

Debacle or Design: Review of 'The Depression as the Transformation of the Capitalist System'

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Inayatullah raises challenges we need to consider however he tends to be more pessimistic than I am. He posits three scenarios for capitalism over the next 20 yrs; 1 - a world wide 1930's depression; 2 - a late 1990's Indonesia - a feudally induced economic collapse or; 3 - an early 1990's Yugoslavia - economic collapse and the rise of fascism. (Inayatullah, 1999) He then goes on to propose a fourth scenario - a more humanistic Gaia oriented alternative. This review maintains that if we don't get our act together in the next 5-7 years then I become more pessimistic and my money is on 3 ie the Debacle of a form of state oriented bureaucratic fascism.

With our children we have the chance to go for the 'big one' ie transformation. In this sense I see a significant opportunity for his fourth option to emerge. It is about this fourth scenario that in this article I have sought to outline some of the key aspects from a 'localist' perspective.

In the late 20th century Capitalism is proving remarkably 'tensile'. For decades now I have been listening to 'depression now' scenarios - and simply put depression now means depression soon. Certainly capitalism is under strain, as any complex high tensile structure has to be. I believe however that in the next 5-7 years opportunities are ripe for transformation by Design rather than Debacle.

Debacle? - Depression Now

Here we touch on indicators of high tensile stress in the capitalist system.

Centre-periphery and return

Centralisation of political and economic power has become an increas-

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ingly dominant trend in late industrial society. Capitalism is essentially successful at colonising the periphery so it needs a periphery 'an other' to consume, whether this be for cheap labour, markets, poor environmental regulations or raw materials.

The Governance, National Accounting and welfare systems of late capitalism reinforces the economic by separating the social and the economic. Then within the economic system separates consumption and production are further separated. Robertson (1998) sees this as the emergence of the welfare 'Nanny State'. In village life however these aspects of life were closely intertwined in the major economy the formal and informal economies were closely linked.

Political solutions - Australian style - don't seem to be working

What we want is 'Government by the people in parliament' yet what we get is 'Government by the parliament in the people'. As we get the latter with ever more hundreds of pages of rules and more and more contradictions that all end up confirming our views politicians are unable to address important issues. For example:

- . A few years ago the parliament of Queensland (a state in Australia) passed 365 pages of fishing regulations - I thought this is what we need every day 365 days of the year - 365pgs of rules controlling us on something or other.
- . The head of a socialist political party recently argued against peoples' bank

At a truly profound level it seems political systems cant even cope with the challenges of yesterday let alone tomorrow.

Canaries in the Mine

Increasingly young people don't see a future for them in a world gone mad. In Australia male youth suicide is up 13 fold over the past 20 years to 40 per 100,000 and this is four times the rate for young women. Today our youth are like the canaries on yesteryear that were used in mines to detect explosive gases before humans or other means of detection could. (Gidley 1997:8). The gases killed the canaries ie their health pointed to the health of the overall mine. This is what Inayatullah sees as 'cultural depression'.

Polarisation of Income - Polarisation of People

This has now reached the stage as Korten argues that the top (bottom) 20% (80%) of people in the world now receive 85% (1.4%) of the worlds income. (Korten 1995:109). A recent UN report has the most affluent 225 people in the world owning as much wealth as the bottom 2.5 billion ie 1/2 of

all humanity. This is a major constraint for economist Ravi Batra as polarisation and unemployment essentially mean there is no one left to buy the products of late capitalism. And so the gymnastics of the lending organisations to increase consumption eg. 2 years interest free terms on furniture etc.

Hi Ho Hi Ho Its Off Work We Go!

Unemployment has not been under 5% (doubled if you include under-employment) in Australia for around 20 years. This is the lifetime of today's unemployed youth who now have children. Dator is predicting around 20% employment (in the formal economy) by 2035 and Rifkin less than 10% by 2050. The full time job so much a part of the industrial revolution is becoming a memory in the emerging post-job economy. The tax/welfare state however, still considers the full time job the norm. For instance in Australia the further one is away from a full time job the more welfare one is entitled to. Indeed Full employment may well prove to be a transitory phenomenon and came into existence in the heady days immediately post World War 2.

