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The End of Neoliberalism: Alternatives to Finance-led Capitalism*

»Unstable financial markets do not behave rationally; they can also create losers on a scale which would today make the 1930s look like a bad day at the races«....

»The doctrine of Liberalism is akin to that of the Gospel: many are called, but few are chosen«.

Susan George, The Lugano Report, 1999

Dear Friends and Comrades, thank you all for being here today. Your presence at this conference is important because we need every progressive person on the planet in order to overcome the present crisis and I know that you all sense this urgency as acutely as I do.

Let me express also my thanks to Die Linke and the Rosa-Luxemburg-Stiftung for the honour they do me in asking me to make the keynote speech at this important conference. I'm extremely grateful but also rather intimidated. I'm not an economist although I do quite often tread on their territory and I'm not a theoretician. The two excellent organisations hosting this conference have asked me to speak on a subject that would seem to need both an economist and a theoretician. Their chosen title is *»The end of neoliberalism: Alternatives to finance-led capitalism«*. I try to be a disciplined progressive activist and intellectual and I try to speak on the subject I'm asked to address, but when I read this title, my first reaction was *»Wait a minute, not so fast!«* My second reaction was *»If only!«* If only it were so easy to bury neoliberalism in the nearest cemetery once and for all; if only we could put worldwide capitalist financial activities under control, or at least back to where they were thirty years ago, it would be great – but can we?

We are meeting in Berlin just a few days before the G-20 convenes in London. I suppose you know what the G-20 governments have on their agendas. Yes, of course

they want a few more regulations and a few minor changes here and there, because everyone now agrees that more financial market regulation is indispensable. But their real scenario revolves around free trade and free markets – which is to say the preservation of the basics of neoliberalism. They will advocate a conclusion to the Doha Round at the World Trade Organisation. They are also preparing to hand over several hundred billion dollars to the International Monetary Fund to dispense as it sees fit. It would be hard to find two more neoliberal institutions than the WTO and the IMF. Let's look at them a little more closely.

The WTO rules were virtually written by transnational corporations between 1986 and 1994, surely the most neoliberal period in recent history. The goal of these rules is to make a commodity and a profit out of every object produced by human ingenuity and every human activity, with the exceptions of religion and national defence. That includes food, water and energy; education, health and culture as well as the handover of every public service to the private sector. It includes the thoughts of your mind and the genes of your body, classed as intellectual property. It includes financial and banking services which, according to the terms of the WTO General Agreement on Trade in Services, or GATS, should not be further regulated but further liberalised worldwide.

Although the WTO negotiations have barely moved for three years, its rules remain very much in place and the G-20 wants to revive them. In Brussels, the European Commission is not wasting any time either while

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it waits for the WTO to show signs of life. The Commission is, rather, pushing hard for bilateral and regional trade agreements and so-called Economic Partnership Agreements or EPAs. This concentration on trade is the strategy known as »Global Europe«. It represents the foreign policy side of the Lisbon Strategy signed in the year 2000 which pledges to make the EU the most competitive economy in the world. Many of these free trade agreements or EPAs are being forced on some of the world's poorest countries and they go much farther in their demands than the terms of the WTO. These agreements, often called »WTO Plus«, require the countries that sign them to give up any regulatory measures governing foreign investments in order to allow transnational corporations to do as they please. The signing countries can no longer impose restrictions on the areas or limit the number of investments. They can no longer give preference to national companies by keeping the percentage of foreign investment down to, say, 49 percent; nor can they make demands for local employment or for local content. Partner countries must also open up government procurement contracts to these same transnationals.

These measures will quickly wipe out struggling local industries and local banks, just as they will legally establish a kind of charter for neo-colonialism under another name. This is clear from the other pillar of EU trade policy which is access to raw materials, including forests and minerals, again so that European companies can take maximum advantage. Whenever you see the word »trade« in such a context, try substituting the words »transnational corporations« –you will then have a clearer picture of what is really in store. The EU wants a world where the rules are still dictated in so far as possible by the rich countries and where nothing escapes the category of merchandise. One can immediately see the contradictions with any end to neoliberalism. Free trade implies – in fact it requires – more, not less liberalisation, more freedom for corporations including banking and financial corporations. EU policy, like the G-20 objectives cannot make us especially optimistic for the »end of neoliberalism«.

