radical way, so that top-down messaging has become a thing of the past. Power now rests with the people – and people now expect to be heard as a right. A new ‘Citizen Politics’ is accelerating popular engagement, together with the seismic shifts of Climate Change and Wellbeing, into a truly revolutionary force for change.

In the Digital age, brand, corporate or political reputation rests not in the hands of a select few but at the fingertips of many – and in conversations where a whole raft of people take part. Many people, even professional communicators, still fundamentally misunderstand the Digital revolution. To them it is just about technology and the way that you receive or communicate information. But it is a **cultural** transformation – it’s about democracy and empowerment. We all have the ability to blog, campaign, engage and lobby. In the Digital Democracy we are more enquiring, less respectful or even trusting of authority. We expect transparency and accessible information from corporations and public bodies alike. Reference has replaced deference and the respect for hierarchy is dead, eroded in the past 30 years but slaughtered in the past five.

In the Digital age, reputation rests not in the hands of a select few but at the fingertips of many.

The Digital Democracy holds all of us to account, whether politicians, companies or brands. It changes the shape of Communication and the speed at which we work. People, who we never thought could make demands, now expect to be heard as a right. The audience may be fractured and fragmented but they can coalesce on-line into a force for change because the beauty of digital is the effective democratisation of people and opinions. Trip Advisor advances the democracy of holiday advice, Facebook is the home of the democratic friendship and e-Bay a pure marketplace. Today, we can all be journalists with blogs, v-logs and texts to the media. Mobile phones bring the Citizen journalist to the nightly news. And every organisation has the potential to be a media outlet in its own right.

Digital Democracy and the Rise of Accountability and Transparency

The Digital revolution, which fuels the new Democracy, provides a fundamental change to the brainscape and brandscape within which we all navigate. This revolution interlinks with sustainability challenges and culture shift in a fascinating and world-changing way.

We are no longer viewers of information but users and generators in an iterative and collaborative manner mediated by none – and by all. This is a fundamental democratisation of information and is leading to new voices of Citizen journalism. Online authenticity can be hard to determine but the infinite capabilities of searching and connecting with like-minded

This is a fundamental democratisation of information and is leading to new voices of Citizen journalism.

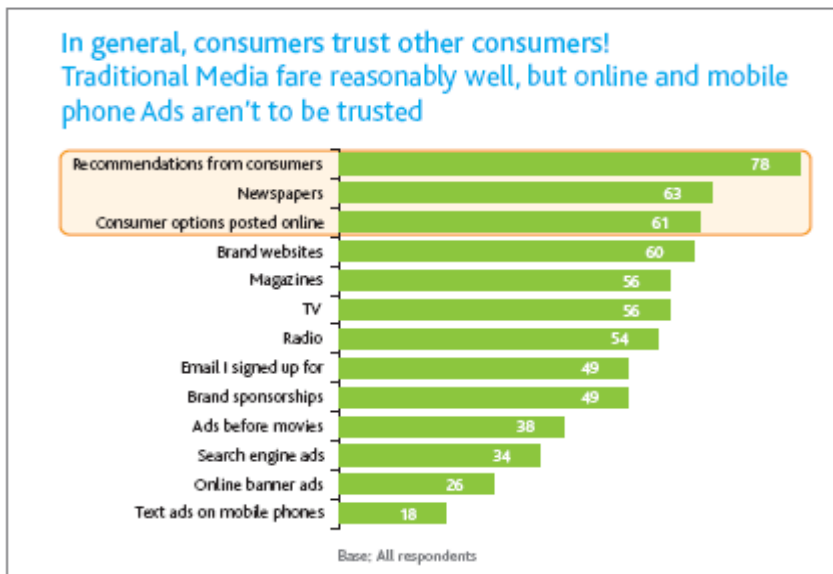
people means brands with any fault-lines in them will be in danger.

Numerous companies have found to their consternation that one person can start an online campaign and overnight connect to thousands, if not millions. Now everyone from Nike to McDonalds has their own online anti-brand campaign.

A new generation is emerging: digital-savvy ‘Info-ententials’, young business leaders and influencers who will determine not only how we adapt Consumer behaviour, but how we work and live in relation to the corporations and governments of the future. While this is not yet a global trend, it is clearly emergent in certain geographies (not least the UK) and all the signals are there that ‘responsibility’ will become much more important than ‘making money’.

Charles Leadbeater, one of our top management thinkers, says in his new book *We-Think*^{xv}: ‘Innovation flows from collaboration as much as from jealously guarded commercial secrets. The web’s significance is that it makes sharing central to the dynamism of economies that have hitherto been built on private ownership. In the 20th century we were defined by what we owned. In the 21st century we will also be defined by how we share and what we give away.’

New open-source IP models are emerging along the lines of Linex and Wikipedia, such as the Eco-patents Commons launched by IBM, Sony, Nokia and WBCSD (World Business Council for Sustainable Development), the OsCar open-source fuel-cell car innovation and Openeco.org. Edelman has its own dialogue on www.goodpurposecommunity.com; Shell have the eco-matharon at www.shell.com/eco-marathon/. The web is also seeing a host of sustainability applications which will have huge implications for where money will be made in the future: Liftshare.com, Localfoodshop.com, Evo.com, Freecycle and Greengirlsglobal.com. In short, the internet can be the arena in which a new societal dialogue about the nature of ‘good lives’ can take place.



The above table from Nielsen in 2007 illustrates how Consumers trust other Consumers **far more than advertising.**

The nexus of sustainable development and the social media revolution means people connect in a totally new way and small, nimble NGOs and social enterprises can deliver painful attacks and disruptive enterprise innovations that companies and politicians cannot hope to avoid. However, by embracing the new world order, the latter can open the door to previously unseen degrees of engagement with all their stakeholders and new levels of mutual understanding. The Digital revolution allows Citizens to re-calibrate how they view the world.

The Digital revolution allows Citizens to re-calibrate how they view the world.

Ethical Economy within Digital Democracy

The most vibrant current thinking on the Digital Democracy is in a new book, *The Ethical Economy* by Nicolai Peitersen^{xvi}. Here, Peitersen argues that the information economy is split in two: the traditional capitalist economy – geared towards a continuous expansion which is neither environmentally nor socially sustainable, and a new non-monetary, ‘ethical economy’– the ‘production of the ideas, innovations, and experiences motivated by the wish to accumulate respect and recognition from that chosen community’.

Peitersen argues that the internet is an ideal infrastructure for autonomous forms of social production because it supports a multitude of practices, from e-commerce to e-religion, and what used to be private and restricted competences now become part of a globally available general intellect. This revolution is as important as the Renaissance or the Enlightenment as it can release us from corporate Consumer-capitalism. Peitersen predicts a scenario in which the ethical economy becomes the dominant system and capitalism functions as a sub-system, dealing mainly with the production and allocation of scarce, mostly material goods.

An Ethical Economy becomes the dominant system and capitalism functions as a sub-system.

The back cover of *Funky Business*, a popular management book, has this strap line “Karl Marx was right. The workers do control the most critical means of production. 1.3 kilograms of brain holds the key to all our futures”.

Peitersen suggests that this quote fundamentally misunderstands the new Ethical Economy in assuming that the intellectual capital and relations in this new economy can in some way be ‘owned’ by companies as a form of ‘human capital’ as defined by Adam Smith as the fourth form of capital after machines, buildings and land.

Publications such as Tom Peters’ *The Brand Called You* are a good example of this idea that one should engage with social networks in order to maximise one’s personal success and status rather than for other social reasons. This misses the point of things like Twitter or MySpace in which people experience community for its own sake.

Management theory seems only able to see the ‘free lunch’ potential to commodify, appropriate and monetise Ethical Economy activity and misses the conflict between this new economy’s ideology and that of old style Consumer-capitalism. Peitersen points to today’s proliferation of new and alternative valuation systems; quoting Kevin Roberts, CEO of Saatchi & Saatchi, as an example of the hubris of the corporate world in saying “We have sophisticated metrics which capture Love and Respect”, Peitersen says: “As emerging as tools for aligning ‘shareholder value-creation and social value-creation’ they are virtually worthless.”

Marketing men are being called to account by the legitimate, challenging grass-roots thinking of real people.

In fact this myopia risks a backlash as Peitersen says: “Savvy Consumers recognise their productive role in producing brand value and revolt against the brand owners whom they feel are exploiting them” and “there is an emerging consensus that these assets, or at least a growing share of them, are produced in processes that unfold beyond managerial control. Consumers interact around a brand, knowledge workers organise their own work-process, bloggers generate reputation that spreads ‘virally’ and so on.”

The Communications industry needs to take stock. In many ways this connectivity revolution allows Citizens to recalibrate how they view the world. Marketing men are being called to account by legitimate, challenging grass-roots thinking from real people.

We have examined the confluence of the seismic shifts of Climate Change, emerging Wellbeing, and Digital Democracy. In the next chapters, we examine the role Communications and marketing has played in these issues.

PART TWO - WHERE HAVE WE COME FROM?

Part Two charts the history of PR and marketing. In particular, it analyses the influential role of Edward Bernays in creating PR in the early 20th Century and forcing a transformation of the Citizen into the Consumer by appealing to society's selfish side, setting a trend of convincing people of their need for unnecessary possessions. Bernays' plan succeeded to an unprecedented degree, leaving us with the consequences of a disillusioned populace forever striving for more goods that does not seem to fill the empty vacuum.

Where has the 'cultivation of discontent' come from? It is not our intention to lay the blame for the ills of Consumer society firmly at the door of the whole marketing and Communications industry. After all, our long journey to answer the question of 'what is a good life' has lasted for many eras of human philosophy and has for some time, certainly since the Enlightenment, tended towards a more individualist way of life, which now threatens not only our Wellbeing but that of our planet.

Chapter Four

The Century of the All-Consuming Self

Edward Bernays (1891–1995) is perhaps the least-known most influential person of modern times. Proclaimed by the Public Relations Society of America as one of the giants of PR, along with the likes of Dan Edelman and Harold Burson, he is often seen as the inventor of PR and indeed of marketing, advertising and Consumerism itself.

In 1992, during Congressional hearings into the licensing of PR, Bernays said: “Public relations embraces the ‘engineering of consent’ based on Jefferson’s principle that “in a truly democratic society, everything depends upon the consent of the public.” This fundamental truth is the basis of my life’s work... A public relations counsel is an applied social scientist who advises a client on the social attitudes and actions he or she must take in order to appeal to the public on which it is dependent. The practitioner ascertains, through research, the adjustment or maladjustment of the client with the public, then advises what changes in attitude and action are demanded to reach the highest point of adjustment to meet social goals.”

Bernays is often blamed for having created a more selfish, unhappy and materialism-obsessed public, less engaged with politics and the interests of community. As Robert Lane says in *The Art of Happiness in Market Democracies*, Bernays “understood that the appetite of our present materialism depends upon stirring up our wants – but not satisfying them.”

Professor David Cadman, writing in *Resurgence* in April 2003, says that the deliberate creation of Consumer culture dates back to Bernays applying his experience of US propaganda to the foundation of what is now modern day Consumerism. In 2006, a *Der Spiegel* journalist interviewed Harold Burson: ‘Bernays thought that he could control public opinion. His methodology, of course, was fundamental. Most of the things we do today were identified by Bernays 80 years ago.’

Bernays’ belief in his uncle Sigmund Freud’s teachings led him to a conviction that the masses were not to be trusted, feeling that they therefore needed to be transformed from active Citizens into passive Consumers, driven by selfish desires encouraged by PR and marketing. His intention was to take our irrationality and use it to sell us products that rationally we did not need.

This was the process that Bernays and colleague Walter Lippmann named the ‘engineering of consent’ – a phrase which political philosopher Noam Chomsky used for his influential critique of Bernays and Lippmann, *The Manufacturing of Consent*. Bernays aimed to busy the Id with its playthings of fear, sexuality, power and status so that it was less likely to become active and dangerous. Underlying this are the echoes of the inherited fears of his uncle’s, so influenced by the European unrest he lived through.

Bernays' approach started a process that led to a world of political spin doctors, marketing moguls and society's belief that the pursuit of satisfaction and happiness should be society's ultimate goal.

Bernays profited by linking mass-produced goods to corporate America's unconscious desires. He was a key architect of the modern techniques of mass-consumer persuasion, creating many of the now established forms of marketing and advertising such as message framing, values and lifestyles segmentation, celebrity endorsement and PR stunts.

In 1929 Charles F. Kettering, director of GM wrote in an article 'Keep the Consumer Dissatisfied' ^{xviii} "key to economic prosperity is the organised creation of dissatisfaction...If everyone were satisfied no one would want to buy the new thing".

"We need things consumed, burned up, replaced and discarded at an ever-accelerating rate", Victor Lebow, 1955

And yet, at various points along the way, the warnings of this mis-alignment between Wants and Needs was there, clearly, for all to see. In 1954, Kleber R Miller asked in the Public Relations Journal, whether practitioners had considered the moral implications of their actions and whether the ends justify the means. In his seminal work, *The Hidden Persuaders* published in 1957, Vance Packard called for a new code for 'Ethically Responsible Persuaders'.

"Such codes might set up ground rules that would safeguard the public against being manipulated in ways that that might be irresponsible and socially dangerous", he wrote.

Churning Consumption

World War II had been a catalyst for the economic recovery which pulled the US out of the Depression. Towards the end of the war President Eisenhower's Council of Economic Advisors was challenged to find a way to convert the burgeoning war economy to peace.

Economist and retailing analyst Victor Lebow gave this evidence and solution in his paper *Price Competition in 1955*: "Our enormously productive economy...demands that we make consumption our way of life, that we convert the buying and use of goods into rituals, that we seek our spiritual satisfaction, our ego satisfaction, in consumption...we need things consumed, burned up, replaced and discarded at an ever-accelerating rate." The chairman of Eisenhower's Council of Economic Advisors Arthur F. Burns seemed to buy this hook, line and sinker and canonised the new economic gospel by stating: "The American economy's ultimate purpose is to produce more Consumer goods."

Freud's daughter Anna was also influential in post-war USA. Her continuation of Freud's psycho-analytic vision led to huge government-funded programmes to make people

conform to 'normality' and help free people from their inner desires and drives, which she felt were a danger to society.

There have been only momentary backlashes against this cultural shift, such as Roosevelt's New Deal, Martin Luther King's speech against normality and various civic protests.

The corporate world fought hard and kept one step ahead of the emergence of the new 'non-conformist' by helping people self-express with products tailored to their 'individualist' image. Advertisers and their research institutes had by now built up sophisticated ways of understanding and driving people's inner desires.

New technologies also revolutionised the way companies could make products. Now every individualised whim and created desire of the Consumer could be pandered to. Self-actualisers thus became the new motor of the economy.

“There Is No Such Thing as Society”, Margaret Thatcher

Ironically, in pulling down the edifice and social constraints of the more conservative past, the liberal 60s generation's counter-culture actually sowed the seed of a later oppressiveness from which we now suffer.

As Clive Hamilton puts it in *Growth Fetish*:^{xviii} “Margaret Thatcher should be thankful to Alan Ginsberg and Timothy Leary...freedom from the fetters of career and family, and freedom of sexual expression were noble in themselves, but it is now evident that demolition of the customary social structures did not create a society of free individuals. Instead it created an opportunity for the marketers to substitute material consumption and manufactured lifestyles for the ties of social tradition.”

The 1960s was the era in which the Citizen shifted to an individualistic Consumer of endless products and political sound bites. The role of corporate Communications and PR was key in this shift, but it was principally driven by advertising. Great US corporates formulated TV programmes (the soap opera) in order to create slots, to sell ads, to sell products. When Thatcher famously stated that 'there is no such thing as society', she was merely reflecting the Consumer greed of the era, announcing a political selfishness; a virtual acknowledgement that community had been usurped by the 'loadsamoney' self. A population indulging in the delights of Consumerism was easily seduced by this political dogma that suggested specific benefit to the individual rather than to society as a whole.

Bernays and his colleagues sold the vision that business was a key element of democracy and could

A population indulging in the delights of Consumerism was easily seduced by this political dogma that suggested specific benefit to the individual rather than to society as a whole.

respond to inner desires in a way politics could not. This helped turn Citizens into passive selfish Consumers, who fed the economy and kept out of politics. Walter Lippmann wrote that the general public are 'ignorant and meddling outsiders' who should be mere 'spectators of action', apart from the periodic choice among the 'responsible men'. This worked for politicians at the time and in the 1920s Herbert Hoover, as US Secretary of Commerce, encouraged the development of a suburban world as a Petri dish of consumption and need. Even where voices cried out for a better sense of balance, they were overwhelmed by the rush to consume.

