

# Light on Development. A Post-MDG Agenda

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This essay contributes to the debate on the post 2015 development agenda. It criticizes the growth paradigm of development thinking by pointing at adverse effects of the relentless pursuit of growth: senseless consumerism, growing inequalities, and environmental degradation. The essay sketches the outlines of an alternative theory of development that departs from a different ontology and is based on a different concept of selfhood. Recognizing trust as the basic substance of society, and situating trust in the social relation rather than in the individual, the essay argues for the enhancement of trust as an alternative to growth. It explains the crucial role of trust in the forging of society and identifies a strategy for trust enhancement in the collective management of public goods. As the argument unfolds, a radically different global social agenda is presented that takes us way beyond the MDGs. It comprises of three complementary and mutually reinforcing development goals: reducing global inequalities, abandoning economic growth, and enhancing trust.

## Introduction

The 2015 target year for reaching the Millennium Development Goals (MDGs) is approaching, sparking-off debates on the relative merits and shortcomings of the MDGs and on what could possibly be a post-2015 agenda (Haddad et al. 2011a and 2011b; UN 2013). There is wide-spread agreement that the MDGs have served and continue to serve a useful purpose in having created international consensus on measurable development targets (AIV 2011: 25-6; UN 2013). However, there has also been a substantial measure of criticism.

The lack of a clear theoretical foundation is a recurrent theme (AIV 2011: 20-6). The MDGs were formulated in an attempt to overcome the earlier one-dimensional focus on economic growth and the Gross Domestic Product (GDP) as its measure. For measuring progress, the GDP is a one-sided yardstick, its shortcomings well known (Jackson 2009: 39-43; Lemaire 2002: 314; Seers 1969 and 1976; Summer 2007 and 2009). The MDGs address a wider range of internationally acknowledged dimensions or components of development. But there is no theoretical underpinning for including some themes (i.e. education, health care, water) and excluding others (human rights, inequality, security). There is no coherent social economic vision behind the MDGs. I feel this dearth of theory reflects the lack of a shared understanding of what development is all about, if not economic growth. There is no common, intuitively appealing concept of development<sup>1</sup>.

A second shortcoming of the MDGs is that they seem to imply that poverty and other social economic problems are limited to developing countries and have no bearing on the realities of the developed world (AIV 2011: 25-6). The pursuit of the MDGs does not relate at all to enhancing well-being in the already developed world. Surely such an approach is no longer valid in a highly interdependent world facing global challenges.

The current interest in discussing and drawing-up a post-2015 agenda offers an opportunity to reflect upon and radically recast the underlying assumptions of development thinking. There is reason to rethink the merits and shortcomings of growth to create room for an alternative vision of development. There is a need for truly universal goals, goals that address the needs and well-being of everyone around the globe. To this effect, I shall conceptualize a post-MDG, rather than a post-2015 agenda.

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<sup>1</sup> This is equally visible in the various attempts to develop indicators that present a more genuine picture of economic welfare (Jackson 2009: 179; Kubiszewski et al. 2013; OECD 2007) or development at large (Van Staveren et al. 2013; Stiglitz et al. 2009). In order to complement and correct the one-dimensional focus on growth, these instruments try and capture the multi-dimensional nature of development or well-being. They take the form of heterogeneous amalgams of diverse components, aggregate indices that mix a length of growth with a grain of health, an ounce of sustainability, and a breath of governance. However, rather than finding what they seek to measure, they display that we lack a single powerful notion of development (Molenaar 2011). Compared with the simplicity of the notion of growth, these constructs fail to present a convincing alternative.

## I Growth and modernity

Growth runs on debt. Credit and interest are central to economic growth and the dynamics of capitalism (Ferguson 2001: 113; Neal 1990: 164-218). Early capitalism emerged with the invention and refinement of interest bearing monetary instruments, which improved the flexibility for creating money (Galbraith 1975; Tracy 1985: 26-140), enhanced monetary liquidity (Milnes Holden 1955: 1-94; Neal 1990: 4-7; Spufford 1988: 240-63), and unleashed the driving force of credit and interest that fuels the dynamics of capitalism (Ferguson 2008: 31-65; Wee 1997: 173-88). Originating in Northern Italy, from the thirteenth and fourteenth century onward, capitalism spread and evolved with leaps and bounds over Western Europe (Braudel 1979: chapter II and III; Ferguson 2001; Kindleberger 1984: 19-77) and has now conquered the entire globe (Goldsmith 1987: 3, 231; Powell 1966), resulting in a historically unprecedented creation of wealth.