As for the International Monetary Fund, we should never forget that this institution, along with its partner the World Bank, invented and imposed the Washington Consensus and the structural adjustment programmes that devastated so many countries for so many years and in many cases continue to do so. The G-20 intends to make the IMF the world's lender of last resort by giving it hundreds of billions worth of taxpayers' money. The Fund will then lend some of those billions to cash-poor and needy nations, but they will have to accept new conditions. This is already the case in Pakistan, for example. I see no reason to believe that these conditionality packages will be inspired by any doctrine other than neoliberalism. We can expect more of the same.

These are the decisions likely to come from the G-20 in about 10 days time, unless there are some enormous surprises at the last minute.

There is more bad news coming from the European Union. A few months ago, European Commission President José-Manuel Barroso named the former Governor of the French Central Bank and ex-IMF Managing Director, Jacques de Larosière, to head a working group with the mandate to recommend future European financial regulation and supervision. Of the group's eight members, four are connected to the great, or formerly great, financial institutions Lehman Brothers, Goldman Sachs, Citigroup and the French bank Paribas. Another member was head of the notoriously ineffective British Financial Services Authority.

The average citizen might find it rather bizarre that the very people who plunged us into the current mess should be asked to define the plan to get out of it. The European Commission has once more placed the foxes in charge of the hen house and what they, the foxes, want are gradual, almost imperceptible regulatory reforms. They recommend mostly improved national supervision, plus a European institution to deal with systemic risk, to be placed under the direction of the European Central Bank.

The European Central Bank, as I hardly need remind you, is completely independent from any political supervision. The stalwart neoliberal head of the ECB, Jean-Claude Trichet, has dragged his feet on every necessary response to the crisis from the moment it began and the Larosière prescriptions are not likely to change this approach. They show us, rather, that Europe has learned no lessons at all from the banking crisis. So as European citizens, we can't expect an »end to neoliberalism« from that quarter either.

It looks, rather, as if the international system – the G-20 and the EU in particular, are absolutely determined to *save* neoliberalism at all costs. This, too, should strike the average citizen as bizarre. The neoliberal doctrine, and I am using the word »doctrine« in the religious sense, has been completely discredited. Its credo is based on privatisation, deregulation, unrestricted free trade, market solutions to every problem and a corresponding absence of government intervention – except of course to save the system when it goes wrong. According to this religion, private is always better than public, the market should be allowed to follow its preferences because its choices are bound to be wise; governments have no business trying to dictate to business. Aside from the now-universal recognition that some regulation is needed, it seems that even a crisis as severe, as life-threatening as the one we are now undergoing has not managed to erase this nonsense from the collective mind of those who run the world's affairs. Financial industry executives naturally hope to continue to enrich themselves beyond measure and so far, no one has told them firmly that those days

are over. Our top civil servants are presumably obeying different motives; they are supposed to be in charge of the public good. From their inaction should we conclude that they are paralysed? Stupid? Incompetent? Or are they simply themselves prisoners of the financial industry and of neoliberal capitalism itself and unable to think beyond it? I could spend the rest of my time this morning attempting to answer such questions and we wouldn't be much further advanced.

What we know for sure is this: Since the moment the crisis began towards the middle of the year 2007, the world's leaders and their advisors, particularly economists, have been, and largely remain, in a state of denial. First they denied that the crisis would go beyond the housing sector; then they denied that it could spread beyond the borders of the United States; then, as the crisis did rapidly spread to the rest of the developed world and to the global South as well, they pretended that finance capitalism could somehow be »decoupled« from the real economy. Now they pretend, against all the evidence so far, that throwing more and more money at the banks will somehow jump start the world economy. They act as if modest measures regulating capitalism around the edges will suffice and that the crisis will quietly go away.