Informally Yours

By the mid 1990's in Australia the informal economy was estimated to be the same size as the formal economy and growing. Consequently this led to the advent of part time 'multiployment' and 'multiployers' for many youth and their retrenched parents.

Skyscraper One!!

It took till around 1824 to get the first billion people on earth. Now we put a billion extra people on board mothership earth every 15 or so years mainly in poor regions. Like a giant skyscraper what happens when the power is turned off the inhabitants' pour out and desecrate the surrounding land as they have not developed sustainable capabilities and they exceed the carrying capacity of the land. We are becoming like battery hens - unable to live free range and vulnerable if someone switches off the power.

Globalisation - Glocalisation

In the past 40 years trade as a percent of world GDP increased four fold to 16%. Scott (1996). Nowadays over 1/3 of world trade is between countries yet within individual transnational corporate structures. Today over 1/2 of the top economic entities in the world are corporations not geonations. Somehow we need to balance this with local solutions ie harmonised diversity not only centralised conformity.

Global buck passing

With the advent of International Finance whereby average daily foreign

exchange transactions now exceeds 1 trillion dollars daily or 15 times the average GDP of OECD countries. Scott (1996)

Decline of Nation State

When matched with low cost mass transport for people and product, low cost communications and instant transnational capital flows one can see how it is that the velocity of trade, circulation of, finance, communication and goods and services have increased in the space between Nation State's economies. Some negative outcomes of this process include - rural/urban shift, unemployment (particularly among youth), crime, social dislocation, and polarisation of income and occupations. In both the positive and negative aspects of the decline of the Nation State we see that the spaces between them ie. the areas they don't control any more are increasing.

Eventually, as Ravi Batra indicates, economic systems need to point towards is based on spiritual and scientific principles. There are several layers of economics - bio-or peoples economy which deals with the basic necessities, psycho-economy - is the next stage when we start harnessing more and more of our - psycho spiritual energy. A Neo-humanistic economy which can also take into consideration the welfare of the planet and all the plants and animals and environmental resources.

Summarising, the state 'beyond capitalism' will need an alternative theory of development - one that dances with the informal sector and recognises the importance of 'good' work which:

- . Contributes to reduction of oppression, self-development and the evolution of consciousness as well as putting butter on ones bread
- . Enhances prosumerism or localism through what may be called Community Economic Development or PROUT that focuses on home economics rather than financial speculation
- . Embraces the importance of 'sustainability'
- . Seeks to address population impact
- . Acknowledges the importance of global finance while encouraging local currencies
- . Involves multiployment - with multiple employers rather than the life-long full time job
- . Contributes to autonomy - reduced dependence on the over-developed modern institutionalised and centralised Nation State (banks, Government, medicine, law, welfare)
- . Synergises people, place and product

DESIGN! - Transforming Capitalism Through a Sacred Belief in People, Product and Place

It seems to me that to transform itself towards a post capitalist system while addressing these sorts of tensile stressors, it is necessary to develop a system that combines; **1 appropriate scale, 2 market efficiency, and 3 social justice** ie. place; product and people. In this scenario Capitalism (which is particularly good at no.2) is not destroyed it is transformed through the inclusion of 1&2. Consequently these three through 'localism' can help provide a platform for an alternative to the ubiquitous homogenisation of 'globalism'. Taken aggregately under the rubric of 'localism' I believe, as does Inayatullah in his article, that these three factors as localism represent 'one way out'.

PLACE - Localism - spirit of place

This paper strongly maintains that in a cultural/ sociological context economic development needs to be seen as 'localism'. In an increasing number of places in our world today, small communities and cultures continue to struggle for the right to assert their identity, where identity is seen as more than themed shopping malls or 'multicultural food fests' a sort of homogenised identity with uniform purchasing patterns.

In Localism local identity takes on a broader sociological even cultural dimension. Seeking local identity then may be seen as an act of comprehensive and informed resistance to the dominating ethos. In turn this may be seen as historically produced and strategically re- negotiated by those who claim it. This raises issues of authority and authenticity, not only for those who claim local identity for themselves eg. indigenous peoples, yet also for those who seek to research such identity for other audiences. Ultimately for those who seek to replace local diversity with 'globalised homogeneity' local is somewhat of an anathema.