Monetisation made an ever-growing number of resources, products and services commensurate in terms of a single medium, turning them into commodities to be bought and sold. This allowed for the economy to emerge as a separate domain detached from the wider social and moral fabric of society, and for this economic domain to widen and encroach upon other aspects of society. The current monetary system evolved out of late Medieval banking and came to be based on bank credit (Homer 1963: 122-87; Nieuwkerk 2005: 118-49 and 2009: 92-108, 132-43; Roover 1974: 230-8). In taking the form of interest bearing credit, money assumed an aggressive character. Compound interest brought forth the imperative to grow. Thus capitalism assumed a drive to break new ground and could not but seek to conquer the entire globe. It vitalized society in evoking an urge for exploring new opportunities. The process thoroughly transformed the relations between man and things and between man and man (Dumont 1977).

Capital and interest share a common ancestry. The concept of *capitale* can be traced back to a thirteenth century treatise composed by Peter Olivi (1248-1298), a Franciscan theologian who argued that merchants should receive compensation for lending out money because of '*a certain seminal quality of generating profit, which we commonly call capital*' (Kirshner 1974: 28-9). Yet, during the Middle Ages, the church, deeming it unnatural for money to grow by itself, fiercely suppressed usury. A merchant's profit was considered justifiable only as compensation for his work, whereas usury would lead to gains without any effort. In the course of the fifteenth and sixteenth centuries, the notion of *interesse* came to signify a non-usurious compensation for the loss of profit a lender would have made if he would have invested the funds in profitable undertakings.

Charging interest for commercial loans became ordinary practice, to be gradually extended to all loans. In the world of merchant bankers, growth came to be the norm and making money out of money was no longer seen as unnatural (Graebner 2011: 289-90; Houdt 1995; Kirchner 1974; Wee 1997; Weststeijn 2012). During the same period the concept of interest took on the meaning of '(legal) concern', 'benefit' or 'advantage', as reflected in the notion of self-interest. This background tellingly indicates that self-interest was originally conceived of from the perspective of the lender, the receiver of interest.

The idea of self-interest was to take centre-stage in economic thinking. In 1776, Adam Smith grounded the economy on self-interest with his famous sentence '*It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest*'. Eventually this thinking would crystallize into the concept of *homo economicus*, a term used for a man acting rationally to obtain the highest possible wealth for himself. The notion of self-interest associates the individual with the mathematical accumulation of financial returns on a loan, implicitly suggesting that the self pursues interest autonomously. As interest makes money grow by itself, so the rational self realizes wealth (self-interest) by himself. The self of *homo economicus* is self-contained, self-sufficient and autonomous. It is an atom in an atomized world. It needs no others to pursue its interests and these interests are defined in terms of private property. This is a self for whom possessions are more important than relationships.

Compound interest is lineal and mathematical in nature. It causes the necessity for growth which in its turn results in the restlessness inherent in the way time is being experienced in modern societies: the perception that time fleets away, that it is scarce and has to be used optimally. This is one of the roots of the lineal, mathematical concept of time that characterizes modernity, time as the dimension in which development unfurls (Molenaar 2012).

Values of freedom and progress spring from the monetisation of society (Buchan 1997: 33, 59; Nisbet 1980: 126-89). In a sense, money liberates because it recognizes no hierarchy. Monetisation enlarges the freedom of

individuals to approach one another as equal partners in the market place. It frees individuals from the obligations of feudal bonds, communal solidarity or ethnic affiliation (Aglietta & Orléan 1982: 176; Murray 1978: 60), and it offers the opportunity to escape from an ascribed social position. It opens up a world that allows for self-realization and taking initiatives. This is reflected in liberal values, the notion of the individual as autonomous personality, human rights, participation and democracy. The concepts of freedom and progress reflect and positively value these workings of money.

These values embody the development and progress of civilization. At least, this is the way it was perceived in Western societies until recently. In this perspective, Western culture is seen as the temporary apogee of the evolution of human civilization. Other cultures and societies are placed in the same lineal time frame, but in an earlier stage, underdeveloped, a preliminary stage to the Western level of development. Seen this way, it makes sense to try and promote development by transferring to these societies assets – money, knowledge, technology, and values - that have made the West what it is (Mehmet 1999; Vandemoortele 2004: 2).

This social-evolutionary perspective no longer dominates academic development thinking. But it still permeates donor development policies and the public support for these policies. This background explains why international development cooperation tends to focus on developing countries and mostly disregards the well-being and development of affluent nations (Crew & Harrison 1998: 23-7). It equally explains why, despite attempts to widen the agenda, economic growth remains the central concern. Indeed, economic growth has become the almost universal prime policy goal of governments.