Given this mindset, we face a grim prospect. The world's leadership and their advisors, the economists, are obviously unable to look beyond the *financial* crisis. They don't recognise that the past 30 years have witnessed an enormous increase in *social* inequalities. They can't seem to accept either that scientists are telling the truth when they explain that global warming is accelerating faster than anyone thought possible and that its consequences will be devastating for people and the planet. Denial is undoubtedly strongest when humans are asked to confront the worst of all possible worlds, for example, the collapse of civilised society and possibly – if global warming hits five, six or more degrees – the wipe-out of the human race itself. For all these reasons, we can be confident that we will get no help in solving the real problems we face – quite the contrary – from the G-20 as a whole or from its most influential parts, the G-7, the G-8 or the G-anything.

As if all this were not bad enough, the situation we face is even more depressing than I've so far described because we're not likely to get much help either from the social democrats or »third way« people; the ones I prefer to call »social liberals« because they have spent the past couple of decades accompanying neoliberalism rather than combating it. In Europe, the social liberals have consistently supported privatisation of public services, deregulation and, more recently, the EU Constitutional Treaty. When the French and the Dutch voted No in 2005, the social liberals dropped all their democratic principles and sided with Germany's Commissioner Verheugen who said »We must not give in to blackmail«.

Having thus dismissed popular sovereignty, they are now happily supporting the Lisbon Treaty which is nothing but a rewrite, a clone of the Constitution. Valéry Giscard d'Estaing, principal author of the Constitution, himself explained that the Lisbon Treaty was basically the same text but had been given »cosmetic changes to make it easier to swallow«. The Lisbon Treaty is a condensation of market-driven neoliberal doctrine, based on »free and undistorted competition«. It will freeze European social, fiscal, ecological and military policies in place for the foreseeable future. If the Irish can't save us with their second vote, then this Treaty will make social and economic progress in Europe much more difficult if not impossible. I urge you all to support the second Irish No campaign because unless they can win again, we will be subservient not just to finance capital and the dictatorship of the rich but also to ecological stagnation and neglect, runaway climate change and, in military matters, to NATO, run by the USA.

So, if we hope to put an end to neoliberalism, what's left? Who can we count on? We can count only on the »left of the left«; meaning all the forces, whether now organised or not, to the left of the social liberals. Here I could also go into detail about our weaknesses, beginning with Italy and my own country, France, while praising Germany and Die Linke for showing us the way, even if we don't pay attention. I could continue discussing in the same pessimistic way the first half of the title given me – *The End of Neoliberalism*. I could point out the obstacles to achieving such a goal and caution you against believing we are anywhere near it. I could lament our failings and our limitations on the left and we could all leave this room thoroughly dispirited and discouraged.

That is not my intention. Instead I want to concentrate now on the other half of the title I was given, which is »Alternatives to Finance-Led Capitalism« and try to show how we on the »left of the left« might just manage to save the economy, the people and the planet from our present rulers and their allies, if we are capable of a lot of hard political work, if we understand the need for unity and for alliances and if we are blessed with an enormous amount of luck.

I believe that in spite of all the obstacles, all the handicaps, all the difficulties of our situation, we are also rich in social movements, people and organisations like those gathered here today. We have any number of ideas and proposals which could actually pull us out of the deep pit that the crisis has dug and help us emerge into a wiser, more resilient society based on cooperation, democracy, greater equality and a green economy. I have my plan and I'm sure most of you have yours. Naturally there is no guarantee that we will receive an honest hearing, nor any assurance that our solutions will be tried, even if the crisis gets worse, as I fear and expect it will. Still, we can recall what Winston Churchill said about the Americans:

»The United States invariably does the right thing after having exhausted every other alternative«. Perhaps the people who run the world, even the G-20 or the G-7 will also be forced, finally, to do the right thing. For the present, however, our basic problem is this: Those who have power have no ideas, or bad ideas, while those who have good ideas for escaping the crisis have little power compared to their adversaries.

