

Shared Societies for a Global, Inclusive & Sustainable Economy

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Can the Future We Want for All Be Realized?

The unanimous adoption by the UN General Assembly of Agenda 2030 in September 2015 was a potentially defining moment in the efforts to create a new model for sustainable development. Read together with the Addis Ababa Action Agenda on Financing for Development, and the Paris Agreement at the end of the Conference of the Parties to the Framework Agreement on Climate Change, both also adopted in 2015, it points to a new vision for sustainable development that will realize “the future we want for all” and “leave no one behind” (*Realizing the Future We Want for All: Report of the UN System Task Team on the Post-2015 Development Agenda*, United Nations, 2012). It also implies that in order to fulfil this vision we need a new transformative paradigm and changes in the global system that has been unable to overcome the challenges of inequality, division and conflict, and environmental degradation, and has in many ways exacerbated them. Otherwise it will be an expression of hopes and aspirations without the means to achieve them.

This paper considers what will be required of that new paradigm and new development system, if it is to be effective. It relies heavily on work done by a Working Group of the Club de Madrid on Shared Societies and Environmental Sustainability which considered these questions during the first part of 2016. (http://www.clubmadrid.org/en/noticia/environmental_sustainability_and_shared_societies_working_group_holds_second_meeting)

Club de Madrid, Shared Societies & Sustainable Development

As background, it is helpful to describe how the Club de Madrid's interest in these matters has developed. The Club de Madrid is a network of over 100 former heads of state and heads of government who came into office through a democratic process. They are therefore committed to strengthening democracy as the means to ensure that society works for everyone. They have come together to share with current leaders, and society more generally, their experience and understanding of the challenges for leaders in responding to the diverse issues that we face today.

One of the issues they have identified as critical is the problem of social divisions and inter-group tension and violence, and they set up a dedicated initiative to identify ways to build more inclusive

cohesive societies — the Shared Societies Project. It adopted this name to indicate that everyone has a part to play in a truly inclusive society, sharing responsibility and also sharing decision making and the benefits that a society can offer its members. In this context, society belongs to everyone and is not owned by any one group.

It quickly became apparent that a Shared Society is not only fair and right but is more effective and efficient in overcoming problems and creating wealth and wellbeing for its members, and the project explored these ideas in one of its publications, *The Economics of Shared Societies* (Club de Madrid, 2011). The findings should be self-evident but they are ignored, often not recognised and certainly not acted upon, to the detriment of the whole society. People are an important resource and it is a waste of their talents and energy if they are discriminated against and marginalized. If they are included and helped to fulfil their aspirations for themselves and their family we will find that they are contributing not only to their family but the whole community. If they identify with the society they will contribute to taxes and act in other socially responsible ways. Not only will the state have more wealth and other assets, but it will not waste so much of national resources on ensuring security and stability. Seen in this way, there is the incentive to create a virtuous self-perpetuating cycle in which people are involved and, as a result, contribute more to society, which in turn leads to their deeper and fuller involvement.

It was realised that these ideas were very relevant to the efforts that were underway at the United Nations to establish a new set of development goals that would continue the work of the Millennium Development Goals, which had set targets to be achieved by 2015. The Millennium Development Goals had stimulated many countries to take action to meet the needs of their inhabitants but more needed to be done. The Post-2015 Development Process provided the opportunity to gain the support of all the member states of the UN to create and adopt a more comprehensive approach to meeting the needs of their inhabitants, and at the same time to protect the planet from environmental degradation. This was a prize worth the effort, because it would provide a framework for guiding future thinking and action on development and environmental protection, but it was important to get it right.

Given that the Shared Societies Project had identified that an inclusive shared approach was more effective in ensuring social and economic wellbeing for all and that all aspects of development are mutually independent, the Club de Madrid supported the efforts to

ensure that the Sustainable Development Goals would have an inclusive and holistic orientation rather than concentrating on individual goals, desirable as they may be. If the overall orientation is right then the individual goals are more likely to be achieved.