Growth and the pursuit of self-interest by the autonomous individual have become part of the self-understanding of modernity. We have come to see the need for growth as a self-evident necessity, a given fact of life. Capitalism tends to marginalize, de-legitimize and render invisible everything that does not yield to the logic of monetisation, commodification, and accumulation (Apffel-Marglin 1996: 101; Marglin 2008: 9-14). Non-commodified services are un-quantified, unmeasured and in a sense invisible. The GDP only measures what is marketized and can be expressed in monetary terms. The word 'capitalism', read in the sense of 'chauvinism' or 'ethnocentrism', expresses this well. We look at the world through the 'lens of capital', the lens of autonomous self-driven accumulation, and this determines what we observe. We tend to perceive of accumulation as a self-evident reality, reflecting a law of nature.

This self-understanding of modernity is particularly strongly reflected in mainstream economics. Economics departs from the assumption of what Adam Smith described as the natural propensity of man to truck and barter. Consequently, it cannot but see trucking and bartering everywhere. Wherever they look, economists see economy, and they cannot conceive of alternative ways of organizing society (Ibid. 1-8). However, ethnography provides no basis for this supposed universality of barter, generalized competition, or the pursuit of self-interest. In fact, anthropologists have often criticized this presupposition.

A standard definition of economics speaks of the science that studies human behavior as the relation between unlimited needs and scarce means that have alternative uses. Unlimited needs and scarce means are seen as universal traits of the human condition. Yet, the experience of scarcity in relation to unlimited needs is the historical creation of capitalism (Achterhuis 1988: 34). Incommensurable and isolated scarcities have always existed (Marglin 2008: 214-6). But due to general monetisation, the universal regime of quantitative measurement, we now have 'one big scarcity, Scarcity with a capital S. Scarcity structures our existence: since everything is interconnected, everything is scarce' (Ibid.). However, general scarcity is not a natural phenomenon, nor is it widespread in the history of culture. It arises only when man develops unlimited or dynamic needs (Claassen 2004: 38-55), which is the case with the emergence of the free-market economy, the institutionalization of commercial competition.

Gift economies are not based on barter, nor on the precise quantitative calculation of value. It is assumed that relationships will endure and therefore one trusts to be and remain obliged to one another. People are permanently mutually indebted, but these debts are never settled, never fully canceled out. Continuity of society rests on it (Aglietta & Orléan 1982: 147-53; Gregory 1977: 52-69 and 1982: 110-2; Sedlacek 2011: 136-7). In pre-modern societies barter does not play a main role. It is a marginal phenomenon, only taking place between strangers or even enemies. For most of its existence, mankind has lived in societies embracing other values than material accumulation and competitive self-enhancement. This awareness may serve to help us realize that growth is not inevitable, opening-up the mental space required to question growth.

## II Questioning growth

There is no denying the many advantages economic growth has brought, not only in terms of material welfare, but also in terms of enhanced freedom, life-expectancy, education, and the relief of drudgery. The success of the free market economy in these respects is impressive. But there is another side which we need to explore.

Growth has become a structural necessity of modern societies. Continued growth is needed to keep the system going (Lemaire 2002: 313). This seems to indicate that the system has run wild, is beyond our control and now turns against us (Jackson 2009: 97; Lemaire 2010: 54-62). We have created a megalomaniacal machinery to generate and accumulate capital in a never ending process that will unavoidably run up against the limits of a finite planet (Ibid. 122-3). Capitalism has been likened to 'a gigantic apparatus of credit and debt that operates to pump more and more labor out of just about everyone it comes into contact with, and as a result produces an endlessly expanding volume of material goods' (Graeber 2011: 346).

The economy shows signs of a permanent flight forward (Lemaire 2010: 132-3). It has been argued that debt transfers energy from the future to the present (Sedlacek 2011: 85) and that through credit, capitalism uses up what still has to be earned, thus becoming imprisoned by the future that necessarily has to become an extension of the present (Hoult 1995: 14; Lemaire 2010: 338). All this is troubling and should give one pause. It is sufficient reason to take a closer look at the effects of continuous growth.

Evidence is mounting that beyond a certain material threshold, further growth does not add to felt happiness or well-being (Bok 2011: 13-4; Goleman 2006: 316; Layard 2005: 3-48; Sedlacek 2011: 217-23; Wilkinson & Pickett 2009: 6-7). Economic growth substantially increases well-being in relatively poor societies, where many cannot meet basic material needs. But once a country reaches a per capita income of roughly USD 10,000 – 15,000 per year, additional growth yields no further increase in well-being (Bok 2011: 14; Jackson 2009: 59). I can see three main reasons for this.