Whatever the difficulties, let's start by recognising that the cliché about the Chinese character for »crisis« is true – the Chinese really have got it right and the character for crisis really does mean both danger and opportunity. The danger is clear and present, but the opportunity is there as well. As ordinary citizens grow angrier, as they grow more frightened about the future, we must try to help them seize the opportunity rather than give in to the danger – otherwise they may start finding scapegoats and blaming immigrants or whoever else is close to hand. As the G-20 fumbles and fails, as I feel sure it must, this window of opportunity will become more visible to more people, but it won't stay open forever. We really must act fast.

The bailouts of major financial institutions are still coming thick and fast. A great many once proud corporations have become serial bailout customers; they are staggering around like heroin addicts, demanding further shots of public money. Last time I looked, Citigroup was getting its third massive injection of federal funds and the international financial insurance company AIG was in line to receive another thirty billion dollars having already swallowed 80 billion. Worldwide, we are somewhere in the neighbourhood of seven thousand billion dollars – that is seven with twelve zeroes – handed over to the banks and other companies.

I honestly do not understand why people are not out in the streets denouncing this seven trillion dollar scandal, condemning these addicts grabbing repeated doses of taxpayer cash. I also don't understand why citizens are not demanding compensation. Surely we can all understand that those thousands of billions come from a single source, and that source is us. This shower of gold which appears to come out of thin air is actually debt creation which will have to be repaid out of past, present but also future taxes, those of our children and grandchildren because it will take several generations to absorb these vast outlays.

And here is the final outrage: For these present and future sacrifices, we are receiving absolutely nothing in return, except for massive losses of jobs and savings and for many people, their homes. Either ordinary people in our different countries don't see how they are being used or they don't know what to do about it or both, because they are not organised. But whatever the case, our job on the left is to explain why we must place the banks under social control. Call it nationalisation, socialisation or

whatever you like – the imperative is that we treat banks like public utilities whose job is to serve society and that we consider financial credit as a common good.

When I say we must try to impose »social control« over the banks, I do not mean simply changing their boards of directors although that is necessary. We must also say to their shareholders, »Yes, you lost money on the stock market but you took that risk and nobody forced you to buy stock in these banks. Today you no longer have anything to say about their management and you will receive no further dividends«. The banks should then be handed a list of requirements they would from then on be legally obliged to follow.

The first requirement is a simple one: the banks must start lending money again. This is the a-b-c of banking and it is quite incredible, in fact shameful, that despite all the handouts, they have virtually stopped lending. The credit system is paralysed, money is not circulating. It's as if the blood were frozen in your body – our economic body needs to be thawed out and restored to life. Banks are taking public money but not using it to make loans – some have even admitted they are hoarding the cash in order to buy up weaker establishments when they come on the market. Interbank lending is the foundation of the banking system, but banks are loath to lend to each other because they don't know what the profits and losses really are on the balance sheets of their neighbours. No one knows how many worthless toxic securities other banks may have in their portfolios; everyone fears that the bank next door may be the next to fail. Thus the first order of business is to get money circulating again, circulating like any other public service, like electricity or water or the U-Bahn.

Social control also means that the uses for this money are to be determined by social and ecological needs. Criteria for loans should be, first, that small and medium enterprises, SMEs, take precedence, particularly over transnational corporations. SMEs represent 99 percent of European businesses; they provide over 70 percent of European employment and right now many are close to bankruptcy not because they are poorly managed but because they can't get credit.

Priority for loans should go to SMEs with an environmentally sound project – in alternative energy, construction, lightweight materials, organic food or whatever else, but a project that will reduce dependency on fossil fuels and emit a minimum of greenhouse gases. Further priority would be given to SMEs organised along cooperative lines, with worker participation because we need simultaneously to strengthen the social economy. Loans to individuals should favour people who want to buy energy neutral houses or homeowners who want to fit their existing houses with alternative energy solutions, as you are already doing in Germany with attractive financial incentives. We could add other items to the list of

priorities, for example loans for buying electric or other alternative energy automobiles. All such loans should be made so that administrative costs are recouped but interest rates should in no case be higher than current rates of inflation.