The members of the Club de Madrid were therefore gratified that these perspectives were highlighted and embedded throughout the final statement of the goals, Agenda 2030. It has linked social, economic and environmental wellbeing as mutually interdependent — sustainable progress in one dimension cannot be achieved without taking account of its impact on the other two dimensions, and all are more likely to be achieved through an inclusive process where all sectors of society share responsibility and share fully in policy-making and policy implementation.

A New Development Paradigm?

Now that we have a new transformative vision for sustainable development, we have to think about how likely those perspectives and underlying values will be acted upon. Are current political and policy structures and institutions, at local, national, and global level, fit for the task? Are the current widely-held assumptions about development appropriate? Are those with power and influence ready to be inclusive, listening to the wider society and taking into account

their assessment of what needs to be done? Do we really accept that environmental sustainability is not simply a technical problem that can be resolved by a technical fix? Do we appreciate that it needs the engagement and active commitment of the whole Shared Society? Do we recognise that our economy is dependent on environmental protection? Or do we prefer to believe that economic growth is the priority and that enough wealth will be created to restore the environment and repair any damage caused by economic development? Experience does not suggest that this is a realistic assumption. Do we know why our economy and development need sound social policies and social inclusion or Shared Societies?

The omens are not good. We have a transformative agenda but we do not have a transformative development paradigm to realize the agenda and the future we want for all.

Through the Shared Societies Project, the Club de Madrid established a working group at the beginning of 2016, which Laura Chinchilla, former president of Costa Rica, and I had the privilege to chair. It was tasked to look at how social inclusion and a Shared Society support the protection of the environment, having already examined the relation between Shared Societies and economic wellbeing, the other key linkage of Agenda 2030. They concluded that we need the right kind of environmental policies. We need the right kind of economy. And the economy and environment need to be



Photo: Club de Madrid

Members of the Club de Madrid

underpinned by an active and responsible Shared Society. Current challenges, such as environmental sustainability, population growth, global warming and inequality, require concerted co-ordinated action and a sense of common purpose to build a shared future.

In effect the working group looked at the necessary underpinnings of sustainable development as a whole, and found deficiencies in the economic and social systems that are being applied today, though these underpinnings sometimes are present in small-scale local communities. They identified that the underlying values are crucial in ensuring appropriate responses to current challenges. Values are important as they influence decisions and actions, but they are often not clearly articulated.

Values for a New Development Paradigm?

Agenda 2030 refers to the principles laid down in the Charter of the United Nations, the Universal Declaration of Human Rights and subsequent conferences and summits. The test of any system of values is whether they are consistent with the needs of the planet and the needs of disadvantaged individuals and communities. In recent times, a number of statements of principles have been developed with these concerns in mind (such as *Peoples' Sustainability Treaty on Radical Ecological Democracy* and *The Principles of Environmental Justice*). These are often based on traditional values and much can be learnt from the core values of indigenous peoples who, despite their many differences in habitats and cultures, have a common sense of their primary responsibility as guardians of their territory for future generations.

The Working Group considered that these values are similar to the values underlying a Shared Society and listed them as follows:

- Respect for the dignity of every individual
- Respect for human rights and the rule of law
- No section of society (neither the majority nor the minority) can expect to have licence to act in any way it likes, ignoring others and their rights, including future generations
- Altruism and identification with the needs of other individuals and the needs of the community
- Equality and fairness
- Rejection of discrimination, marginalization
- Democratic participation, which enhances the ability of all sections of society to express their aspirations and their needs
- Respect for the environment
- Respect for the earth's natural boundaries

- The global commons — sea, air, etc. — are non-negotiable and irreplaceable and take precedence over other considerations
- Modesty in life style and use of the earth's resources.

However, most of our systems are built on contrasting values that uphold competition, profit, maximizing production and consumption, incentivizing through financial rewards, and at the same time toleration of waste and pollution. These are reflected in our current dominant social and economic systems.

Rethinking Social & Economic Systems for New Development Paradigm

Down through the centuries humans have organized themselves through a variety of social and economic systems, from tribalism and feudalism to, in modern times, capitalism and communism, and it is inevitable that our systems will evolve further. Each system has morphed into something different or has been displaced. Feudalism was no longer fit for purpose. Soviet communism and the command economy could not motivate the kind of development that was sought. In Russia it was rejected. In China it is not yet clear what form it will take in the future.