Chapter Five

Focus Group Politics and the Death of the Citizen

This chapter deals with how focus group politics has emasculated government, ensuring that policies and decisions are taken not out of necessity or a conviction of leadership, but as a way of pandering to swing voters. The chapter follows the path of this surrender to focus groups through Reagan and Clinton and to Tony Blair. The result is a population deeply disillusioned with politics and political affiliation. By treating Citizens as Consumers, governments are now judged only by the economy, leaving them unable and perhaps unwilling to mobilise the populace into action against the threat both to the planet and to the Wellbeing of society as a whole.

From the 1950s to the 1980s, the focus group became a standard part of marketing, before permeating into politics with the idea that you could tune into and satiate the unconscious desires of voters.

Ronald Reagan's advisers in the early 80s found that up to 80% of US Citizens were now focused on being 'self-actualised'. They then used tools such as Values and Lifestyles (VALs) to develop Reagan's 'let the people rule' zeitgeist. Counter-intuitively, VALs had shown that a key new generation of floating 'inner-directed' voters could be attracted to Reagan's favour for an 'individualistic' society, a policy later echoed in Thatcher's proclamation that there was no such thing as society.

Politics is now more concerned with the wishes of swing voters than by what politicians need to do to lead society.

In the early '90s Bill Clinton placed the focus group at the heart of his new politics, concentrating successfully on the wishes of swing voters. Consequently, politics is now more concerned with the wishes of swing voters than by what politicians need to do to lead society. Yet democratic politics should be concerned with making tough decisions for the good of society at large. Collective action failures, such as global environment issues, can only be avoided by this type of leadership.

Cognitive scientist and political commentator George Lakoff has this to say in *Don't Think of an Elephant*: "There is a metaphor of political campaigns where the candidate is the product and the candidate's positions on

issues are the features and qualities of the product. This leads to the conclusion that polling should determine which issues a candidate should run on." This is echoed by Drew Westen in *The Political Brain*: "People were drawn to Reagan because they identified with him, liked his emphasis on values over policy, trusted him and found him authentic in his beliefs. It didn't matter that they disagreed with most of his policy positions."

This new model of focus groups as the heart of policy rejects a key aspect of democratic leadership politics – that there are collective long-term interests that only elected leaders have the ability to deliver on. Focus groups will tell you that people want lower tax *and*

This apathy and mistrust in politics has left it sclerotic.

more public services – that’s human nature. So, for instance, New Labour listened to focus groups that told them they did not want money wasted on investment in railways. Then, years later, when the chaos on public transport came home to roost New Labour got the flack for the mess. Of course they did. They were supposed to lead, plan ahead, think long term and think of the greater good, something focus groups will never do.

The idea that the visions and tools of the commercial world can and should be brought into politics is worth considering further. Business as it currently operates largely appeals to individuals who want to make money. Politics needs to speak to our rational, collective interest side. As Michael Edwards says in the 2008 Demos/Young Foundation report *Just Another Emperor*: “The use of business thinking can damage civil society, which is the crucible of democratic politics and social transformation. It’s time to differentiate the two and re-assert the independence of global Citizen action.”

People are no longer being asked to think of themselves as active Citizens but as Consumers who pay taxes and in return receive just what they – and not others – need and want. Thus the Consumerist culture so prevalent in the corporate sphere now extends to the public sphere. This culture of the public being ‘delivered’ service for paying tax combined with a ‘results’ zeitgeist has led to a health system fixated on curative not preventative treatment and an education system focused on exam results rather than a more rounded approach to education.

People are no longer being asked to think of themselves as active Citizens but as Consumers who pay taxes and in return receive just what they – and not others – need and want.

Certainly politics is richer for having people with business experience within it, but what is missing is a coherent framework and an accountability to ensure that the greater good is placed over individual greed and that the single-focused, corporate-share-value driver vested interest does not override the interests of society. Now the connected world on-line is a catalyst for change as it allows democratic discussion of ideas.

Evidence that the UK population are less and less engaged in Citizenship is not hard to find. Political apathy is rife: general election turnout slumped from 71% in 1997 to under 60% in 2001 and 61% in 2005 – the second and third worst turnouts since 1900.

Only one in five people trust politicians and even fewer trust the word of government ministers. Indeed, the 2008 Edelman Trust Barometer found that the people we trust most are ‘people like ourselves’, while the Commission on Parliament in the Public Eye reports

that the UK is now close to the point where a government could not claim democratic legitimacy.

This apathy and mistrust in politics has left it sclerotic. Politicians now fear vested interests of companies that may not fund them, media interests that may not favour them and voter/Consumers who may not vote for them. Our democracies are therefore unable to act on the biggest ever collective-action problems that things like climate change represent. By allowing themselves to be measured purely on economic growth measures, our politicians have become mere ciphers with little or no power to make a meaningful difference to the world.

PART THREE – WHERE ARE WE

HEADING?

The next four chapters begin to tackle the heart of the issues we face today – including the all-important return to Citizenship, in the face of an unhappy and over-consuming society.

We consider not only how Consumerism is on the wane, but also how the marketers of today are awakening to the implications of past actions and what a lower consumption world will mean for them and their industry. We go on to discuss the relevance (or not) of GDP as an adequate economic measure and the redressing of the balance between Wants, Needs and Means. We call this Wellbeing Economics – driven by ecological economics, not GDP - and based, fundamentally, on planetary ‘Means’ (the ecologically safe level of human use of resources like fish, atmosphere and water) and societal Needs, rather than selfish human Wants. Finally, we look at what Corporate Social Responsibility will look like within a new Capitalist model (Capitalism 3.0) – and how this plays out for both politics and business. Case Studies are used to illustrate the arguments and to bring some of the thinking to life.

Chapter Six

Consumption Fatigue and a Return to Citizenship

Earlier, we suggested that there is a growing discontent with relative-materialist individualistic ways of life and that there is a concomitant resurgence in Citizenship. Here, we examine this shift in more detail.

There are signs that the public are tired of waiting for politics and business to blink first. Across the world, community organisations and individuals are making efforts to effect profound changes to the way we live. Whether this is through the rise of Fairtrade and organic produce or the more active community projects that search for solutions to ecological problems, statistics show that more people are waking up to the social and environmental crises and are prepared to work for change.

These communities have simply given up waiting for local or national government to act.

A great example of where ordinary people – butchers, bakers, candlestick-makers, teachers and housewives – are taking control back at a local level is the Transition Towns movement. This movement, which is active in over 30 UK cities, towns and villages (including mythical Ambridge on BBC Radio 4's soap *The Archers*), is a rebirth of local community taking control of finding solutions to issues like peak oil, climate change and food security. Internationally there are 500 such initiatives. These communities have simply given up waiting for local or national government to act. They are putting in place exciting and visionary steps towards a low-carbon, local-food, local-currency and sustainable way of life.

Examples

Totnes Transition Town in Devon even has its own local currency – the Totnes Pound. Another interesting ‘alternative to money’ innovation is the online freeconomy movement of people tired of the lack of community in their areas and the focus on money, who have decided to do something about it. By signing up to freeconomy, people are able to contact, and be contacted by, others in their area and share skills and to help one other for free.

CRAGs (Carbon Rationing Action Groups) is a growing network of carbon-conscious Citizens who believe that the impacts of climate change demand a serious programme of greenhouse gas emissions reduction and urge governments to adopt a universal and equitable framework to achieve this. CRAGs are implementing this approach at a community level by forming local groups to support and encourage one another in reducing our carbon footprints towards a sustainable and equitable level. They measure our progress against our carbon allowances. They share knowledge and skills in lower carbon living, raise awareness, and promote practical action in the wider community.

Internationally similar initiatives are springing up in many countries and under the World Social Forum’s banner millions now have joined a growing movement calling for and initiating change. More than 10m people demonstrated in 2003 as part of the WSF. Commenting on this movement and its impacts, the New York Times said in February 2002 “there may still be two superpowers on the planet: the US and world public opinion.”

In the US there are many similar initiatives such as the network of Business Alliance for Local Living Economies, Co-op America, the American Independent Business Alliance and the New Rules Project of the Institute for Local Self-Reliance.

Fairtrade in the UK has gone from £1bn in 2003 to £26bn in 2007 while organic is predicted to explode from £98.4m to £172.bn in 2009 in the US and EU over the same timeframe.

In the US, the Carrotmob grassroots initiative uses viral marketing to organise Consumers to make purchases that give financial rewards to those companies who agree to make environmentally friendly choices. Carrotmob targets Consumers and companies globally, focusing on improving corporate environmental practices. They are creating a broad network of Consumers and form partnerships with other larger advocacy groups to use their research and infrastructure to run effective campaigns.

In a recent US study, 19% of people from across social classes had voluntarily changed their lives and made less money^{xix}. A study in Australia found 23% of 30–60 year olds having downshifted in this way^{xx}. Downshifting involves people voluntarily accepting a drop in their income in order to rebalance their lives – often in order to regain control over time and to improve their personal relationships. Research suggests that in the UK, 20–35% of adults aged 30–59 have downshifted and the average income for downshifters fell by 40%^{xxi}. Furthermore, the same study found that not all downshifters are wealthy or middle-aged – in fact they are spread across all age groups and social grades, albeit unsurprisingly with fewer in socio-economic group E. UK insurance company Prudential has found that 1.4m Britons have actively reduced their income for increased quality of life recently and just under 1m 35–54 year olds plan to do so^{xxii}. Downshifting is one of the most demonstrable signs of the Wellbeing Imperative.

Downshifting is one of the most demonstrable signs of the awakening to Wellbeing.

There are also indications that Consumers are becoming increasingly aware of and concerned about the effects they are having on the environment. Conspicuous abstention, nu-austerity, organic, Fairtrade, sustainability, down-size consumption for self-actualisation, small is beautiful, new-luxury, authentic, make do and mend, less is more, eco-bespoke and eco-relevant are all part of the new Consumer sustainability lexicon that has seen 43% of people wanting to buy organic and Fairtrade.

- 96% of Europeans say that protecting the environment is important for them personally and for 60% it is very important.
- 25% of Americans are now classified as ‘cultural creatives’ who aspire to things like environmentalism, global issues and spiritual learning.
- Edelman’s GoodPurpose Consumer study in 2007 shows the emergence of a new phenomenon called ‘Mutual Social Responsibility’, where Consumers and the brands they interact with take a mutual interest in and mutual responsibility for being good Citizens. A Financial Times study in September 2007 found that, while 30% of Consumers claimed to consider environmental and social issues when purchasing, sales figures suggested that only 3% acted on such values. Yet the GoodPurpose statistics show that, when choosing between two brands of the same quality and price, a social purpose is what would most affect consumer decision (ahead of design and innovation and brand loyalty).

Backlash Against Advertising

Against this backdrop, we are also beginning to see a backlash against omnipresent advertising that has fed much of Consumerism for so long. Even advertisers are beginning to recognise that over-consumption (or irresponsible consumption) is something that should not be encouraged.

In August 2008, the UK ATL teachers' union warned that children are under excessive commercial pressure to be seen buying and wearing fashionable brands. The union's general secretary, Dr. Mary Bousted, said that "children are suffering the consequences from advertising that targets youngsters. It is incredibly sad to hear how many youngsters are bullied or isolated for not having the same clothes or accessories as their classmates."

Indeed, in a typical one-hour prime time US TV show there are 18 minutes of adverts and promotion.^{xxiii} Unsurprisingly, a 2004 Yankelovich poll revealed that 65% of Americans felt 'constantly bombarded with too much advertising and marketing'. The calls for controls on advertising to children and of fatty foods and alcohol, are a sign of manipulation fatigue.

As Clive Hamilton writes in *Growth Fetish* of the UK Code of Advertising Standards and Practice: "This states "No advertisement may misleadingly claim or imply that the product advertised, or an ingredient, has some special property or quality that is incapable of being established". If governments were serious about this criterion of ethical behaviour, the advertising industry would effectively be abolished...It goes on to say adverts, "must not seek to exploit ignorance or to perpetuate popular misconceptions"...The social function of advertising is precisely to perpetuate the popular misconception that life satisfaction can be increased by way of consumption of material goods. Indeed, an advertising agency that failed to mislead potential Consumers into believing that they could derive enhanced personal qualities from a product would not be in business for long."

Even advertisers are beginning to recognise that over-consumption is something that should not be encouraged.

Richard Reeves of the New Economics Foundation calls for government to control envy in society by measures such as drastically curbing advertising and starting to "Sketch a narrative of what progress looks like now that economics has done its bit."

If regulations or fiscal disincentives are enforced to control or even stamp out unnecessary marketing and advertising, this will have huge implications for business models. This could presage a powerful anti-consumption backlash against frivolous and 'affluenza'-inducing marketing of all kinds. A recent article in *Campaign* (*Farewell to Consumerism, 10 July 2008*), the advertising trade magazine, speculated that legislation could sound the death knell for consumption as we know it: "If [Consumers] go into shock and just stop

consuming, a serious, long-term recession is likely.” The impact on the marketing industry could be fatal.

The High Priest of Materialism Recants

The advertising world is waking up to these issues. You can be sure there is a forceful ‘tide in the affairs of men’ when Sir Martin Sorrell – surely materialism’s high priest? – seems to be recanting from the altar of mammon, as is evidenced by an interview with *Marketing Week* in early 2008: “All our instincts as clients, agencies [and] media owners are to encourage people to consume more – super consumption.” He added that people had become used to “The aspiration that you should consume more; the aspiration that you should have a bigger car; the aspiration that you should have a number of holidays, bigger houses [and] multiple houses. Our view, which is counter to what you expect our industry to argue, is that conspicuous consumption is not productive, and should be discouraged.”

“Conspicuous consumption is not productive, and should be discouraged”, Sir Martin Sorrell

Adam Werbach, one of the US green movement’s leading lights, joined forces in 2008 with Sorrell’s arch rival Publicis when he sold his consulting firm Act Now to Saatchi and Saatchi. It will be interesting to see if Werbach can effect change within the advertising model. A number of other advertising and Communications sector companies are known to be positioning themselves to either try and grab a piece of the green cake or understand how to co-opt or convert the movement’s thinking in order to stay alive in their current form. They are in the wrong space. **It is no longer viable to pay for the space to lecture the Consumer.**

So we see there are good reasons and pressures encouraging society to rethink its relationship with consumption. This will have a knock-on effect to the way business is run and the way products and services are marketed.

Mea Culpa

As Communicators, we have to accept we may have been partly at fault in feeding an age of high consumption. Advertising and Communications have been engines of the material world, selling people stuff they did not always need or really want. Communications companies now have to take a long hard look at themselves and ask ‘What purpose are we here to serve?’. Because others have woken up and are taking action.

Citizens today scour the web to ask tough questions, to highlight waste and profligacy and to demand action. They challenge the assertions of the big pharmaceutical companies, and hold Energy, Tobacco, Alcohol and Transport to account. Many companies fear such Citizen

enablement but they have to face up to it. As we examine in this chapter, in a new Digital Democracy, the online world is fast, anonymous and efficient. Citizen wrath can start with one individual and mushroom at incredible speed, spreading virally, collecting into mass petitions, rooting out smugness and cant. By the same token, Citizens can be rapid, effective, vocal and loyal advocates and endorsers. Citizens are changing the consumption habits of our world.

Parallel to this, bland corporate statements will not cut it anymore. The new Citizen wants to know about a company's supply chain, the size of its carbon footprint, its stance on local labour and ethical sourcing. A whole host of questions for which businesses will be held accountable. Come the AGM, someone with a tiny minority of shares now feels empowered to stand up and challenge – with ready access to a receptive audience online. That said, why wait for the AGM to mount the challenge? The audience is out there and can mobilise at their fingertips.

The new Citizen wants to know about a company's supply chain, the size of its carbon footprint, its stance on local labour and ethical sourcing.

As we will examine in Part Four, this poses a dilemma for communicators. Companies need to be open, prove their own Citizen credentials. And they need to tune into and align with shifting social values which are beginning to tune away from relative materialism and into planetary and human Wellbeing. In turn, questions will need to be asked about the nature and function of Communications companies. A new set of standards is likely to emerge, as part of a radical re-alignment that re-engineers the relationship between the way society is and the way it is reflected in the Communications space.