Finance to private persons or SMEs is necessary but not sufficient to solve the crisis. I will shortly suggest some further alternatives to finance-led capitalism, but first please let me pause for a moment and expand further on why this crisis is systemic and does not merely concern the financial system, although this aspect has pushed the others off the front pages.

We are at a crossroads of crisis and a huge crash has occurred at the centre of this crossroads. One of the converging roads is the social crisis of inequality which has been building up over decades. Particularly since the neo-liberal regimes of Ronald Reagan and Margaret Thatcher took power, the share of capital compared to the share of labour in total wealth produced has been rising. In most European countries, capital has increased its share by ten points of GNP – some economists even put the increase in capital's share at fourteen points. According to them, at its peak, labour once received nearly three quarters of so-called »added value«; now its share is down to about 60 percent, with a corresponding increase for capital, up from about a quarter to 40 percent today. This means not only that the rich get richer but also that demand for economic goods and services is compressed because there is less wealth in the collective pocket of labour.

The relentless downward pressure of globalisation on working peoples' salaries is a worldwide phenomenon and has been a huge factor in this process, with the result that inequalities have soared everywhere, both within our individual countries and also between the richer and the poorer countries. This is one part of the systemic crisis caused by neoliberal capitalism.

The food crisis is another of the roads converging towards the crash. It has been reinforced by growing inequalities, and reached its height in the spring of 2008 when it plunged tens of millions more people into dire hunger and poverty. Although the increased cost of petroleum didn't help, the two main causes of the food crisis were the massive switch into agrifuels and financial speculation. Agrifuels subtracted a third of US cropland from food production and the EU Commission's choice to move into these fuels had a similar, although less severe impact. The International Food Policy Research Institute, quite a conservative organisation, says that the choice of agrifuels added 30 percent to the cost of basic foodstuffs.

Second, when the subprime bubble burst, financial speculators were on the lookout for any new area where they could turn a quick profit and they stampeded into the completely deregulated commodities markets. In 2008, the volume of trade on these markets was twenty

times as great as five years earlier. At one point, the price of wheat went up by 31 percent in a single day. Prices for basic staple foods doubled or tripled worldwide and poor people who already spent at least 80 percent of their meagre incomes on food could not keep up. Riots occurred in more than thirty countries.

The financial crisis itself is of course the third road leading to the crisis crossroads but to my mind the fourth road is by far the most dangerous and that is the ecological crisis of climate change and loss of biodiversity. Why should we fear it most? Because with finance, food, or even social inequality, if we make enormous political efforts, it is possible to go back and start over, we can correct our mistakes and prevent these crises from recurring. Not so with the environment – once runaway global warming has taken hold, the game is over. We are on the threshold of such an extreme event, perhaps we are already past it. But since we don't know, we must act as if we still had time and make an all-out effort, right now, to reduce the burden we place on our unfortunate planet.

Let me cite just two scientific communications to strengthen my case. First: the Nobel Chemistry Prize winner, Paul Crutzen of the Max Planck Institute, has shown that agrifuels, if their whole cycle is taken into account, actually produce three to five times *more* greenhouse gases than fossil fuels. Second, the Arctic summer ice has been reduced in the space of three years from a thickness of 2.6 meters to half that – 1.3 meters. Permafrost all around the Arctic Circle is starting to melt, releasing millions of tonnes of methane, a greenhouse gas far more powerful than CO₂. This process is advancing much faster than the Intergovernmental Panel on Climate Change thought possible when it issued its report in 2007. Sea-levels are also rising faster than they believed would happen.

I want you to be very, very scared and to frighten other people! Fear may not be the only motivation for action, but it can help and I want to argue now that the best way to overcome the crises of inequalities, of food and of finance is to concentrate on the ecological crisis because it offers us the best hope of escape through a massive economic conversion programme. My dream would be to see the world, led by the rich countries, undertake the conversion to a fossil-fuel-free economy on a scale similar to the conversion the United States undertook in the early 1940s as it transformed itself to win the war.