Capitalism has proved very resilient but it has gone through various phases and is very different in its present form from its earlier manifestations. As we know, originally mercantile capitalism was a means to mobilize capital and provide goods and serve society. At that time it was consistent with the values of a Shared Society. It morphed into industrial capitalism that facilitated increasing large-scale methods of production and in doing so began to concentrate wealth and power in the hands of the owners of the means of production, who favoured competition and monopoly, which was efficient for them but unfair to the wider society. The accumulation of wealth and capital became an end in itself rather than being at the service of society. This created tension between the operation of the free market and regulation to limit inequality and distortions in the working of capitalism, most notably in the adoption of anti-trust laws in the United States.

Several commentators, including Thomas Piketty (*Capital in the Twenty-First Century*, 2014) and Will Hutton (*How Good We Can Be: Ending the Mercenary Society and Building a Great Country*, 2015) have emphasized that the consumer-driven capitalism of the postwar period, what might be called “value creation” capitalism, has again morphed — via the growing financialization of economic activity — into more of a “value extraction” model of capitalism. Speculators

can use the current system and play the market for their own financial benefit at the expense of traditional investors. It is important to remember that ultimately, capitalism is a means not an end. The end that is consistent with Agenda 2030 is increased prosperity (in the broader sense of well-being) within ecological bounds.

This short summary indicates that our systems are not permanent and immutable, though those who benefit from their current workings at a particular point in time may argue the opposite. Therefore the current model is likely to move into a new phase. It, together with the values underpinning it, is no longer consistent with the needs of the planet and all living things including humans. They favor short-term profit seeking rather than the long-term future of the planet. They ignore many of the costs of current practices, describing them as externalities which are someone else's responsibility. Will the next phase be more appropriate to the needs of the planet or be structured to serve the short-term interests of small powerful sectors of society?

Laying Out the New Paradigm

While the Working Group was trenchant in its criticism of the limitations of the present system as unfit to facilitate the implementation of the Sustainable Development Goals, the members did not propose a new social and economic model. It would be unreasonable to expect them to do so. The members of the group were very diverse, each with his or her own starting point and analysis.

The new development paradigm will not be the work of one group of people no matter how eminent. It will partly be intentional, influenced by ongoing discussions, such as *The Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System* (2009), and the establishment of new frameworks and principles by intergovernmental bodies, and partly incremental, the result of the creative experiments with new ways of organizing.

One can ignore these developments, thereby ceding influence over the transformation to unaccountable and unidentified powerful interests. The Working Group chose to articulate the basic concepts that should underpin such a system, including its commitment to the values already discussed.

1. Are all sectors of society involved in developing policies and programmes?
2. Is there transparency and full access to information for all

stakeholders?

3. Does everyone benefit from policies and projects or are some affected negatively?
4. Does the proposed initiative benefit groups that are marginalized, whether on grounds of physical location, identity, gender or for other reasons? Or how will they be negatively affected and left behind?
5. Are the long-term ecological, social and economic consequences of policies and programmes positive?
6. Do those who are responsible for negative consequences bear the cost of repairing them and how can that obligation be enforced?

At the heart of such concepts is the creation of a Shared Society because it means that the needs of all those living in that society and the surrounding environment need to be taken into account. We do not know the precise form that future systems will take, but we do know that a more participative approach with much more open public engagement in debate and decision making is the way forward. Those affected should be involved in making these assessments because they understand best their own needs and they are most sensitive of the impact of any proposals for their local and wider environment. People need to be motivated to work to achieve the goals of Agenda 2030 that will bring about true wellbeing and that motivation will come from the sense of being part of a shared enterprise working to create a society which benefits the people and the surrounding environment. Equally at a global level people need to feel that the global system works for them to ensure the wellbeing of the planet as a whole.

This perspective provides a basis for assessing proposals and initiatives to determine if they are likely to meet the goals of Agenda 2030 and more generally ensure that no one is left behind and realize the future we want for all. This is a prize that we can all work for. How? We need to critically examine the assumptions and models that we take for granted and equally new proposals and ideas and emerging trends, rather than uncritically continuing with "more of the same".

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