Chapter Seven

The Rise of Wellbeing Economics

This chapter examines the emergence of what we are calling Wellbeing Economics , a new direction which focuses on the wellbeing of people and planet and that should become far more important than fiscal matters. The idea of using GDP as a thermometer for the Wellbeing of a country is both outmoded and wrong-headed. Wellbeing Economics, on the other hand, recognise that the health of the environment is paramount; it champions cooperation; and is concerned for the future of generations to come, not merely our current state of happiness or lack thereof. A new approach to the economy could pay a double dividend of reducing the worst effects of the Perfect Storm and improving our Wellbeing.

Grossly Distorted Picture

The principal tool to measure economic growth is Gross Domestic Product (GDP). But GDP is a deeply flawed way of measuring progress. While it tots up the total of a nation's economic activity in any given year, it ultimately fails to reveal anything about environmental stability, social cohesion, psychological health or public services.

GDP measures what we make, but can't measure what we destroy to make it.

Contradictions in this measurement are startling. Chopping down a rainforest and turning it into toilet paper increases the GDP. So does an increase in the sale of urban 4x4s or cleaning up an environmental disaster. When the Exxon Valdez oil tanker spilt its vast load on the pristine Alaskan shoreline, US GDP went up as legal work, media coverage and clean-up costs were all added to the national accounts. The Enron fraud has been calculated to have contributed upwards of \$1bn to US GDP.

Even Simon Kuznets, the Nobel Prize winning economist who helped develop GDP, recognised such flaws when warning the US Congress in 1934: "The welfare of a nation can scarcely be inferred from a measurement of the national income."

In short, GDP measures what we make, but can't measure what we destroy to make it. Our economy is borrowing prodigiously from the natural economy but without recording the loans.

In his recent series of Lionel Robbins Memorial lectures on happiness, Emeritus Professor of Economics at LSE, Professor Lord Richard Layard, argued for a radical review of what delivers 'welfare' to society and a thorough upgrading of the morals of economics. He quoted a study at Cornell in 1996, where students were tested for honesty over a six-month

period: those who took introductory economics became less honest while those who took astronomy became markedly more honest – a salutary lesson of the impact of economic value systems.

As we start to question issues in the Wellbeing debate, society may tune into a more balanced way of life, working less, earning less, spending more time with family and friends and less money on pointless positional goods.

New taxation, regulation and Consumer shifts may move our capital-based economy away from defining its success by economic growth to being defined by economic development that brings good long lives to the majority with least resource input and footprint on our planet.

Ecological economics, on the other hand, focuses on the debate of how we define ‘progress’: as a burgeoning GDP? As the mountain of ‘stuff’ we have accumulated? Or it is more about qualitative development?

Ecological economics assumes that ecosystems are critical to our survival, that we are hugely ignorant of how they work, what their value to our economy may be and what future generations’ preferences might be.

Unlike neo-classical economics it recognises limits to growth and can conceive of co-operation, not competition, being central to human and commercial relations. Indeed, Game Theory has now shown us that ‘reciprocal altruism’ is often the optimal strategy.

The main idea behind sustainability is to shift the path of progress from growth, which is not sustainable, toward development, which can be. This requires a fundamental culture shift away from passive Consumerism towards active Citizenship, and merely appealing to people’s self-interest perhaps by showing they can save money does nothing to engender the greater sense of community-scale collective action needed. There is also evidence from research in self-determination theory that activities pursued for intrinsic values (personal growth, emotional intimacy or community involvement) lead to far more persistent and active engagement than those driven by extrinsic values like the acquisition of material goods or image and position.

The main idea behind sustainability is to shift the path of progress from growth, which is not sustainable, toward development, which can be.

New Economic Measures

In order to make the economy work for us and the planet, we need new Wellbeing Economy measures that take into account environmental and social issues, supplement GDP and become a central measure of where we are as a nation.

Environmental Wellbeing and human Wellbeing are two desirable endpoints. Economic Wellbeing is a means to achieve those ends.

In sustainability circles much is made of the ‘three pillars of sustainability’ and the fad of the ‘triple bottom line’ of environment, society, and economy. This is to confuse ends with means, objectives with tools. Environmental Wellbeing and human Wellbeing are two desirable endpoints. Economic Wellbeing is a means to achieve those ends. Some of the things which make life most valuable cannot be expressed in monetary terms. What price clean drinking water, fresh air, friendship, health, tranquillity or a beautiful view? Just as we do not seek to calculate the value of different peoples’ lives in determining where to invest in health, so we cannot easily put a financial value on the enjoyment

of 29m annual visitors to the Peak District National Park. Some things, clearly, do not have a price. Nevertheless, many of the environmental goods and services of which we take advantage are currently not taken into consideration in conventional economic accounting. This leads to the degradation of the environment and often in a diminution of the welfare of our society as well – the two are intrinsically linked.

Work is under way in government departments and think tanks around the world to develop new indicators of both the ‘needs’ Wellbeing part and the ‘means’ health of the planet part of this two-fold nexus. These new indicators will change the way we look at life and our planet and are bound to be revolutionary in the way they impact on our economy.

Such new measures will need to include in their accounting the ability to subtract as well as add. To subtract from perceived growth the defensive costs of dealing with pollution, to maintain security in the face of rising crime and social unrest and the costs of national defence. They will also need to add the true costs and benefits of unpaid work. They also need to take into account the distribution of income, not just its growth. After all, £100 extra for a poor man is worth far more than £100 for a millionaire and yet currently national accounts treat £100 income identically, no matter who receives it.

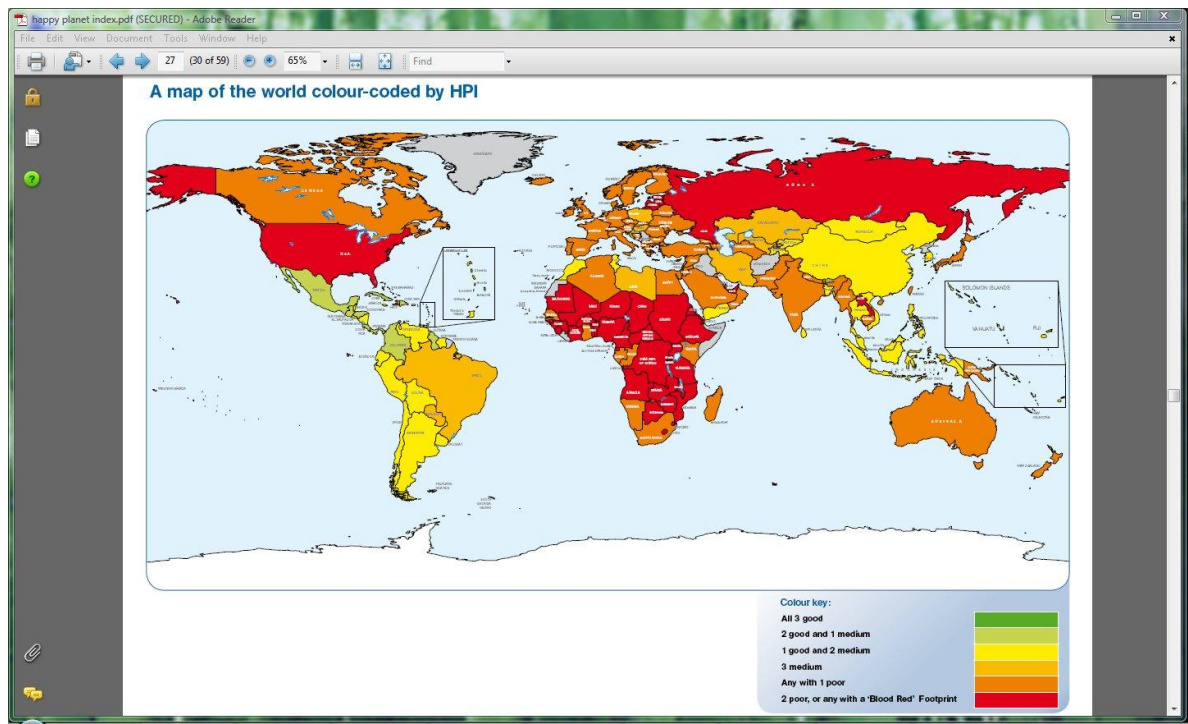
These new measures will need to take into account environmental Wellbeing. By doing so they will show us that we are most certainly in a stage of uneconomic growth – both for the levels of the planet’s and our own Wellbeing. We will see clearly that we have overshot the point where decreasing marginal benefits of economic growth were equal to the increasing marginal returns.

We will need to ask how healthy are our fish stocks, our rivers and lakes? How much pollution have we put into the delicately balanced atmosphere? How many species are we losing? How much soil and forest is lost and land turned to desert through our activities? Does it take one tonne of carbon emissions or a tenth of that to get me to and from work in a year? Are we living off income, or natural capital? These are all crucial questions when we consider the environmental impacts of our actions.

They will also need to take into account social Wellbeing. How well educated are we, how long do we live, what are our levels of crime, depression and substance abuse? How much time do parents get to spend with their children? Do people feel over-worked? How cohesive are our communities? Do we fear crime or do we feel secure? Do we have fair access to resources and opportunities? Do we have rising or falling feelings of life satisfaction, enjoyment and achievement? Are we leaving the planet to future generations in as good or better a condition than the one we inherited? All of these things need to be taken into account when we discuss our health as a nation.

The map of the Happy Planet Index (disclosure: Jules Peck was involved in its initiation) below compares how many planetary resources it takes countries to deliver units of long happy lives and shows the UK at paltry 108th, just ahead of Laos but one behind Libya. Right now Germany uses half the amount of resources to deliver happy long lives as the US. And countries ranked by the UN as being medium-development are far more efficient than low and high-development countries. What this tells us is that, of course it's miserable for most living in a very poor country, but also that beyond a certain level, vastly increasing consumption fails to lead to greater Wellbeing. Countries with more prevalent intrinsic values, more community involvement and which value adventure, creativity and loyalty over material wealth and possessions also rank highly in the life satisfaction quotient of HPI. If HPI instead of GDP were used to determine membership of the G8, then none of the current G8 would be members.

If the Happy Planet Index were used instead of GDP to determine membership of the G8, then none of the current G8 would be members.



As we start to question issues in the Wellbeing debate, society may tune into a more playful way of life, working less, earning less, spending more time with family and friends and less money on pointless positional goods which damage our planet.

New taxation, regulation and Consumer shifts may bring about changes to our current form of capital based economy. Our economy may shift away from one defining its success by economic growth to one which is defined by economic development that brings most good long lives to the majority with least resource input and footprint on our planet. This is exciting new terrain and as revolutionary as the enlightenment and industrial revolution.

Redefining Progress and a New Economics – Dismal Science to Moral Philosophy

Once we have these new indicators in place we also need to start to examine what we mean by 'progress'. Is it burgeoning GDP? Is that our greatest legacy? Or is it all the 'stuff' that it has brought us? Or is it something else less quantitative and growth orientated – more about qualitative development? These are the questions which Ecological Economics and what we are calling Wellbeing Economics focus on and can help us to answer.

Standard neo-classical economics – or 'autistic economics' as some call it – and ecological economics differ in some fundamental ways. The former thinks in terms of how humans can manage ecosystems for instrumental purposes of optimising 'wealth'. It assumes no limits to growth despite the fact that we live in a closed, finite resourced system. It approaches the uncertainties about natural systems by denying them or suggesting human ingenuity will overcome them. Reflecting this, our current economy is primarily concerned with maximising profits and income growth through ever-reducing costs and ever-increasing

revenues. Courtesy of Adam Smith it also places the pursuit of ‘rational’ individualistic self-interest at its heart. It assumes perfect knowledge for all actors to act in a utility rational manner. In the light of new thinking around behavioural economics this is badly outdated.

“The economy is a wholly owned subsidiary of the environment”, Archbishop Rowan Williams.

Courtesy of J.S. Mill, the economy assumes that utility is inherently linked to price, and so utility must increase if income increases. It also makes the leap that utility equals happiness and so more money makes us happier. As we have shown, the assumptions are flawed. The evidence suggest otherwise.

This now ‘dismal science’ was originally conceived as a ‘moral philosophy’. The likes of Voltaire and the founders of modern economics such as Smith, Malthus and, later, Marx viewed progress as more than just economic growth, encompassing also social context and

development. Today’s version of economics, however, has no place for ethical considerations nor a vision or ability to see how a ‘good’ society might be achieved.

As Clive Hamilton says of the idea of progress in *Growth Fetish*: “Applied science, evolutionary biology and ethics no longer powered the idea. The new engine was more mundane: material advancement would drive progress, and the measure of success became standard of living.”

Professor Victor says in his forthcoming book *Managing Without Growth*^{xxiv} : “The measurement of happiness has confounded economists ever since it was proposed by Bentham and the other early Utilitarians. Rather than pursue the impossible, economists gradually moved away from the quantification of happiness, first by reconstructing the theory of demand based on ordinal utility and then by avoiding interpersonal comparisons of utility. This allowed some normative statements to be made about specific changes in an economy but made it very difficult for economists to say anything about the relationship between economic growth and happiness.”

Once we have accepted that the Earth is our one and only planet and that it and its resources (our throughput) are finite in nature and that it is at or beyond a ‘full state’, it becomes clear that an infinite-growth based paradigm is a madness.

Today’s version of economics, however, has no place for ethical considerations nor a vision or ability to see how a ‘good’ society might be achieved.

As the Sustainable Development Commission^{xxv} puts it: “We see [today] a society and a Government whose primary objective is still the achievement of economic growth as conventionally understood and measured, with as much social justice and environmental protection as can be reconciled with that central goal. We envisage a society whose primary

goal should be the Wellbeing of society itself and of the planetary resources and environment that sustains us all, with economic objectives shaped to support that central goal rather than the other way around.”

Archbishop Rowan Williams has said: “The economy is a wholly owned subsidiary of the environment. The earth itself is what ultimately controls economic activity because it is the source of the materials upon which economic activity works.” Or as Professor Victor puts it: “Nature can get on very well without humans. It did once and will likely do again, but as humans we have an interest in staying around, which means attending to our dependence on nature and doing so through the kinds of society and economy that we create.”

Growth vs Development

Leading American economist Herman Daly illustrates the fundamental difference between growth and development by these definitions:

- Growth – the *quantitative* increase in size or throughput of biophysical matter. Daly has argued economic growth is based on the ‘limitless transformation of natural capital into man-made capital’.
- Development – the *qualitative* improvement in economic welfare from increased quality of goods and services as defined by their ability to increase human well-being. This infers promoting increased economic activity only insofar as it does not exceed the capacity of the ecosystem to sustain it.

This sustainable form of development is defined in terms of throughput—the metabolic flow through the economy from sources of useful, low entropy matter-energy to sinks for wastes which are high entropy matter-energy. Sustainability requires that the throughput be within the regenerative capacities of renewable natural resources, and within the assimilative capacities of natural sinks.

And it’s not just archbishops and tree-huggers who are questioning growth. Since the 50s eminent writers and economists like Galbraith, Mishan, Boulding and Schumacher have done so. Herman Daly was once the Senior Economist at the World Bank. Adair Turner, former head of the CBI, said in the 2008 book *Do Good Lives Have to Cost the Earth* that we need to “dethrone growth”.

As we have shown, GDP is a bad measure of true progress. Currently GDP conflates qualitative improvement (development) with quantitative increase (growth). The sustainable economy must at some point stop growing, but it need not stop developing. There is no reason to limit the qualitative improvement in design of products, which can deliver to real human needs without increasing the amount of resources used. The main idea behind sustainability is to shift the path of progress from growth, which is not sustainable, toward development, which can be.

Needs, Means and Uneconomic Growth

Since Fritz Schumacher's seminal book *Small is Beautiful* in 1973 we have understood that appropriate scale is everything. To define the appropriate scale of economic activity one must examine four things:

- Needs. What do we actually 'need' to make us happy, fulfilled people and what does society wish to become?
- Means. How much of the planet's resources can we safely afford to rely on to meet those needs and what is the requisite health of an ecosystem relative to that social objective?
- Needs/means overlay.
 - Taking those two together, what sets of human economic artefacts, structures and processes are feasible within that requisite healthy ecosystem?
 - How can we use the adaptability and behaviours of human economies to assure they meet their own Wellbeing needs as well as the Wellbeing needs of the planet?

Defining 'Needs' is about asking what we need from life, both psychically and physically, not what adverts and marketing tell us we desire, but what actually delivers maximum Wellbeing for all. Food, shelter, health-care, transportation, warmth, community and friendships are certainly needs. Hummers are not. Means is about just how much planet is left, how much throughput we can safely use to deliver those qualitative increases in service delivery to attain those needs. It is also about leaving enough intact 'means' so that future generations can meet their needs.