Harnessing the banks to finance this job, as I recommended earlier, could contribute to such a crash programme but even if successful, it would not be enough. We need massive *public* spending as well and we know that our present governments will immediately reply that they haven't enough money to undertake such a venture. Here again, the left of the left has the answers. We have been proposing them for years and technically speaking they are ready to go. Although we don't have time to go

into detail, please believe that we face no technical problems, either with environmentally friendly solutions or with financial techniques to pay for them. We are not in utopia here but in well-charted territory. Yes, some ecological solutions are now slightly more expensive than fossil fuels, especially with oil as cheap as it is today, but the prices of alternatives can go down sharply when mass production takes over and research in the relevant science and technology gets the proper support. Meanwhile, public subsidies should make up the difference so that alternatives are economically attractive options. Huge numbers of new jobs would be created and health would improve as pollution was reduced.

The financial solutions require no new thinking either – just a bit of software code and a great deal of political will. What, besides control over the banks should be on the public agenda? Here, again without going into detail, are several items.

Tax the highest incomes. Most governments following the neoliberal religion have steadily decreased taxes on their wealthiest citizens, using the fallacious excuse that such people were the principle creators of wealth and engines of growth. This is a lie – the wealthiest already have nearly everything they need so they put their money into various markets or give it to people like Bernard Madoff in hopes of making huge returns. It's time to respect century-old principles of the graduated income tax and reinstate inheritance taxes as well. This is a national measure and easier to put back in place than the international ones that follow.

Tax international financial transactions including currency transactions. Since it was founded ten years ago, Attac in particular has been proposing international taxation. The tax on airplane tickets adopted by about 14 countries is a drop in the ocean but it shows that international taxation is possible. A tax of one basis point, or one per thousand, would not harm anyone. Depending on the volume of transactions, which before the crisis was over three trillion dollars per day in currency trades alone, such a tax could raise tens of billions to be placed in public trusts for environmental conversion.

Cancel the debt of the South. The G-7 has talked about this for ten years but has never gone further than about 20 percent cancellation for the poorest countries. It's time to act, but also to insist that the countries receiving cancellation participate in the environmental effort through reforestation, biodiversity conservation and other environmental programmes. We know that Sub-Saharan African elites between the mid-1970s and 2004 stole over 420 billion dollars and sent them to Northern tax havens, so it is not unreasonable to recommend that debt cancellation also be monitored by external, impartial auditors. I would also like to see governments required to hold elections so that their own citizens could participate

in a national council whose objective would be to follow the money and insure it was well-spent.

Close down tax havens. Several well-known people have recommended this and the Vatican has come out very strongly against them. My British friends tell me that Gordon Brown might accept that some offshore havens be closed, but surely not the many British ones like Jersey, but the pressure is building. We also know that at least half of world trade goes via one or several tax havens; that wealthy individuals and transnational corporations are not paying at least 250 billion dollars in taxes to many governments. This will be true so long as they remain immune from national laws. Only small people with a fixed address pay taxes today.

Get transnational corporations under control. Aside from using tax havens to the fullest, TNCs are masters of transfer pricing in order to reduce their taxes to the absolute minimum. A simple mobile telephone may involve – truly or fictitiously – more than two dozen countries, and each transaction whether material, like the purchase of components, or immaterial like the purchase of advertising or banking services offers an opportunity to manipulate prices and thereby taxes as well. Let me quote the accounting firm Ernst and Young who are anxious to help out in this manipulation: »Transfer pricing affects almost every aspect of an MNE – multinational enterprise – and can significantly impact its worldwide tax burden. Our (...) professionals help MNEs develop transfer pricing strategies, tax effective solutions and controversy management approaches that best fit their objectives«. Let's indeed encourage controversy about how these corporations cheat and see how Ernst and Young and their clients use their controversy management strategies to deal with us. Meanwhile, it's important to know that some radical economists have already proposed a »unitary profits tax« on transnationals that could quickly get rid of such abuses. It would require that transnational corporations publish their sales, profits, number of staff, and taxes paid in each jurisdiction and would show at a glance if they were cheating.