'Localism,' maybe seen as:

the representation of group identity as defined primarily by a sense of commitment to a particular place and to a set of cultural practices that are self-consciously articulated, and to some degree separated and directed away from, the surrounding socio-economic world (adapted)

(Nadel-Klein 1991: 503).

PRODUCT - Russian Doll economics - Parallel Economies

The approach to the transformation of capitalism through community economic co-operation as envisioned in this article includes, what may be called 'parallel local economies'. Tichy et al (1998). This globalised approach

recognises the dominance of internationalism yet advocates for smaller economies that recognise the importance of the community or informal sector and jobs for our children's future. Such economies are based on localities that to certain degrees are separate, yet parallel, to the major or dominant international economy.

This is not a new phenomenon, however when injected with a dash of localism via parallel economies, economic development or growth can become a point of liberation within, rather than absorption into, the international economic system. Here parallel economies serve the aim of autonomy, resistance and independence rather than assimilation and absorption.

Such parallel economies contain local initiatives such as: micro businesses, economic co-operation, local finance, cottage industries, village markets for buying and selling, local prices and exchange rates, barter, inter community trading, internet interface ie with a virtual community with the same streets, hills, shops etc as the 'real one'. They tend to be democratic/co-operative, smaller scale, networked, labour intensive and use communications technology extensively. In this way communities can retain economic energy and regenerate it towards their vision for tomorrow for themselves and their children's children.

PEOPLE - Mutual Aid Anarchism MAA - responsibility without government

There are many types and meanings to anarchism and most often they are debated by comfortable middle class tenured academic types. Most people however take anarchism to mean violence and Molotov cocktails. For me simply put anarchism means opposition to constituted government. It doesn't have to mean violence or incoherence. It doesn't mean no mutual governance. It can mean chaos - creative chaos. For example taking a biological example, a heart that beats totally regularly or incoherently means death - a heart that beats chaotically with pattern means life this is called in Cardiac Spectral Reserve.

This is where I believe we can learn from Chaos Theory ie. a basic self-organising pattern that can generate large (global/regional) organisation through the interaction of autonomous smaller structures (communities). Here the whole is more than the sum of the parts and the patterns of interaction patterns between the parts are more fractal than predictable. So Chaos theory may well be relevant to explicating this form of economic development.

Today all governments seem unable to meet or even understand the challenges of tomorrow yet they continue to respond by passing millions of laws and rules to control us - as we and the globe nears the point of no return. The sort of anarchism so necessary today for the transformation of Capitalism is

Mutual Aid Anarchism -co-operative, self organisation in the local economy - one that doesn't need all this rule making and all these politicians and all their bureaucrats - to control us.

Crazy fanciful utopian 60's escapism you may think. No way - just think of the mutual aid societies, community credit unions, even volunteerism and the broader co-operative movement. None of these need Government - they all depend on mutual co-operation and aid like you will see in the video on the fishing village of Cheticamp in Nova Scotia, Canada. MacLeod (1991). This sort of autonomy, self-reliance is real it can work it is working today - it will work if we want it to.

So Mutual Aid Anarchism is about not just removing authoritarian regimes at work eg. 'no bosses' it is also about minimising control from the state eg. 'no cops'. In this sense it is about harmonising diversity not centralising conformity, celebrating the peripheral/other, for self-government, and provision of working and learning opportunities at the local level by the local level. This is a tough call as we all indulge in 'learned helplessness' to a point and representative democracy doesn't lead to self reliance - 'they need to do something', it is however a challenge we can ill afford to miss.

Conclusion

To conclude on a more general note, I believe futurists such as Inayatullah, in articles such as that reviewed here, can help open up the future and provide platforms for others such as myself to advocate their position. His work challenges us to believe that to a certain degree, we can and should positively manage the deep transformations underway today in capitalism. This 'opening up' process is vital to restoring a sense of empowerment for us and our children, an empowerment long usurped by the state as capitalist agent. Likewise journals that facilitate such opening up are to be commended in that they seek to do more than reinscribe the status quo.

May we all commit to Design not Debacle, to Transformation through Depression

To those of us who struggle to help bring a new economic order from the debris of the old - time is short and there are many dark nights ahead....

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