These are surely more sophisticated and important questions than the one we have become fixated on, that being – 'how can we grow, grow, grow?' This shift in focus allows us to look not to ecosystem manipulation (and all its risks and ills) to exploitation of the adaptability of human economies.

Defining 'Needs' is about asking what we need from life, both psychically and physically, not what adverts and marketing tell us we desire.

The Perfect Storm of issues such as Climate Change and peak oil above illustrates that we are at or beyond a safe level of full use of the Earth and the economy's expansion now encroaches too much on its surrounding ecosystem. We are thus entering into 'uneconomic growth' where we are actually producing 'bads' faster than 'goods' – only our accounting systems are failing to show us the true costs.

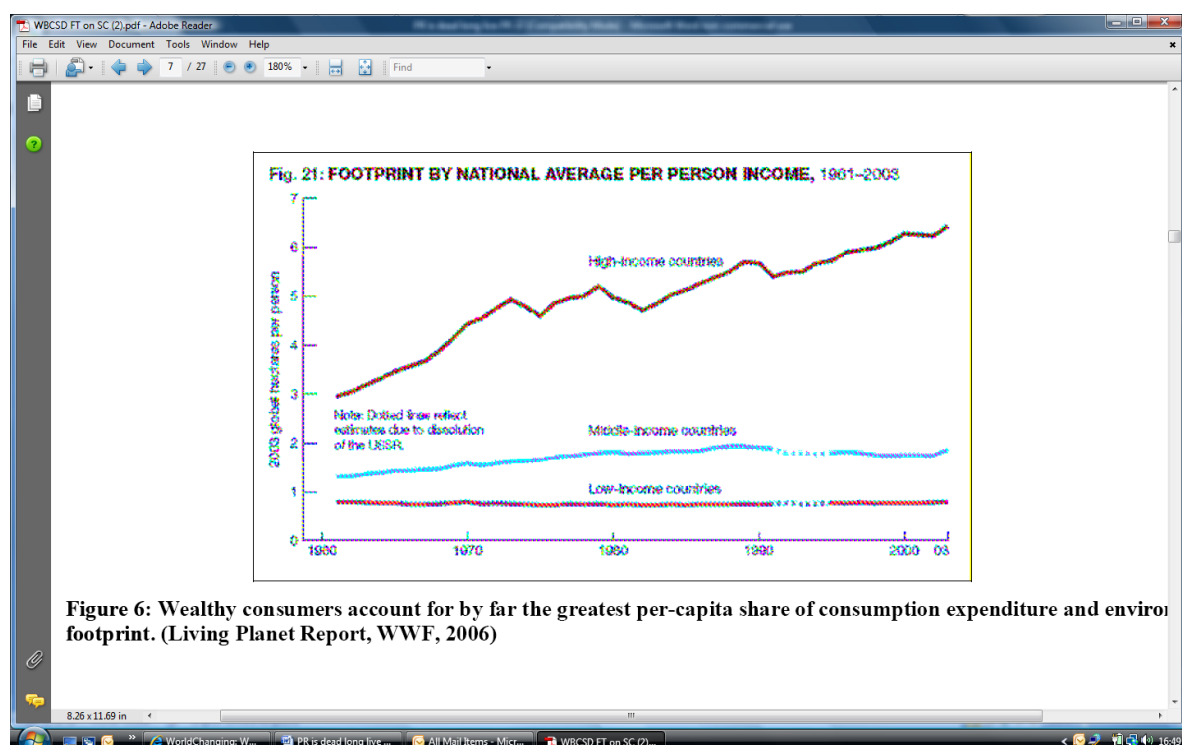
The key question now becomes one of scale – how big can we grow, how much 'stuff' can we produce, how much of the world's resources can we use as fodder throughput for our voracious economy and how much pollution can we inflict on our planet? Or how can we deliver maximum long and happy lives for all within the capacity of the planet?

A zero or close to zero rate of growth has already been experimented with in Japan where, despite near zero growth in the 1990's decade, the country has done well and indeed experienced somewhat of a cultural and social breather and renaissance.

The Green Consumption Myth

It is important to be aware that the idea of merely 'greening' consumption will not achieve the necessary absolute reductions in use of resources and creation of waste. As we saw earlier the scale and urgency of issues such as Climate Change, ecosystem collapse, energy, water and food famine and poverty are such that 'slightly better' just will not do. The crucial part of the above definition of qualitative development relates to the 'carrying capacity' of natural systems. These are already overloaded. The scale of things like at least 80% reductions in carbon by 2050 are truly breathtaking – especially in the context of expected 'business as usual' growth.

World GDP is projected to grow by 325% between 2007 and 2050 and 60% of GDP is currently accounted for by Consumer spending on goods and services. By 2025 it is expected that there will be 220m middle class Consumer households in China alone – a fourfold increase from 2004. As these households increase in wealth – so their footprints will increase. China needs to grow by 7% every year just to absorb the flows of works from rural areas and defunct state-owned industries.



It is therefore clear a 'green consumption' approach will not work. What is needed is a shift in developed-country societal focus to psycho-spiritual real needs and away from an

approach which attempts to deliver to created desires through relative materialism. In addition we need to take an approach which no longer makes a god of growth and aims for a steady-state economy.

To save the planet
we need reductions
so urgent and so
huge that no
manner of
efficiency is going
to help.

Unfortunately the ‘green movement’ of NGOs, consultancy boutiques and think tanks has largely fallen for the green consumption myth. They make the same mistake as the rest of the current system in treating people as Consumers rather than Citizens, playing to their intrinsic selfish sides. Minor successes such as a greater proliferation of hybrid cars and LED bulbs may still be a sign of the population’s continual weakness for over-consumption and materialism. Yet the solution to over-consumption is not simply to buy more ‘green’ stuff, however more efficient or ‘green’ it might be. This thinking is just not radical enough to effect the real change that is needed in society today.

We know this is not helpful.

NGOs need to be wary also. In a twist of irony, many are in serious danger of morphing into the type of Corporate entities they came into being to hold to account.

If the trends of 1992–2002 continue then global CO₂ emissions will rise by 90% in the next 50 years. To get anywhere near 60% reductions needs radical action. To reach even 40% cuts, based on current annual CO₂ intensity reductions, developed countries will need to manage without any growth in GDP.

What the planet and the science are calling for is huge and rapid absolute reductions in carbon emissions and wider ecological footprints. All the green consumption – using eco paints when you are re-decorating, or buying an energy efficient dishwasher – is not the answer. If you go on the government’s website you can read how to reduce your fuel bills by insulating your roof. However, appealing to self-interest – highlighting the financial savings of insulation and energy efficient light bulb – will divert attention away from community action or political change. To save the planet we need reductions so urgent and so huge that no manner of efficiency is going to help.

The solution to
over-consumption
is not simply to buy
more ‘green’ stuff,
however more
efficient or ‘green’
it might be.

As eminent Oxford University economics Professor Dieter Helm says of the idea that we can keep consuming and growing the economy *and* reduce climate emissions, “How can this be? How can ever more consumption and ever more people consuming be so benign? The trick in the Stern report, and in much conventional economic analysis, is to assume that we can

readily substitute the natural environment for man-made goods and services. We might for example lose lots of species and rainforests but, never mind, lots of ipods and new buildings will compensate us.”

Decoupling Growth and Resource Use

For a long time much hope has been put into the theory that we can ‘decouple’ growth from resource use and environmental damage. This ‘decoupling’ has not emerged and nor, with rapid economic growth and population increases, is it likely to come anywhere near the kinds of cuts in emissions and impacts needed to make our current lives sustainable.

The UK Government has suggested it has achieved an emissions reduction of 15% since 1990 – in fact if we include the emissions resulting from the production of imported goods and our overseas travel, the UK has actually increased its emissions by 19% since 1990. Much of the supposed decoupling countries now claim can be accounted for by this displacement of impacts to other countries such as China from which we now import things at great transport-environment cost. And China is many times less environmentally efficient at producing goods and avoiding wastes so those imports have a far higher footprint than if they had been produced in the UK. The human rights issues associated with these imports are also huge. As Professor of Philosophy A. C Grayling writes: “Almost everyone in the West at least once a week touches something made by slave labour in China – a pair of plastic chopsticks, paper packaging, a hair-grip.”

There are a number of recent studies on dematerialisation and decoupling.

A recent study by the five think tanks (one US, one Japanese and three EU)^{xxvi} found that between 1973 and 1995 for the US, Netherlands, German, Japan the Total Material Resource inputs per unit GDP did fall very slightly but levelled off in 1985 as GDP kept rising and resource intensity reductions were squeezed to their limits. Global GDP increased by 80% between 1980 and 2000 and population by 40% whilst total resource use increased by 36%. Thus we see that without a radical fall in GDP growth, with increasing demands to raise living standards of the world’s growing poor any decoupling will not make even a small dent in our global impacts.

A major 2004 study reviewing a large number of countries by Dr Stefan Bringezu of the Wuppertahl Institute stated that “with the exception of one specific case, no absolute decline of direct material input of industrial economics took place as those economies grew....the trend of material use in industrial countries is relatively steady.”

Another review of other studies on dematerialisation by Professor Cleveland of Boston University concluded “there is no compelling macroeconomic evidence that the US economy is ‘decoupled’ from material inputs, and we know even less about the net environmental effects of many changes in material use. We caution against the gross generalisations about material use, particularly the ‘gut’ feeling that technical change, substitution, and a shift to the information age inexorably lead to decreased materials intensity and

Not only are efficiency gains not helping to stem our increasingly voracious appetite for resources but a global study in 2006 by Professor Haberl of Vienna University concluded that “efficiency increases are rather fuelling GDP growth than helping to reduce aggregate resource consumption.” As Professor Peter Victor says in *Managing Without Growth*: “Over the 30 years from 1972 onwards, higher annual rates of growth in GDP in high income countries were associated if anything with *smaller* reductions in CO2 intensity not larger ones.” Indeed Victor shows that energy intensity reductions have been lowest in years with the highest growth – in other words high growth takes our eyes off the ball of efficiency and tends us to profligacy.

And our record for improving technology is not great. Between 1902 and 2000 the US increased its use of electricity over 630 times but over that same timescale the improvements in secondary efficiency (the conversion of electricity to useful work) only increased from 51.4% to 57.3% - and it reached 55.4% by 1930.

Slow or Zero Growth Economics in Practice

According to Professor Victor, assuming global GDP/capita increases of 1.4% continue and current population growth projections of 0.7% per year prove correct, the rate of annual global CO2 intensity reductions would have to be 3.9% per year for the next 50 years for CO2 emissions to fall by 60%. However CO2 intensity reductions in the period 1972–1992 were only 1.4% and for 1992–2002 they were only 1.5%. If the trends of 1992–2002 continue then global CO2 emissions will rise by 90% in the next 50 years. To get anywhere near 60% reductions needs radical action. To reach even 40% cuts, based on current annual CO2 intensity reductions, developed countries will need to manage without any growth in GDP.

As we will see later, without such a slowing or halting of developed country growth, developing countries will have no way to lift their billions of Citizens out of poverty without tipping the planet into meltdown.

Victor^{xxvii} has undertaken groundbreaking econometric modelling of what a LowGrow economy would look like and its implications for poverty, environment, employment and other factors. His conclusions showed that a low to zero growth economy can indeed bring about the Wellbeing needs of society:

“Looking at Canada since the 1970s we saw that economic growth has not brought full employment, it has not eliminated poverty – in fact by some measures poverty has increased – and it has not solved our environmental problems. Clearly economic growth is not sufficient for meeting any of these objectives. Is it necessary? This is the question that we sought to answer with the help of LowGrow, a simulation model of the Canadian economy. What we found is that it is possible to develop scenarios over a 30 year time horizon for Canada in which full employment prevails, poverty is essentially eliminated, people enjoy more leisure, greenhouse gas emissions are drastically reduced, and the level of government indebtedness declines, all in the context of low and ultimately no economic growth.”

Sharing Growth Globally

Over the last 20 years, an extra billion Consumers have joined the world's population, and rapidly developing nations like China, India and Brazil will increasingly claim a fairer share of the world resources.

And many of the developing world's people are being encouraged to follow the same path that we in the developed world have. Chinese and Indian TV adverts encourage Consumers to get rid of the bicycles and get cars. China currently only has the number of cars per head as the US had in 1915 but is rapidly catching up and now ranks as the number one global market for Rolls-Royce. In 2005 it had just one drive-through McDonalds. By the end of 2008 it is predicted to have 115. Of course greater mobility and connectivity brings freedom, but do those adverts also tell the story of congestion, smog, greenhouse gas effects, the real costs of motoring?

A study by Professor Haberl^{xxviii} of Vienna University in 2006 on the ecological embeddedness of the global economy from 1700 to 2000 concluded that "the efficiency increases in terms of a reduction in resource use per unit of GDP may be beneficial but are certainly not sufficient to result in a reversal of current trends...the developing countries will find it impossible to follow the trajectory the industrial core has followed in the last two centuries".

The picture and the implications for growth are different for the developed and developing worlds. For those 5bn people earning less than \$13,000 it is clear that increasing wealth brings increasing Wellbeing. For those above that level it does not. And the concomitant planetary impacts are not worth those rapidly diminishing returns.

China has a new millionaire a day and yet the vast majority have little hope of improving their standard of living.

This calls for a radically new 'contract and converge' approach in which the rich world contracts its footprint while the developing world continues to develop and our per capita footprints converge globally at a sustainable level. That said, in those developing countries there is an urgent need to spread growth equitably. China for instance has a new millionaire a day and yet the vast majority have little hope of improving their standard of living. In already wealthy countries this calls for an end to a fixation on growth and Consumerism, a contraction of our growth and a spreading of a far more equitable access to increased Wellbeing to the world's poor.

The cake has now been shown to be far smaller than we had assumed it was. It has been shown that we cannot expect to expand it. So the rich need to take far less and the poor need to be given access to far more.

Professor Victor's LowGrow model examined earlier in this chapter illustrates that a contraction of developed country growth can work for people and planet. Future modelling

could start to show how access to needed growth in developing countries can be shared out and how developed countries can grow to a sustainable level and converge with developed countries at a globally sustainable level.

Even in the rapidly developing BRIC^{xxix} countries' per capita footprints and global warming emissions are still far lower than in the developed world. Countries like China – whilst their emissions are rising fast with their huge economic growth – are at the front-line of any climate change impacts. China is the most per capita resource-poor country in the world. Huge areas are rapidly turning to desert, most of its rivers are 'dead' and often do not even flow any more. China has huge reserves of coal and huge population and poverty pressure pushing it to burn that coal. But China will also be badly affected by any global climate changes resulting from burning this coal.

As we have seen from Chapter One on the Perfect Storm, our current form of capitalism does little to increase equitable access to resources and wealth whilst destroying the planet. It is clear from the inequity evidence we described earlier that our current form of globalised, liberalised, free-market economics is neither fair on the planet nor the wide majority of its people.

Our current globalised trading system operates in a way which inevitably favours the rich. Globalisation rapidly speeds up transactions whilst destroying government's abilities to maintain a healthy balance between the interests of the rich and corporate and the Wellbeing of all Citizens. That is why free trade is always so favoured by powerful countries, companies and capital rich people. When anyone sells something outside their own locality in competition with other selling communities they are likely to increase the relative wealth of their target customers. On a global scale what happens is that wealth thus concentrates ever more in the hands of the already wealthy and poor producers compete with each other to reduce profit margins and remain poor.

In order to update this faulty operating system, a new set of institutional architecture and rules for commerce, trade and with an equitable distribution to our global 'commons' in a new Capitalism 3.0 is needed (as we examine in Chapter Eight). Only this can hope to reduce poverty within the carrying capacity of the planet. And only this can hope to encourage reduced birth-rates in the developing world. At the same time the expected population increases predicted need to be avoided by an encouragement of family planning, women's empowerment and democratic governance.

Globalisation rapidly speeds up transactions whilst destroying government's abilities to maintain a healthy balance between the interests of the rich and corporate and the Wellbeing of all Citizens.

Counter to what many people assume, it is in the developing world where recent HSBC research found most concern for and engagement with combating Climate Change. This dispels perhaps the myth that developed countries may as well not bother to change because 'China will keep on growing emissions anyway'.

It is in the
developing world
where recent HSBC
research found
most concern for
and engagement
with combating
Climate Change.