Issue European bonds for public works, particularly public transport. Astonishingly, the European Central Bank, unlike any other central bank, refuses to issue bonds for improvements in European infrastructure. Such eurobonds would be triple AAA investments and would allow us to develop environmentally friendly rail and water transport networks and European wide programmes to favour alternative energy. The independence of the ECB is a major obstacle to green conversion in Europe.

What about the Bretton Woods Institutions and the WTO that the G-20 are so anxious to restore to their former glory? The world needs international institutions but not the ones we have now. I would recommend that we go back to Keynes. Although many of his ideas were

overruled by the Americans at Bretton Woods, they are still valuable. His proposal for an International Trade Organisation, much of which survived after his death in the Havana Charter of 1947, would have been a far better starting point for trade rules than the WTO, which contain not one word about labour rights or the environment. Keynes' international currency, the *bancor*, would have avoided the abysmal deficits and stratospheric trade surpluses we witness today. This currency would have prevented the Third World debt crisis as well – so the IMF and the Bank would never have had an opening for their deadly policies. Since 65 years have elapsed, Keynes' ideas would obviously need to be dusted off and modernised for our own circumstances, but we need a new international system which the UN unfortunately does not seem able to provide.

Now, as I come to my conclusion, I can hear some of you whispering to yourselves or to your neighbours, »She still hasn't told us how to get beyond capitalism and it's capitalism that's the real problem«. You are right on both counts – it *is* the real problem and I *haven't* given a blueprint to get rid of it. I can't because I don't know how. Perhaps some of you are still dreaming of the Big Red Bang – personally I have no desire for violent revolution, I don't see what it would bring in advanced countries except a lot of bloodshed and probably some kind of fascism or at least authoritarian government. Sometimes I ask people to tell me the name of the tsar we should overthrow and to give me the address of the Winter Palace so I can march with them – All I know is that the Palace isn't on Wall Street or in the City and the present crisis has confirmed my opinion that we are definitely not in 1917.

I especially do not have a blueprint for what the good »final« society should look like. Revolutionaries always seem to know exactly what they want »afterwards« and I don't – this alone disqualifies me. To be absolutely honest, I don't even *want* to know how society should or will be organised, except that it should be less centralised, more democratic and environmentally viable. Here are three reasons for my position:

First, the left has already lost far too much time on arguments about ideal societies and I believe these argu-

ments are sterile, even dangerous, because our societies are too complex for us to be able to consider all their parameters. Second, I believe that the future will be and should be different in different places, if only because of geography, culture and a host of other factors particular to each society. For me the main feature is that whatever the outcome, it should come about through a democratic process. Finally, no society ever reaches a »final« state, thank God, because people and their arrangements are too various and they evolve. So our rule should be that none of us, singly or collectively, knows what's best for everyone and none of us should try to dictate the common good. In a general way, of course, we all want social justice and environmental sustainability. But they should come about through the exercise of democracy. In other words, democracy should be both the means and the end.

Right now, I would settle for a little less complacency, a little more boldness. Most politics today seems to me anaesthetised and anaesthetising, too technical, too incomprehensible and therefore for most people unattractive, possibly frightening. Even Obama, the poor man on whom we all projected our dearest fantasies, is beginning to sound too much like a technocrat. This is why I want to close with a plea for something which may be impossible, but if a lot of us are thinking about it, it might appear. We need a new »Mythos«, a new Grand Narrative, a new planetary cry that resonates »Yes We Can«. »Yes, the Human Race Can«. Yes, all humans desperately need the planet. This planet and our fellow humans desperately need us. Yes, we can act to be worthy of both the planet and of our fellow humans. Yes, we can act to be worthy of history even though history has dealt us the most difficult hand ever to be put on the table in the entire long unfolding of life earth. We have no choice but to play it.

Thank you.

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