Chapter Eight

Corporate Social Responsibility to Capitalism 3.0

What is the role of business in today's social and environmental climate and how can companies evolve to meet changing expectations? This chapter discusses the idea of 'capitalism 3.0' and the ideal of sustainable, more responsible corporations. It also details the notion of a 'commons sector', a movement that already has green shoots in the form of community gardens and other projects, and, on a larger scale, land and water trusts and greenhouse gas initiatives. Such a cultural shift could also result in a change of attitudes towards work, one that is more encompassing and less obsessed by finance.

In the *New York Times* almost 40 years ago, Milton Friedman, an economic hero for Margaret Thatcher, said: "The social responsibility of business is to increase its profits." This is just one of the shortcomings of the current corporate design. The primary legal duty of fiduciaries and boards is to deliver straight profit maximisation, meaning that other considerations have to be second or third best. The quarterly beauty-parade short-termism of investors necessarily leads to a similar short-termism in corporate strategy. This is not borne particularly or simply of malevolence, it is corporations merely 'doing their job.'

These days we demand startled companies to both make money and improve the world.

These days we demand startled companies to both make money and improve the world. Yet even the 1990s and early noughties fad of Corporate Social Responsibility has lost much of its gloss. Sir Jonathon Porritt, a one time proponent of CSR efforts with his Forum For the Future consultancy, said recently: "The difference between today's prevailing band-aid CSR and an integrated, strategic commitment to becoming genuinely sustainable, over time, couldn't be greater...The very fact that...they continue to pursue their core business (quite legally and, indeed, quite logically, given the failure of politicians to change the rules) without the remotest

likelihood that they or their products/services will ever become genuinely sustainable, reveals all one really needs to know about the empty, seductive illusion that is CSR."

There are increasing pressures on companies to become more responsible.

In his book *The Great Turning*, David Korten reviewed numerous US polls from sources such as Harris, Gallup, Business Week and The Washington Post and found that:

- 72% of the public think corporations have too much power over too many aspects of American life.
- 74% think big business has too much influence over government, 82% small business has too little.
- 88% distrust corporate executives.
- 90% want new corporate regulations and tougher enforcement of existing laws.
- 4% think America is best served when corporations pursue only the goal of maximising share value.
- 64% think government is run by a few big interests.

The problem is that companies and the frameworks within which they operate were never designed to make the world a better place. If we want the business of business to be more than just business, we need to redesign ‘the corporation’ for a new era in which profit and economic growth are not the sole objectives.

We may begin to see a shift towards younger, brighter companies taking the mantle from traditional, monolithic incumbents. For example, it took a small disruptive innovator like Lemnis to bring LED (light-emitting diode) lighting to the market. Fascinatingly, Lemnis was set up by two great-grandsons of the founder of Philips – if they could not make the future of lighting happen within Philips then no one could. Incremental change is not going to be enough for the current incumbents; as Peter Drucker once said^{xxx}: “Nothing is less productive than to make more efficient what should not be done at all.”

If we want the business of business to be more than just business, we need to redesign ‘the corporation’ for a new era in which profit and economic growth are not the sole objectives.

Currently we have three basic spheres of influence that make up society: government, the corporate sector and civil society (public, voters, and Consumers). The corporate and government sectors have become sclerotic due to their short-termism and myopic focus on economic growth. If a new people- and planet-friendly form of capitalism is to evolve we urgently need politics and business to be dragged out of its short-termist and growth-obsessed worldview and into the new societal conversation about ‘good lives’.

Capitalism 3.0

What form might commerce take within the new economy we are outlining? A truly sustainable company can only exist in a sustainable Wellbeing Economy. This calls for a root and branch upgrading of capitalism’s operating system – what we might call ‘capitalism 3.0’.

In undertaking this upgrade however we must guard against ever more complexity. Systems theory, from an understanding of ecosystem processes to social and thermo-dynamic interactions, tells us that at a certain point complexity becomes a burden. Indeed, research into the evolution and collapse of societies shows that they often react to impending collapse or tipping points by adding ever more complexity than already pressurised resources cannot afford.

In Peter Barnes’ book *Capitalism 3.0*^{xxxi}, he explains a vision that sees a new ‘commons sector’ as an addition to our current operating system to provide a balance to the corporate sector and virtuous feedback loops and proxies for unrepresented stakeholders such as future generations, and non-human species.

This vision allows corporations to continue making money and delivering to needs, safe in the knowledge that the wider interest of people and planet are being taken care of by the commons sector and governments.

This vision allows corporations to continue making money and delivering to needs, safe in the knowledge that the wider interest of people and planet are being taken care of.

Commons and Trusts

A commons sector would take a more plural and long-term interest into account, protecting the interests of the natural commons on behalf of current and future generations. According to Barnes these commons such as forests, watersheds, aquifers, and rivers are calculated to contribute \$2 trillion in ecosystem services to the US economy annually – a contribution that currently is largely given away as free gifts of society to the business sector.

Land, forests, water and other natural resources of value that we wish to protect would be placed into trusts overseen by trustees. This is a form of propertisation without privatisation. Assets would thus be isolated from the short-term interests of business and politicians.

The trusts would be run with both current and future generations as the beneficiaries and would only be allowed to 'spend' the income, not the capital of the trust. Such trusts already exist in some forms such as the US Marin County Agricultural Land Trust (MALT) and the Pacific Forest Trust. The Asian Community Trust (ACT) is Japan's first charitable trust modelled on community foundations in the USA. It is committed to providing support for grassroots, self-help efforts of non-governmental organisations involved in sustainable social and economic development across Asia.

Trusts could be set up for all sorts of things. Community gardens would reclaim land and share assets. New York City now has 700 community gardens while in Seattle 900 families raise food in such gardens and in Philadelphia gardeners save \$700 each on food bills. Air trusts would auction permits to limit carbon emissions from local power plants. In the USA the Regional Greenhouse Gas Initiative covers seven states. Land trusts would shield land from development or degradation, whether rural or urban. In Boston the community in Dudley Street has run one since 1988 and has built 600 low price homes and parks areas. Perhaps this is a logical conclusion of the confluence between the digital age of greater and more effective communication that helps to bring together communities of like-minded people that in turn produces greater Wellbeing for all concerned.

New surface water trusts would protect rivers and lakes as currently happens with the Oregon Water Trust, which works with 300 landowners to put water back into streams and protect aquatic life. Ground water trusts would protect aquifers and give permits for sustainable water use. On an even larger scale, watershed trusts would consider topsoil and flowing waters as a commons to be preserved for future generations. The trusts would hold all rights to introduce fertilisers and pesticides and would reward farmers for proper land stewardship. An annually reducing set of tradable permits for soil inputs would be sold to input manufacturers and the revenue would be recycled to farmers who met stewardship guidelines.

The Implications for Commerce

As we said earlier, it is not clear whether ‘corporations’ as we know them today will be the entities which help us overcome the challenges of our time. As we examine below, there are some radical changes required which will impact the very nature of work and its relation to capital, resources, ownership and needs fulfilment which represent radical implications for current businesses.

As Jim Collins and Jeremy Porras say in *Built to Last*: “Superb execution and performance naturally come to the visionary companies not so much as an end goal, but as the residual result of a never-ending cycle of self-stimulated improvement and investment for the future.” Companies now need to apply the ‘core-values and purpose’ examination and lens to all that they do if they are to be Fit For Purpose in the new sustainable world. Being visionary will come from tuning in to the three elements of the Perfect Storm: the ‘means’ of full planet economics, Wellbeing ‘needs’ of Citizens and the Digital Democracy. These three seismic shifts of our time will bring about radical changes to the landscape across which commerce will need to navigate and only the ‘audacious’ will make the grade. Built to Last 2.0 will be about delivering to real needs, not the created relative-materialist desires, and about the planetary means to get that delivery. It will be about durability, thrift and resilience built into the service commerce provides for society.

The business world is waking up to the need for such change.

The business world is waking up to the need for such change.

Indeed, a July 2007 survey of 151 British firms conducted by consultants PricewaterhouseCoopers LLP, found that taxes are often effective at delivering green improvements and half (49%) of the companies did not think current policy instruments actually encourage significant changes in behaviour. In the report Glyn Barker, managing partner, PricewaterhouseCoopers, states "We believe that there is an urgent requirement for a much clearer policy framework to help business respond to the challenge of climate change. While it may be surprising to find businesses appearing to welcome further regulation, corporate leaders recognise that customer and investor pressure is not enough to change their environmental behaviour fast enough, given the urgency and scale of action required. Competitive businesses want a level playing field, and they want it to be green."

In a speech at the 2006 Conservative Party Conference, Sir Mark Moody-Stuart, Former Chairman of Shell and now Chairman of Anglo-American, although a firm believer in the value of markets, explained the importance of such legislation. "Without regulation to channel their power", he said, "markets will not on their own deliver things which are of no immediate benefit to the individual consumer making his or her choice, even though they may be beneficial to consumers collectively – in other words, society. Markets without regulation would not have delivered unleaded gasoline, autocatalysts or seatbelts and airbags, nor would they in isolation have delivered clean air to London after the killer smogs of the fifties."

A 2008 report by the CBI Climate Change: Everyone's Business endorsed by 18 CEOs from companies as varied as Tesco, McKinsey, Shell, BA, BP, RWE and Barclays stated that "Market forces will drive big changes, but they will not by themselves be enough to do the job. The full range of public policies must be deployed to create the right incentives."

In 2006 the Corporate Leaders Group on Climate Change, which represents the CEOs of 18 leading UK companies, including HSBC, Vodafone, Unilever, BSKyB and Shell, said: "We ought to address the 'Catch 22' situation in which governments refrain from introducing new policies to reduce emissions because they fear business resistance, while companies find it difficult to take their investments in low carbon solutions to scale because of the lack of long term climate policies".

The nexus of 'Needs' and 'Means' and a shift to thinking in terms of economic development rather than growth for growth's sake would imply profits would be made from a company and economy that delivers maximum satisfaction to deliver long happy lives with least new material input. People don't buy drills, they buy holes in walls – so companies, or whatever we call their replacements, would have to ask what do people really 'need' and how can they give it to them with least resource input and waste output?

People don't buy drills, they buy holes in walls – so companies, or whatever we call their replacements, would have to ask what do people really 'need' and how can they give it to them with least resource input and waste output?

In *The Upside of Down* Thomas Homer-Dixon, an adviser to (amongst others) the CIA, World Bank and WEF, says: "Our economic elites don't just encourage Consumerism. Through their influence on the media and our society's political process, they create, reproduce, and justify a pervasive and interlocking system of rules and institutions – from property rights and capital markets to contract and labour laws – that promote growth and that, in the process, buttresses their power and privilege."

It is just this set of rules and institutions, property rights and capital market set-up which a New Green Deal (examined in Chapter Nine) would alter. This programme would use new taxes to rebuild economies around massive infrastructure programmes in saving greenhouse-gas emissions. Innovative funding models would encourage Local Authority bonds for capital infrastructure investment. Green armies of re-employed would go to work refitting buildings for low-energy living and working, constructing low carbon transportation infrastructure, and building a renewable energy network to power the new de-globalised world and its localised economies.

Chapter Nine

The Politics of the Green New Deal

The above changes to the market context within which commerce operates first calls for a new politics. The neo-classical economic synthesis is the product of an age when we knew far less about how the world works and just how small and sensitive it is. For that reason a new politics is called for. The Left has failed as dismally as the Right to grasp both the urgency and scale of our mistakes and the possible way forward.

Many today find it hard to discern much difference between ‘New Tory’ and New Labour. Indeed Blairite Peter Mandelson MP said in 2002 “We are all Thatcherites now”. And then in 2007 George Osbourne MP hailed his boss David Cameron as “heir to Blair”.

In an age where Left and Right are ever more blurred, it is now clear that issues such as sustainability and equity require a new political analysis and do not fit easily on the Left-Right spectrum.

Both the Right and the Left are fundamentally fixated on growth as a way to deliver progress. And the visions of both are so inexorably hooked, indeed predicated, on ever more economic growth that they are destined to fail.

‘Green’ issues have long been thought of as an anti-capitalist Left-wing agenda. However, since the 2007 *Quality Of Life* Report, Sarkozy’s comments on GDP and Californian Governor Schwarzenegger’s changing views, this is no longer a given. In fact in an age where Left and Right are ever more blurred, it is now clear that issues such as sustainability and equity require a new political analysis and do not fit easily on the Left-Right spectrum.

This is strange as voters are clearly ever more engaged by in green issues. A July 2008 poll by Guardian/ICM found that voters think that

taking action against Climate Change matters more than tackling the global economic downturn. 52% favoured prioritising tackling climate change compared with 44% the economic downturn. But the poll, reflecting findings in earlier surveys, also shows people want the government to sort out the problem rather than take on responsibility themselves. The poll also suggested that the environment is not a rich voter concern. Although women are more likely than men to place the environment ahead of the economy as an issue - 55% of women say it is a priority, against 49% of men - support for action is strong across all ages, regions and social groups. Far from being the greenest part of the population, middle-class voters are actually more sceptical than most about the need for action, perhaps because they fear they have more to lose from increased bills and taxes. Voters in the richest AB group are the only ones to place the economy ahead of the environment as a government priority: 50% say the economy and 47% the environment.

Perhaps the reason we have emphasised growth politically, put it in first place, is that it seems to promise to solve all the crushing problems we have described of overpopulation, unemployment, inequality and even Climate Change without having to be in any way ‘radical’. It gives the myth of a win-win solution.

If you assume that a rising tide of wealth will sweep all to riches and allow us to solve all sustainability problems then why bother to be radical? As we have shown, ever-increasing growth is just not an option. Take that growth-solution option away, and you have to go back to the really radical solutions and politicians don't want to do that, for fear the public is not ready to support them.

Is the problem that politicians are largely thinking still in terms of what is ‘possible’, not what is ‘necessary’? If growth really is uneconomic now, then we have to face very radical kinds of solutions to fundamental problems.

And indeed politicians themselves need to see that their ability to deliver on what society really needs – Wellbeing – is greatly diminished by having to fixate on economic growth. If they are aware of this, it must be immensely frustrating: if your job is to nurture a system which delivers ever greater economic growth, then any other objective has to take second place to that primary objective.

Is the problem that politicians are largely thinking still in terms of what is ‘possible’, not what is ‘necessary’?

The UK’s new independent Committee on Climate Change is the first attempt to solve the problems which emerge when the short-termism of politics and business lobbies meet the long-term interests of people and planet. As we described earlier, similar models are surely needed for other ‘commons’.

The current UK government has done a poor job of tuning in to the issues we discuss in this book. As Larry Elliot, economic correspondent to *The Guardian*, says in *Do Good Lives Have to Cost the Earth*: “New Labour has always been a political movement that has wanted to have its cake and eat it, and nowhere is this more true than over climate change.” In 1997, writing in *Greening the Millennium*, political scientist Neil Carter wrote that the Labour Party “has an ambivalent attitude to the environment...there is a long-standing suspicion that environmentalism is the preserve of the middle classes who, in Crosland’s words, want to ‘kick the ladder down behind them’ by focusing on threats to the countryside while ignoring urban decay and the material needs of the working class”.

The Tory Party shows some signs of taking these issues far more to heart. Time will tell if they deliver on some promising rhetoric. What is certain is that a new people- and planet-friendly politics is needed, but government would need to play a different role in a Wellbeing Economy.

As the urgently needed big conversation on these issues emerges, people and planet friendly politics will show itself to be the only sensible and morally-just vision. Government will play a different role in a Wellbeing Economy. More localised participative democratic involvement of Citizens will mean that central and local governments functions will need to evolve and reduce. This will drag politics out of the apathy and party-political adversarial model it currently languishes under. Compromise and cooperation will be more the form that solutions take and a longer term perspective will have implications for a wide array of issues including regeneration, planning, energy and mobility. Already there are active and fast growing grassroots initiatives such as the Transition Towns movement and others where normal Citizens are saying 'we have had enough of waiting for politics to act'.

Government will play a different role in a Wellbeing Economy. More localised participative democratic involvement of Citizens will mean that central and local governments functions will need to evolve and reduce.

Transition Towns

The UK's Transition Towns movement uses the innovative 'open-space' technology (OST) in which a large group of people comes together to explore a particular topic or issue, with no agenda, no timetable, no obvious co-ordinator and no minute takers. OST is a self-organising process; participants construct the agenda and schedule during the meeting itself. Outputs are photographed and posted to a live wiki site and the open-space develops ideas as people from around the world debate the issues arising from the original meeting. Such methods can enable the creation of 'instant proceedings' and simultaneous multi-site gatherings and have been proven to be hugely productive. People have used it in widely diverse situations, from designing aircraft doors at a large aircraft manufacturing company to engaging street kids in defining a sustainable jobs-programme.

In the US, AmericaSpeaks and The Kettering Foundation are pioneering approaches state-of-the-art Communications technologies and techniques to empower Citizen dialogue and pressure on local and national issues. AmericaSpeaks' Engagement Tools are used to build a level playing field on which Citizens can be authentically engaged with each other in policy discussions that are directly and transparently linked to decision-makers and governance processes. It uses online deliberation, 'C21st Town meetings', webcast meetings, 'community-conversations' and keypad-polling to facilitate Citizen engagement.

The Move On initiative in the US has been very successful at using such techniques and the internet to funnel popular support for environmental issues towards the 2008 US Presidential Nominations process. The MoveOn family of organisations aims to bring real Americans back into the political process. With over 3.2 million members across America – from carpenters to stay-at-home mums to business leaders – they work together to realise the progressive promise of the US. MoveOn acts as a service – a way for busy but concerned Citizens to find their political voice in a system dominated by big money and big media. A similar movement which will support Citizens engaging with sustainability advocacy and tactical voting through digital platforms is developing in the UK for the 2010 General Election.

Such local and grassroots pressure from Citizens is set to change the face of centralised politics. As this pressure builds the job of government would then not be to merely grow the economy but in fact to support the delivery of maximum human and planetary Wellbeing. Chancellors of the Exchequer would not play anything like as important a role as Environment and Social Affairs Ministers in such a Wellbeing Economy.

Chancellors of the Exchequer would not play anything like as important a role as Environment and Social Affairs Ministers in such a Wellbeing Economy.

In the tradition of the Roosevelt 1930's post depression New Deal, today there are calls from the UK Green Party leader Caroline Lucas and others for a Green New Deal. And if the issues we have raised do come together and threaten collapse of our economies then the Depression might well be the best analogy. The New Deal did three key things. It strictly regulated the greed of the finance sector. It brought in new taxes on business and the wealthy and it invested the proceeds of \$billions in infrastructure, jobs and kick-starting a new economy.

In his 2006 book *The Great Turning*, David Korten says: "Call those of us on the side of Earth Community progressives – progressive conservatives and progressive liberals. Although we have our differences, we share a commitment to creating a society governed by ordinary people and dedicated to the ideals of liberty, justice, and opportunity for all. We are driven by principle rather than ideology, and

deal in reality rather than delusion. We have no more in common with ideological extremists of the Far Left who seek violent revolution and state control of every aspect of life than we do with the ideological extremists of the Far Right who pursue imperial wars abroad, a theocratic state at home, and freedom for themselves to oppress the rest. A politics of mature Citizenship properly honours both the conservative values of freedom and individual responsibility and the liberal values of equity and justice for all. It brings together a conservative concern for community and heritage with a liberal concern for inclusiveness and the creation of a world that works for the whole of life and children yet to come. It recognizes the importance of local roots combined with global consciousness. In the mature human mind, these are complementary values that call us to a path of spiritual health and maturity."

What is urgently needed is a new political philosophy, vision and new societal myths that are not locked into denial – but seek pathways to a Wellbeing society.

PART FOUR – TOWARDS A SOLUTION

In Part Four, we draw together the implications of the three seismic shifts and examine the new, tripartite relationship between Governments, Citizens and Business.

In Chapter Ten, we offer our own, first thoughts on the individuation journeys that each of these groups will need to take in order to secure a world order rooted in greater equality and Wellbeing. We examine the urgent need for Recognition as well as Responsibility – and suggest a series of frameworks at both a local and global level, which will help guide the economics, politics and Citizenship of the future. We hope that we are kick-starting a Manifesto for a more Progressive way.

Communications companies, if they are to play the pivotal roles they can and should, also need to consider what it will take to be properly Fit For Purpose.

Strangely, perhaps, for a Book that has at times been harsh in its judgment of Communications and Marketing, Chapters Eleven and Twelve consider the central role that we believe Communications will play in helping shape this fairer and better future. Chapter Eleven discusses what we see as the inevitable decline of advertising as we know it, and the rise of a new discipline we are calling Public Engagement – where a new balance is secured between the various stakeholder groups analysed throughout *Citizen Renaissance*.

Yet calling for a rise towards Public Engagement will not suffice in itself. Communications companies, if they are to play the pivotal roles they can and should, also need to consider what it will take to be properly Fit For Purpose. This is the focus of Chapter Twelve. Communications companies of the future may well be the engine rooms (or at least the lubricant) of a new

civic society – but urgent and profound re-assessment and re-alignment will be needed if this is to happen.

Chapter Ten

The Individuation of Business, Politics and Citizenship

Historical allusions to Tripartite Agreements most often refer to the deals made in closed rooms by the Imperial Powers of the early Twentieth Century . This chapter explores the potential of a new Tripartite Contract – one between Business, Politics and Citizenship; a Contract built and conducted in the spirit of openness, transparency and real understanding and in pursuit of the common good.

Our work on *Citizen Renaissance* has covered many diverse aspects of modern society and has, we hope, exposed current myths and misdemeanours without demanding that we all revert to a pre-industrial state of tee-pees and hemp. However, we have also seen that to replace rampant Consumerism with ‘new green’ consumption or to audit our footprints without tackling the root causes, will simply not cut it. If we are to do what is really needed to arrest plummeting levels of happiness and escalating levels of destructive growth, progressive action is needed.

We believe that this progressive action sits at the inter-section of Business, Politics and Citizenship - and that, at its most fundamental, all parties ask of themselves two key questions:

- 1. Are we now addressing Needs, not Wants?**
- 2. Are our actions sustainable and fair, not just for ourselves, but for our communities and can they work within the Means of our planet?**

We have to learn to live within our means and to adjust behaviours accordingly. If we can learn to move away from a world of tobacco, to eradicate apartheid and to bring down false walls of political separation, then surely this is an achievable evolutionary step. We can only get in the way of ourselves.

While this may seem a trite over-simplification of a hugely complex conundrum, it is an essential starting point. We have titled this Chapter ‘The Individuation...’ because we recognise that a journey is required of and from us all. We have to all live up to our Responsibilities. Our starting points, however, are rooted in Recognition – where we really are today and where we really need to be tomorrow.

The three, great seismic shifts of our time must now be followed by a series of smaller, but no less pivotal or urgent shifts in behaviours and actions that will, taken together, recalibrate us all towards a more Citizen-centric sense of purpose and achievement.

Progressive action is needed to arrest plummeting levels of happiness and escalating levels of destructive growth.

Actions for Progressive Politics and the Architecture of a Wellbeing Economy

***Citizen Renaissance* calls for an end to Focus Group Politics that have emasculated leadership and severely constrained our ability to effect change, just when change has been most urgently needed. Short-termism, based on electoral necessity (or greed?), must be replaced by a rigorous longer-term view, grounded in the scientific facts of the Perfect Storm surrounding Climate Change and a new compassion for a fairer and more equal society, linking Global North and South.**

Current political institutions remain weak and imperfect on both a national and supra-national level. Urgent reform is required to address both – setting new standards of accountability and delivery for both local Citizens and a new, global Citizenship.

At a national level:

- Shift towards a Wellbeing Economy measured by the desired endpoints of maximised human and planetary Wellbeing, not GDP
- Shift towards the politics of conversation, not confrontation. Use of engaged debate to inform policy and change
- Shift towards considering the benefits to the many and not the few. A shift away from the use of narrow political dogma to guide actions
- Shift towards a real system of proportional representation that enfranchises the Citizenship in a way that is commensurate with the democratising power of Digital. Allow every voice to be heard and every citizen to be counted, in equal measure.
- Shift towards articulating and protecting a genuine, longer-term view; cross-party alignment on the 2020/2050 Vision in the context of the Perfect Storm – and the measures required to deliver this. A determination not to deviate from this goal, whatever the short-term political ‘need’ and to remain grounded in scientific fact. (In Britain, this could provide an interesting role/ function for a re-modelled Upper House of Representatives?)
- Shift towards a new openness – both of information access and programme delivery; access to the funding of political parties and the scale and reach of the lobby
- Shift towards national depletion quotas for resources and eco-taxation
- Shift towards Personal Carbon Allowances or Tradable Energy Quotas, in which each adult Citizen is given an equal free entitlement of TEQ units

At a global level:

- Shift towards a new international institutional trade framework
- Shift towards a radical and urgent reform of the WTO, the World Bank and the IMF to democratise it and deliver the above changes
- Shift towards a new institutional financial framework that would lengthen the time-horizons of investors and enable better and more thoughtful longer-term thinking
- Shift towards a globally agreed contract and converge equity-based model for radical reductions in carbon emissions
- Shift towards a new landscape of national outcomes-based regulation to drive carbon out of the global economy and fast-track low carbon and sustainable infrastructure and business model developments. Questions over the relative benefits of price versus quantity market mechanisms show that current trading and other price mechanisms are failing

Actions for progressive business

We believe that progressive and responsible companies will need to develop new built-to-last values, purposes and business models fit for the new Wellbeing Economy and ‘Capitalism 3.0’. The companies which do this will last, the ones which do not will eventually die by the wayside.

New business models will need to focus upon new forms of products and services to reflect these societal changes:

- Shift from current industrial and commercial practice to an ecological and bio-inspired one in tune with the principles such as the ‘land ethic’ of Aldo Leopold: “A thing is right to do when it tends to preserve the integrity, stability and beauty of a biotic community. It is wrong when it tends otherwise.”
- Shift to operate in line with Daly’s three principles on which to base limits on the throughput of an economy so that it does not become too large in relation to the environment:
 1. renewable resources should be harvested at rates that do not exceed regeneration rates;
 2. the rate of depletion of on-renewable resources should not exceed the rate of creation of renewable substitutes; and
 3. waste emissions rates should not exceed the natural assimilative capacities of ecosystems into which they are emitted .
- Shift to what Daly also recommends in that ‘manmade’ capital should be kept intact and that we should emphasize technologies that increase resource productivity, measured as the amount of value extracted per unit of resource, rather than technologies for increasing the resource throughput itself
- Shift towards examining and delivering to psycho-spiritual wellbeing needs.
- Shift of focus from selling products to delivering services
- Shift to longer lasting, durable products which are far more efficient in use of resources in their life and which can be replaced more slowly, thus requiring lower rates of resource use. One adaptation in this direction is the service contract for leased commodities
- Shift towards an end to some materials - such as products which break easily, are impossible to repair and decompose very slowly. Organic inputs will be the norm
- Shift from seeing products as benefits to seeing production as a cost of maintenance of delivery to societal needs. This shift to production being a cost not a profit making enterprise is fairly fundamental

Actions for Progressive Citizens

We believe that national and global Citizens must now fully utilise the tools provided to them by the Digital revolution to help drive fundamental behavioural change, both among themselves and with businesses, governments and institutions. The Web provides the new Barricades. Democracy is increasingly available and accessible at the touch of a finger. The difference between this Renaissance and previous incarnations, is that Universal Suffrage is finally arriving: not just via the Ballot Box but out there, in the global, Digital space. We, the Citizens, now have the ability to form a super-power of global Public Opinion.

- Shift towards consumption habits based on Needs, not Wants
- Shift towards a refusal to buy products which simply fail to meet globally-accepted environmental protocols or standards (and fit within the wider, political visions and accepted norms)
- Shift towards investment behaviours that demand better ethical and environmental standards from businesses
- Shift towards an acceptance that punitive fiscal measures will be the inevitable consequence of purchasing products that fail to meet acceptable environmental standards
- Shift towards pension and other investments in funds that reach minimum requirements on environmental issues and have a clear and open ethical policy; shift towards a determination to hold ‘non ethical/ non environmental’ investors to account
- Shift towards demanding seats in a People’s Parliament (the elected Upper Chamber) – with specific representation on ethical and environmental issues
- Shifts towards the use of Social Networks as ‘populist NGOs’ – ensuring levels of original and dynamic thought

Confluence and the new, Tripartite Contract

Progressive Citizens will hold Businesses and Governments in check. In parallel, a new and more mature Business and Political leadership will flourish, as many of the ‘shifts’ described above become ‘norms’ and as the democratising power of Digital takes final and effective root.

- **The lobby for framework change will intensify**

Progressive business leaders now understand the need to raise the bar on a level playing field that only Governments can enact. Often the current market framework has inbuilt perverse subsidies or incentives which block corporate shifts to sustainability. Putting in place a new Wellbeing Economy will need the active support of Business. Acting alone to push the envelope of sustainability can be hard. But if all companies have to shift due to framework changes (fiscal, regulatory etc) then there are no free-riders who gain from laggard behaviour.

The Corporate Leaders Group on Climate Change is one example of companies encouraging Government to do just this – though too infrequent and not ambitious enough. Companies need to align their public policy advocacy programmes with their newly developed built-to-last ‘Capitalism 3.0’ ambitions, values and purposes.

- **Consumer Enlightenment will flourish and accelerate**

As well as their ‘footprint’ of carbon and other resource use or waste production all companies have a large ‘Brainprint’ on society in the way they communicate issues to the public. This is of course most relevant to media companies, all of which could do far more to help Citizens engage with sustainability and Wellbeing debates. But all companies – through their marketing, advertising and general Communications – have a role to play in helping inform their audiences and help them engage with the debate about the Consumer-Citizen shift. We will enter a new period of enlightenment, where business will enable citizens who will, in turn, help develop better and more responsible business thinking.

- **New Business and Government Models will emerge**

The logical consequence of all these shifts is a radically different relationship between Citizens, Business and Politics. Citizen and business brains will be deployed in the political world within a system of truer and proper Proportional Representation to help achieve sustainable solutions built from the bottom-up; ‘People’s Parliaments’ may well flourish, on-line if not in bricks & mortar. A freer, more democratic movement will ensure better representation of ideas, as thinking flows faster and more openly in the Digital space and among so-called influencers. Businesses will open source solutions in a new iteration of citizen councils – replacing focus groups with engaged and active real-people contributors to business and brand development. Investors and Funds will necessarily deploy a citizen dimension. Garage NGOs will grow to challenge the increasingly large-scale operations of the traditional operators, bringing about fresh and dynamic new levels of thinking.

- **New Corporate Ownership Models will emerge**

As we have seen, it is our contention that Citizens and Business will coalesce in new and inspiring ways, in the wake of the Citizen Renaissance. New forms of company ownership will encourage cooperation rather than rampant competition. Cross-ownership models, as already seen in Japan and Germany, may become the norm. Mutuels, cooperatives and partnerships (ironically, an effective Nineteenth Century construct) also offer a vision for the new corporate form – and will, in turn, re-shape the global economic model.

The way we define ‘work’ will shift as the difference between paid and unpaid parts of the economy alter with new measures of progress. Where work is seen not solely as a means of gaining wealth but for increasing human fulfilment and expression of creativity, attitudes to ‘work’ will alter.

As Clive Hamilton puts it in *Growth Fetish*: “The shift to self-employment, or ‘ownwork’, and the spread of part-time work are laying the foundation for a post-growth society. While capitalist enterprises are driven by the need to make profits and expand, people who work for themselves or in small self-directed groups do not of necessity operate under the same compulsion.”

- **Post-Growth Society**

When the changes to the market framework are enacted, ‘companies’ would need to be nimble to navigate their way through seismic shifts in culture and Consumer choice changes, as well as economic regulation and fiscal shifts which may bring radical changes in some or all of the ways described above – towards a new, global acceptance of Needs based on equitable human and planetary Wellbeing maximisation.

The implications of this shift are several-fold:

- International trade in food will only occur where food security is already strong in exporting countries and where full true production costs are born.
- More local economic activity will be in the ascendant
- New forms of responsible marketing will emerge which seek to maximise customer engagement with intrinsic values.
- Investment will be mainly for replacement and qualitative improvement, instead of for speculation on quantitative expansion, and would occur less often. This of course has huge implications for finance sector companies.
- Cooperation, not just rampant competition, between firms.
- Employment will alter radically:
 - Work – not solely as a means of gaining wealth but for increasing human fulfilment and expression of creativity.
 - Accelerate the current trends towards ‘downshifting’.
 - A shift away from working for companies towards working for ourselves and each other.
 - A shift back to traditional low impact, labour-intensive, low-input and sustainable organic farming.

The Individuation of Business, Politics & Citizenship: Communicating Differently

If the journey towards a truer democracy started in the City States of Athens and Sparta and flourished in the fifteenth and nineteenth centuries, so it can reach its Digital apogee in the first years of the Twenty First. Now, in an age of Digital empowerment, universal suffrage has never been more far-reaching or more persuasive – the web and all its attendant mechanisms allowing the acceleration of Civic Virtues and Utilitarian good. Business, Politics and Citizenship are thus entering into a new relationship model – a contract; one that we are calling *Public Engagement*.

Ironically, perhaps, given that we have at times been harsh in our judgment of Communications and Marketing, this model will flourish with the support of Communications professionals and a new way of Marketing. Communications companies need progressive actions, too – and this advancement of thinking is the primary focus of Chapters Eleven and Twelve. We believe that effective Public Engagement will further fuel the Citizen Renaissance – and that Communications companies have a central role to play in helping shape a happier and more sustainable society.

Business, Politics and Citizenship are entering into a new relationship model – a contract; one that we are calling Public Engagement.

We described this Chapter as a journey – looking for a series of smaller, but no less important shifts, within the three great seismic jolts of our time. The individuation of Business, Politics and Citizens will, we believe, allow us to build not just a new Athens but even a new Jerusalem – free of the dark, satanic mills of old; and one that might yet flourish beyond 2050. The end product of the current Citizen Renaissance.

Chapter Eleven

A Changing Communications World and a New Era of Public Engagement

Just as traditional business and socio-political constructs have been challenged by the three seismic shifts that have shaken our world, so the nature of Communications as a discipline – and therefore Communications as a profession – is in a period of radical and rapid transition. Traditional models - geared towards consumption and a comfortable acceptance of the rules of mass marketing - are fractured, if not broken forever. A resurgent Citizenship is killing off the advertising-led, monologue marketing economy that has dominated the last half-century. A new dialogue – powered by Digital democracy - has emerged between Citizens and Brands, Governments and Business, the Media and NGOs. New rules of accountability, transparency and authenticity apply here. We are calling the space in which this happens *Public Engagement*.

It is our contention that, in time, some of what are currently known as PR agencies can and should evolve into the Public Engagement space - to take a place of legitimate primacy among all the marketing disciplines. Within the Citizen Renaissance, dialogue-led, Communications companies of the future will have an incumbent responsibility to offer a significantly different and more responsible level of advice to clients, based on the imperatives of 'Needs', not 'Wants', and the likely truth of a lower consumption global economy.

The Collapsing Pyramid of Authority and the Sphere of Public Engagement

Everybody involved in Brands and Marketing is now talking about the changed Communications landscape and many are still struggling to come to terms with what it really looks like in a post Inconvenient Truth, digitally-empowered age. The Pope and even Sir Martin Sorrell are now calling for an end to needless materialism – and, as we mentioned earlier, Campaign magazine in the UK has just published a double page spread entitled ‘Farewell to Consumerism’.

Climate Change has had a profound effect on all our lives – not only because we have suddenly realised that we are violating our one and only planet and polluting our

We now recognise that, as individuals and in communities, we can orchestrate genuine change for the better.

atmosphere, but also because we now recognise that, as individuals and in communities, we can orchestrate genuine change for the better. In addition, we increasingly judge our leaders (businesses and politicians alike) on their ability to ‘do the right thing’, rather than simply gain fiscal or political advantage. We are becoming more selfless and more thoughtful; more aware and more conscious. We look to our peers for trust and wise decisions – and not to the leadership, institutions and mechanics of old. These trends may be new and they may be starting from a low base but they are growing fast and strong and are increasingly on the agendas of progressive leadership.

Meanwhile (as we examine in earlier chapters), words like ‘Content’, ‘Democracy’ and ‘Open Sourcing’ are being thrown around with seemingly carefree abandon – often by agencies and Communications companies who are hoping to cash-in on client and Consumer dependency and a more general confusion on what is really going on. The disarray feels a bit like Dot Com boom time all over again.

Corporate Reputation and Brand Marketing, Advertising and PR, Media and Content, are all now converging, as CEOs increasingly recognise that their company’s license to operate will almost certainly be affected by the behaviours of everything – from its brands to its employees, via its Supply Chain and its own Carbon footprint. As we examine in this book, some are suggesting these revolutions in Communications threaten the very nature of our current form of corporate Consumer capitalism. Traditional separation models – between the different types of agency or between those who spoke to regulators and those who sold to Consumers – can no longer apply. There is no single marketing solution – and those who try to either sell or spin their way out of trouble will receive short shrift from Citizens who have always been smarter and more insightful than they have often been given credit for. Needless glossiness is dying on its feet and is being replaced by a demand for authentic content and relevant and responsible conversations.

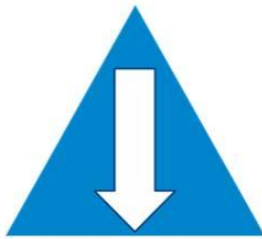
Needless glossiness is dying on its feet and is being replaced by a demand for authentic content and relevant and responsible conversations.

Irresponsible or inappropriate brand behaviour can - and will - adversely impact a company's license to operate.

Nowhere is this more evident – and the pressure more intense – than in key industries such as energy, packaging, foods, waste, alcohol and transport. This is where irresponsible or inappropriate brand behaviour can and will adversely impact a company's license to operate. CEOs, CMOs and CCOs need to grasp this new agenda. Just talking to so-called elites will not cut it anymore – nor will trying to operate a Church & State separation between those old elites and the so-called mass market. The conventional Pyramid of Influence, taught for years at Business Schools everywhere, has collapsed and a new Sphere of Public Engagement has emerged. At the heart of this, sits the Citizen.

Pyramid of Influence

Opinion Forming Elite



Mass Audience

The Traditional Model

Sphere of Public Engagement



The New World Order

Source: Edelman

Government – in the UK at least – is becoming *more* engaged, rather than less, though the pace of change still remains slow. There is, however, now frequent talk from the Left and Right about fiscal intervention and windfall taxes, as well as new controls on advertising and marketing. Meanwhile, in an age where any Citizen can take companies and governments to task armed with the power and immediacy of the internet and where the conscience and appetite grows for a lower consumption economy, issues can jump out of nowhere. Companies and brands not only have to be fully transparent and properly accountable like never

In the new Sphere of Public Engagement, anybody and everybody might be watching. And anybody and everybody now has the power to act.

before, but their Communications teams now find themselves very much on the front line with analysts and investors, with government agencies, with NGOs and, of course, with real people as well as with the media. In the new Sphere of Public Engagement, anybody and everybody might be watching. And anybody and everybody now has the power to act. All businesses – including Communications companies – of the future must be shaped to cope with this complex and inter-dependent sphere, in all its dimensions. Simply making a great piece of film or coming up with a brilliant idea for some new form of ambient media is not going to cut it anymore.

Trust and the Sphere of Public Engagement

Edelman’s annual Trust Barometer has studied Trust closely for the best part of a decade. Since the Battle of Seattle in 1999, we can observe fluctuating reputation fortunes for Business across the globe; a compelling and continued rise of authority for NGOs; Trust discounts for US firms abroad – especially post-Iraq – and equal discounts for Governments and their authority as the geo-political landscape itself has become more complex and more inter-dependent.

Above all else over the past decade, we have seen Trust in ‘People Like Me’ on an inexorable rise. People are more trusting in their peers than in anyone else. This has of course coincided with the Digital Revolution which has, in turn, fuelled the Citizen Renaissance. Both Power and the vesting of Trust have returned to We, The People.

Spokesperson Credibility

Credibility	North America %	Latin America %	EU %	Asia %
A person like yourself	60	83	59	51
Academic	54	72	52	54
Financial or industry analyst	56	75	55	52
Doctor or healthcare specialist	54	80	53	51
Non-profit organization or NGO representative	50	65	50	45
Regular employee of a company	43	57	37	33
CEO of a company	23	56	30	45
Government official or regulator	21	28	32	42
Entertainer/ athlete	12	35	11	17
Blogger	11	27	13	16

Most Credible Spokesperson

Second Most Credible Spokesperson

Source: Edelman Trust Barometer 2008

Today’s companies/ brands being closer to the Citizen brings immediate and compelling advantages.

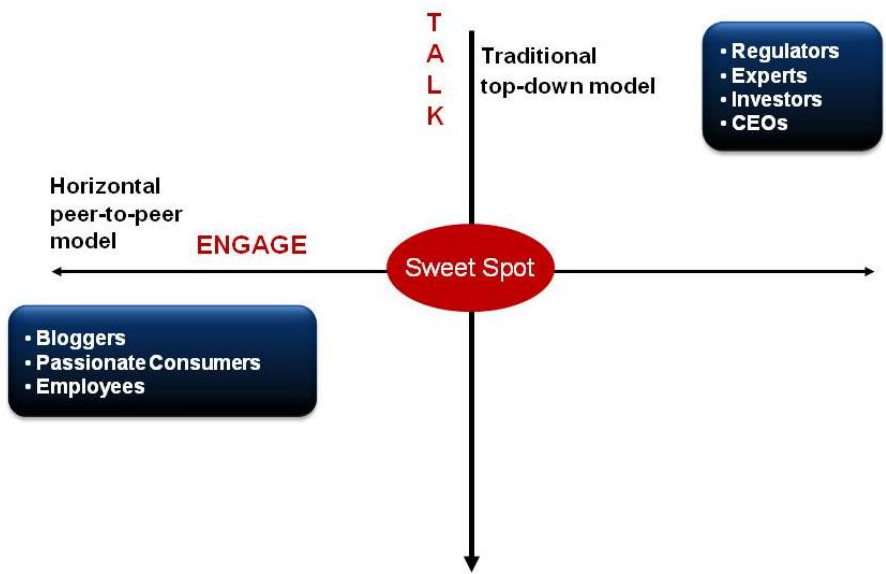
We no longer live in an era of top-down Communications. It all used to be ever-so-simple. Controlled messages – whether through the 30 second ad spot or the Command & Control method of PR – used to be delivered to believing and unsuspecting audiences, whose Trust in authority was undimmed by the emergent transparency that the Digital Democracy subsequently brought. Companies, Brands, Politicians – even the medical profession - all had never had it so easy. The People were at best innocent; at worse, submissive. In the US, it

helped build mega-brands from the ‘50s and ‘60s onwards. In the UK, Command & Control reached its zenith with the arrival of New Labour in Government in 1997. Yet, as Michael Wilmott argues in *Citizen Brands*, today’s companies/ brands being closer to the Citizen brings immediate and compelling advantages: it serves as an early warning system; it is

more likely to engender positive Word of Mouth; and it is altogether stickier in ‘an ever more volatile Consumer world’.

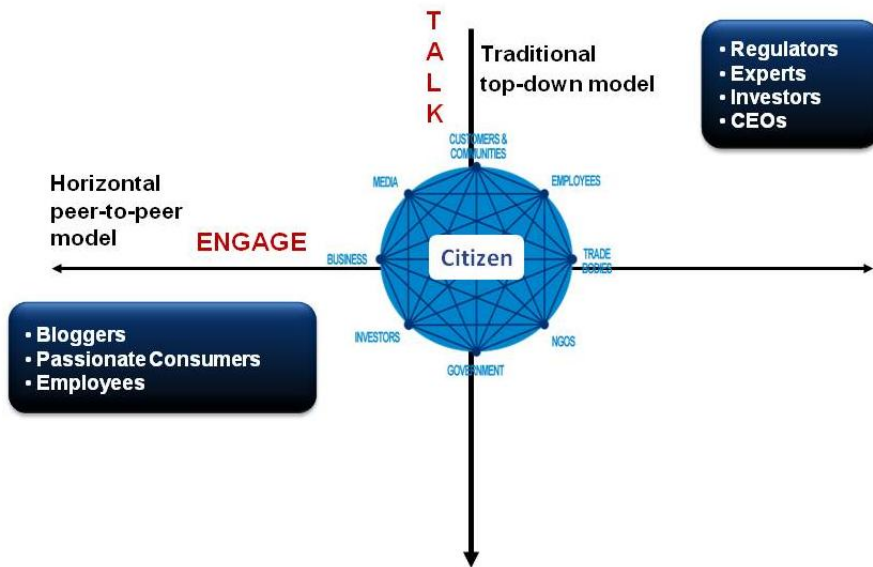
Peer-To-Peer communication has changed both the nature of Communications and the dynamics of Trust. Even before the explosion of Social Networking (with sites for all ages and all communities – serious and seriously frivolous alike), a new horizontal axis of Communications generated a new sweet spot, within which only authentic Communications can now properly exist. Communications outside this sweet spot can for evermore only be partial. Dialogue *outside* the sweet spot will be incomplete and lack both authenticity and authority. And such partial dialogue is simply not acceptable within a Conversation Economy. The people will reject it. Any Government, Business or Brand which ignores this can only see its levels of Citizen and Consumer Trust eroded faster and further.

The Communications industry faces probably the most fundamental upheaval since the introduction of either the television or the mobile phone.



Source: Edelman

If the sweet spot at the junction of the vertical and horizontal axes explains the changing *shape* of Communications, so the Sphere of Public Engagement provides both the context and the content. *The overlay of these two forces is now a Communications imperative and its implications will come to represent probably the most fundamental upheaval in the Communications industry since the introduction of either the television or the mobile phone.*



Source: Edelman

Public Engagement, the Decline of Advertising, and Communications Companies of the Future

The new space we are calling Public Engagement is where Digital, Trust and Media collide. As we have seen, this is where Corporate Reputation and Brand converge. This is where, in Communications terms, Citizenship finally supplants Consumerism as we know it – and only those sympathetic to the rigorous demands of the Citizen Renaissance, the Conversation Economy and the reality of Public Engagement can legitimately deliver.

Advertising agencies, historically, have been no good at conversation, relying instead on an ad. spot to tell and sell their story. They were outed by Al & Laura Ries in their seminal 2002 book, *The Fall of Advertising & The Rise of PR*, which argued, quite simply, that advertising lacks credibility. More recent attempts at interactivity have rarely appeared better than clumsy, while the Public Information Film is usually as close as ad. agencies will

The new space we are calling Public Engagement is where Digital, Trust and Media collide.

ever get to Government engagement. For the advertisers, NGOs are only ever badged or bought, not properly engaged; there is no sense of how to tie together analysts and investors, shareholders and Consumers. Indeed, just as the ad. agencies are rooted in monologue, so they are also effectively trapped within the Sphere. They can speak but they cannot engage. It's a paralysis of sorts. (In a recent conversation with the Campaigns Director of a leading NGO, he confirmed the shift from lobbying Governments towards lobbying the Investor community – evidence of the new Sphere of work.)

Digital and Media Agencies and Management Consultancies fare no better. The former struggle to move beyond Channel strategies (and still look for compelling, conversational content); the latter can identify the process (and sell you many process charts at hugely inflated rates) but again have no idea where to start with content or how to build a conversation. Both also find themselves stranded within the Sphere of Public Engagement –

incomplete souls forever confined to wander in brand/ marketing/ conversational purgatory until or unless they re-shape or add significantly to their current skill sets. Strategic insight alone is simply not enough in an age of conversation, social networks and engaged communities. “To gain Trust”, writes Matt Haig in *Brand Royalty*, “brands can no longer be shields. They have to be open and transparent and shown to care.” This is why PR, maybe by accident, has suddenly found itself in the ascendant. Public Relations – as it evolves into this higher form of Public Engagement - can guide and deliver this journey, whereas others simply cannot.

We would not want to suggest that PR has always got things right – and indeed many will most likely continue to view the discipline with cynicism. But, as we will show, we feel it is possible and indeed crucial that PR evolves into a new, more responsive and more responsible role.

“To gain Trust, brands can no longer be shields. They have to be open and transparent and shown to care”, Matt Haig in *Brand Royalty*

Why Now?

The need for the big conversation to which we refer can be greatly facilitated and accelerated by Communicators. The scale and urgency of things like Climate Change mean that we don’t have any time to waste. We need the very best Communications and communicators we have to ensure that together we find a way to shift to a Wellbeing Economy that places people and planet at its heart.

As Clive Hamilton observes in *Growth Fetish*: “Thousands of the most creative individuals in modern society... devote their lives to helping corporations manipulate people into buying more of their brand of margarine or running shoes... what a waste of talent”. Well, imagine the helpful role such talent could play if and when the new Public Engagement model fully emerges. As Lord Puttnam once observed: “I owe a lot to my early years in the advertising world. I just wish we could have put all that energy and imagination into something better than flogging cars and fags.”

The Communications company of the future must be ready to face the truths of a Wellbeing, lower consumption world – and some inconvenient truths of its own if it is to truly be Fit For Purpose.

So, as we move from Public Relations to **Public Engagement**, we should do so in the knowledge that the Communications company of the future must legitimately meet the demands of the conversational, multi-stakeholder, immediate, open and accountable society in which we now all live. It must be ready to face the truths of a Wellbeing, lower consumption world – and some inconvenient truths of its own if it is to truly be Fit For Purpose.

Chapter Twelve

Fit For Purpose Marketing & Communications: Where to From Here?

The Public Engagement-based, Marketing & Communications Company of the Future will have several incumbent demands placed upon it. Its *process* will have to be rigorous and clear; its *content* will have to be relevant and appropriate; its *consultancy* will have to be insightful and strategic; its *execution* will have to be transparent and truthful; and it will have to look beyond client companies and brands to the *real people* out there – to listen directly to the Citizenship and address their needs in a responsible fashion. But the harsh truth is that this model still exists in theory and not yet in practice. How do we get there?

We believe that there needs to be a radical re-think and re-articulation of where Communications and marketing stands within today's world. What role can and should they play within a society that increasingly demands sustainable, if not lower consumption? What is the appropriate advice that it should be giving to clients – to sell more and to further feed Consumerism, or to help people tune out of 'wants' and into 'needs' and work more responsibly within a re-born Citizen agenda? Where is the good purpose in all of this? How can Communications and marketing properly join Citizens and Government, Analysts

There needs to be a radical re-think and re-articulation of where Communications and marketing stands within today's world.

and Consumers, Media and Business? What does Responsible Public Engagement actually look like? How does marketing balance the conscience of the Global North with the economic needs of the Global South? These are big issues to tackle, for sure – but to avoid or ignore them while speaking of Public Engagement would be tantamount to little more than a well-spun re-brand. If Communications, generally, and marketing, specifically, wants to be taken seriously at a strategy and policy level, then it has to be ready to deal in important strategy and policy issues. It, like many other industries, will need to re-examine its Purpose.

Our new democracy demands a new honesty across the board. In an age of Public Engagement, all Communications companies will need to be prepared to *catalyse and participate in* the debate, rather than offer finite solutions. Within the Citizen Renaissance, they will need to actively canvas the opinions and wisdom of the crowd – understanding the end-game of the many and not just the vested interests of the few. If the old, opinion-forming elites are no longer in control, this new honesty may well represent a fearful step for many. Questions need to be asked and asked again. People do not always like the answers on offer. This will demand a fresh approach to consideration before action; a greater ability to listen and to absorb. Companies do not need to set themselves at the

Companies do not need to set themselves at the mercy of the masses – but they do need to legitimise their thinking via an appreciation of the Citizens whom they serve.

mercy of the masses, but they do need to legitimise their thinking via an appreciation of the Citizens whom they serve.

For those who lead Marketing & Communications firms, they can ill-afford to create a schism between this generation of leaders and thinkers, and the next. They can only safeguard this radicalisation of Marketing & Communications into the new trust of Public Engagement, if they cascade the thinking throughout their companies and among their people. This of course calls for a root-and-branch re-appraisal of almost every tenet on which the 'traditional' marketing has been based. Just as people are learning to re-think the approach to media in the Digital age, so they now need to re-formulate to deal with the consequences of a Citizen Renaissance. Marketing can no longer sell just for the sake of selling – either to clients or to Consumers; Marketing can no longer spin or play fast-and-loose with the facts; Marketing needs to gradually unravel the shallow, celebrity-led campaigns of recent years, replacing them instead with more thoughtful and more sustainable approaches. Public Engagement demands a new responsibility. And today's Marketing leadership needs to carry its recent recruits.

Marketing & Communications firms can ill-afford to create a schism between this generation of leaders and thinkers, and the next.

As we examine in more detail in Chapter Ten, the shift to a Wellbeing Economy will have radical implications for commerce. Business leaders will face challenges of their own on the Communications front. In today's world, pre-existing separations between those who historically 'spoke' to Governments, NGOs and Stakeholders and those who flogged brands or product are now redundant. Conversations held in isolation run the risk of damaging any company's license to operate or prejudicing work with Governments, Partners, Analysts, Investors and NGOs. Long before a customer reaches the checkout, he or she will now most likely have a very definite opinion about both the company and the brand – especially in the 'hot' issue areas and industries.

All this would, of course, imply that, with the corporate world, the traditional roles of External Affairs (EA) and Brand Communications be merged. If only it were so easy. Here are two very different skill sets and two groups of people who – while still united within both the context of the Sphere of Public Engagement *and* the demands of company and brand – have very different functions to deliver. It would be a bit like comparing heating engineers and aeronautical engineers – or pharmaceutical Chemists and diagnostic Chemists. Titles can be woefully misleading.

Brand people will still need to help deliver to the bottom line (it's what businesses are in business to do, after all). But as companies will need to examine how to profit and retain a license to operate by delivering to societal Needs not Wants, so Brands will need to tune into and indeed help drive such shifts in thinking. External Affairs people need to set the framework and help navigate the complexities of the Stakeholder and Regulatory landscape. While working on the same side, each group needs to provide checks and balances on the other. There needs to be a healthy

Companies will need to examine how to profit and retain a license to operate by delivering to societal Needs, not Wants.

tension. At an extreme level, EA people could stop Retail people doing anything; on the flip side, Brand guys could dream up an initiative that could seriously compromise the company's position with Regulators and NGOs. In reality, EA people (with the support of experts and the provision of deep content) must now help build the collective framework within which everyone can work – the framework which maintains and refreshes the company's license to operate. But they cannot – and should not – do the product or service selling. The same principle applies in reverse – and that's why internal communication is everything. Two skill sets and one broad framework that speaks properly within the Sphere of Public Engagement. You cannot marry Church and State – but both can still happily co-exist for the common good.

Public Engagement: The Burdens of Responsibility and Leadership – Big Questions Ahead

There are, of course, clearly some uncomfortable and inconvenient truths that businesses and the Communications companies of the future will need to confront to determine if they really are Fit for Purpose in a greener, more conscience-driven, conversational and Citizen-empowered world of Public Engagement.

If Less really is More, thinking will need to shift to accept that companies cannot just go on selling 'stuff'.

At its most fundamental level, the traditional role of marketing within Communications will diminish significantly. If Less really is More, thinking will need to shift to accept that companies cannot just go on selling 'stuff'. A new understanding of needs and desires will be fostered within a world that desperately needs to consume less (and on a more equitable basis). The pursuit of profit will – in time – become secondary to the pursuit of the greater good – and this will demand a re-alignment of the Communications framework as a whole. We believe we will witness the triumph of Engagement over Economics.

Openness and Transparency will, furthermore, become business imperatives. Any lingering sense of the opaque will need to be disregarded forever. The age of spin is dead. The only shield of secrecy that will legitimately remain is the one that guards commercial sensitivities. Communications companies will need to re-configure themselves and be prepared for greater scrutiny from a new generation of Citizens that will peer into not just what a company does, but how it does it, what it says and how it says it.

A new moral compass has come into play. In a Digitally democratic world which is witnessing the final erosion of old world Communications, new and different questions are being asked of companies and their communicators. The Leviathan wisdom of the crowd may not prevail, but it has certainly demanded a right to be heard. It is, as yet, difficult to ascertain who sits on the right side of right and wrong – but, for sure, there will be less tame acceptance of the polluters and the despoilers and those un-accepting of their societal role, than has been the prevailing norm.

A new moral compass has come into play. 'Value' may rest on the basis of Good Purpose rather than economic profit.

So, the clamour looks set to only grow for companies and brands to adopt a more utilitarian approach – and to serve the greater good. This, of course, represents something of a return to nineteenth century, Citizen values. The traditional notion of ‘shareholder value’ (the historic get out clause for those who put profit over responsibility) will, we believe, change fundamentally, as the next generation of greener ‘info-ententials’ emerges. ‘Value’ may rest on the basis of Good Purpose rather than economic profit. Dividends may be community, rather than monetarily, focussed. Our language will inevitably change as a result.

Communications companies cannot and must not sit as moral arbiters – but they will need to re-think at what point they ‘Just Say No’.

Above all, the Communications companies of the future will need to re-think at what point they ‘Just Say No’. If green is so much more than the new black, they will need to ask themselves if or how they are prepared to work for the polluters and wasteful, those with questionable records on sustainability or workers/human rights and conditions? This leads into complex and uncomfortable territory – complicated still further by an oscillating moral compass that is at present unsure of where the dividing line between ‘good’ and ‘bad’, ‘acceptable’ and ‘unacceptable’ currently lies. Communications companies of the future will need to be pragmatic and commercial realists, for sure – but they may still be labelled as hypocrites and find themselves victims of radicalised campaigns from Garage NGOs. They cannot and must not sit as moral arbiters – but

they will need to decide, themselves, where they stand on specific issues and within specific industries, just as they did in the great tobacco debate, two decades ago.

The Communications world has of course arrived at this point partially by accident – a happy coincidence of the impact on brand, corporate reputation and communication fuelled by the three seismic shifts of Climate Change, Wellbeing economics and Digital Democracy – but now is the time to codify the new system of Public Engagement and to set it, properly, within the Citizen Renaissance. This cannot be achieved without accepting the inevitability of further change. Technological advancements will continue to shift cultures. The calls for accountability and transparency will increase. Governments will most likely seek greater involvement in Citizens’ lives, not less. And, all the while, the planet continues to diminish its resource base and Consumers who are not yet Citizens continually fail to match Wants and Needs. Within the New World Order of Communications, both knowledge and stories will fly at greater speed – and Communications companies will have a vital role to play as both agents and catalysts of epochrophal change.

PART 5 – BUILDING A MANIFESTO

Part Five belongs to you, the reader.

As we write, there is no Part Five as such. We are openly inviting – and encouraging – contributions. We are open sourcing both the ending and, more importantly, the Manifesto for Change.

We are openly
inviting – and
encouraging –
contributions.

We have laid out what we believe are both the nature and the scale of the challenges we face. We have provided much evidence and some opening thoughts. Even if you do not believe in the apocalyptic, the facts are indeed facts – and the truths, however inconvenient, need to be faced. We must face them together.

We are looking for both policy contributions and case studies. We are hoping to advance our thinking to date, as well as to illuminate and illustrate the points we make.

The feedback mechanisms on the website will help facilitate this next stage of dialogue – alternatively e-mail either one of us with your ideas and/ or challenges: jules@citizenrenaissance.com or robert@citizenrenaissance.com

We do not have all the answers. But, between us all, we must surely be able to edge towards a real solution for the urgent and most pressing needs of our time.

APPENDIX

References

- ⁱ This online version is itself a shorter version of a longer draft book we have compiled. If your interest runs deep then we would be happy to share parts of this longer draft with you for your comments.
- ⁱⁱ Stern Review on the Economics of Climate Change, October 2006
- ⁱⁱⁱ Homer- Dixon T., *Upside of Down: Catastrophe, Creativity and the Renewal of Civilisation*, Souvenir Press, 2007
- ^{iv} <http://www.newstatesman.com/200502140024>
- ^v [http://www.ic.nhs.uk/statistics-and-data-collections/health-and-lifestyles/alcohol/statistics-on-alcohol:-england-2007-\[ns\]](http://www.ic.nhs.uk/statistics-and-data-collections/health-and-lifestyles/alcohol/statistics-on-alcohol:-england-2007-[ns])
- ^{vi} <http://drugs.homeoffice.gov.uk/drug-strategy/facts-and-statistics/>
- ^{vii} http://www.unicef-irc.org/publications/article.php?type=3&id_article=49
- ^{viii} National Centre for Social Research, British Social Attitudes 23rd report, London: Sage, January 2007
- ^{ix} For example in Layard, LSE Lionel Robbins Memorial Lectures 2004
- ^x Homer- Dixon T., *Upside of Down: Catastrophe, Creativity and the Renewal of Civilisation*, Souvenir Press, 2007
- ^{xi} American psychologist Abraham Maslow conceptualised a hierarchy of human needs.
- ^{xii} U. Beck and E. Beck-Gernsheim, *Individualization*, Sage 2002.
- ^{xiii} Mason, R., *The Economics of Conspicuous Consumption : Theory and Thought Since 1700*, Edward Elgar, 1998.
- ^{xiv} Henley Centre, *Workshop to Inform the Strategy of Natural England*, 21 July 2005
- ^{xv} <http://www.wethinkthebook.net/home.aspx>
- ^{xvi} Peitersen N., *Ethical Economy*, Actics, 2008
- ^{xvii} Charles F. Kettering, "Keep the Consumer Dissatisfied," *Nation's Business*, 17, no. 1 (January 1929), 30–31, 79
- ^{xviii} Hamilton C., *Growth Fetish*, Pluto Press, 2003
- ^{xix} Schor J., *The Overspent American*, Harper Collins, New York, 1999
- ^{xx} Hamilton C. *Downshifting in Australia*. The Australia Institute, 2003
- ^{xxi} Hamilton C., *Downshifting in Britain – a Sea-change in the Pursuit of Happiness*, Australia Institute, 2003
- ^{xxii} Prudential Insurance, 2003
- ^{xxiii} TNS Media Intelligence, 2006
- ^{xxv} SDC, Show Promise Must Try Harder, 2004
- ^{xxv} <http://www.wri.org/publication/content/8728>
- ^{xxvxxv} http://www.pvictor.com/MWG/Buy_the_Book.html
- ^{xxv} Haberl, H., F. Krausmann and S. Gingrich (2006), 'Ecological Embeddedness of the Economy', *Economic and Political Weekly*, November 25, retrieved August 19/07, online: <http://www.epw.org.in.ezproxy.library.yorku.ca/epw/uploads/articles/9983.pdf>
- ^{xxv} Brazil, Russia, India and China
- ^{xxv} Drucker, Peter F. *The Essential Drucker: The Best of Sixty Years of Peter Drucker's Essential Writings on Management*, Collins, 2008
- ^{xxv} Barnes, Peter *Capitalism 3.0: A Guide to Reclaiming the Commons*, Berrett-Koehler 2006

Disclosures

While we have both written this Wiki Book in a purely personal capacity, it is nonetheless important to recognise where our personal and professional lives overlap.

For Robert, in his day job as the UK CEO of Edelman, he advises multinational clients who operate across a wide range of industries affected by the issues described, including the health, food & drink, energy and consumer goods sectors. Some clients, including (but not exclusively) Shell, Microsoft, E.ON, are mentioned *in passim* in *Citizen Renaissance*. The Edelman Trust Barometer – an independent, annual study on the state of Trust - is quoted in parts and the Edelman Public Engagement Model is used as an indicator of the possible future direction of the Communications sector. Edelman has also co-created www.goodpurposecommunity.com

Edelman is the world's largest, independent PR firm – with 3,200 people in 53 offices worldwide.

Jules is a strategic counsel to Edelman in the UK.

Jules was the Director of David Cameron's Quality Of Life Commission and the Conservative Party's *Blueprint for a Green Economy*, published in 2007, a roadmap for future UK government policy on Quality Of Life Issues. Together with John Grant he has founded the business consultancy Arkism – so called because “just as in Biblical mythology an ark was needed, so today”. Jules is a trustee of a number of charities and worked as a Global Policy Adviser at WWF for five years, where he was part of the team that initiated the Happy Planet Index that is mentioned in this book.

Jules is a prolific writer whose recent publications include *Let Them Eat Cake* (2006), a report on the commercial potential of 'responsible' mainstream brands co-authored with Anthony Kleanthous from WWF, and *Hope and Glory* (2008), a report on Venture Capital and sustainability co-authored with John Grant. He is currently writing a book on Quality Of Life issues with Zac Goldsmith.

Thanks

Jules and Robert are greatly indebted to the tireless creativity and hard work of Arabella Bakker and Antoine Soussaline without whom this wiki book would have remained wild ramblings. Antoine for helping build and direct the wonderful website in which *Citizen Renaissance* is housed – and to the remarkable Arabella, who has both a detailed and disciplined eye of genius and the patience of a Saint.

Thanks are due to a number of people who helped inspire and inform this book. To Jackie Cooper, for being the harshest but best-intentioned critical friend. To Tom, Ciaran and John for endless (often beery) long-evening discussions. To David Brain, for unlocking the thinking on the ‘death of deference’ and for reminding us to avoid the language of student newspaper rants. And to Richard Edelman, both for his leadership ideas on Public Engagement, and for building a global PR firm where independent and pioneering thought is both incubated and actively encouraged. To our lovely wives Venetia and Vicky for their input, reviewing and generally putting up with us while we wrote (and wrote again...).

We would also like to thank the many other people who have inspired us to write this – many of whom have written the books we reference – and to those who have spent their time discussing aspects of the book with us. Lastly we would like to thank you – the reader – for taking the time to engage with the book and hopefully help us finish it.