### ***Growth leads to senseless consumerism***

The in-built pressure for growth necessitates increased consumption and evokes dynamic needs. Supply creates its own demand through creative and aggressive marketing. As Sedlacek (2011: 219-34) explains, advertising awakens a desire for things. It activates something that was already there, but in a dormant state. We tend to feel that economic growth allows us to satisfy these desires and are blind to the fact that it forces these desires upon us.

In modern society, the economy is all about awakening and satisfying ever new desires. Skidelsky & Skidelsky (2012: 3) argue that economic insatiability is rooted in human nature but has been raised to an unprecedented level in modern society. Capitalism, they say, 'has exalted some of the most reviled human characteristics, such as greed, envy and avarice' (Ibid.). Likewise, Marglin (2008: 47) indicates that 'the modern West is unique in the extent to which we allow rivalry--keeping up with the Joneses and the like--to be expressed in the acquisition and display of wealth'. This leads to ever higher levels of consumption and a culture of consumerism.

It has been argued that the multiplication of our needs reflects our development and the increase of freedom, autonomy, and choice (Lemaire 2010: 96; Sen 1999). But there is a backside to this development. New consumer needs are continuously evoked by marketing and advertising strategies that play on the emotions and instincts of unwary consumers. This manipulation and conditioning of the mind runs counter to freedom and autonomy. It pushes people into a mold of being hooked to ever new consumptions. The process leads to regression into infantilism and is detrimental to the civilization process (Lemaire 2010: 105). The world of commerce penetrates deeper and deeper into our lives, leading to market totalitarianism (Ibid. 100). Indeed, we are locked into an 'iron cage of consumerism' (Jackson 2009: 87-102).

As Jackson (Ibid.) points out, material possessions do not only serve biological needs. Material artefacts carry symbolic meanings. They can be used to indicate identity, affiliation, and social position, and thus serve a communicative purpose. Material possessions offer the ability to facilitate our participation in social life. In that respect, they contribute to our well-being. However, the tendency to symbolically express ourselves through things has been enlisted in the service of the systemic need of capitalism for innovation and creative destruction. The result is a continuous search for novelty and the felt need for ever new ways and new

products to express ourselves. Most of our attachment to new products is only fleeting, it flares-up and is extinguished, to be replaced by wanting something else (Ibid. 98-9).

In modernity, consumerism has become the dominant language of social life. It would seem that only through consumption man is able to participate in society. This throws-up a barrier between people hindering direct mind-to-mind communication. The depersonalization of relationships corrodes the quality of life and the human spirit itself (Martin Buber as referred to by Goleman 2006: 313). A psychological process of attachment to material possessions leads us to think (and even feel) them as part of the 'extended self' (Ibid. 98). Jackson refers to psychologist Philip Cushman who 'has argued that the extended self is ultimately an 'empty self' which stands in continual need of 'being "filled up" with food, consumer products, and celebrities'.' (Ibid. 100). As Jackson argues, the empty self is the product of the generalized free market economy. This economy depends on continuous consumption for survival.

I do not hesitate to qualify such consumerism as pathological. The senselessness of consumerism is particularly clear in the pursuit of positional goods. Access to such goods determines our position relative to others. Competition to acquire such goods will never cease because acquiring a better position relative to others is a zero-sum game. Endless resources can be wasted in the pursuit of positional goods without any positive effect on well-being of society at large. It is one of the reasons why continued growth does not result in enhanced general well-being after having reached a certain threshold.

This, then, is a first reason to seriously question the value of growth. As Skidelsky & Skidelsky put it: 'Growth, say critics, is not only failing to make us happier; it is also environmentally disastrous. Both claims may well be true, but they fail to capture our deeper objection to endless growth, which is that it is *senseless*' (2012: 7). Or as Sedlacek puts it: 'A feeling of aimlessness binds it to meaninglessness and homelessness' (2011: 241).

#### ***Growth promotes increasing inequality***

Economic growth arrives unevenly and unavoidably creates and increases inequality. Generalised market competition constantly produces winners and losers. Interest causes an endless flow of funds from the hands of the have-nots to the hands of the haves, from those who are in need of money to those who have money to spare, from those who borrow more than they lend to those who lend more than they borrow, concentrating wealth in the hands of a minority (Arkel & Peterse 1993: 233-67 and 1999: 19-57; Godschalk 1993: 267-77; Lietaer 2001: 75-82; Roelofs 1993: 277-91). Free-market competition is inherently divisive, '*enriching the few, impoverishing the many and endangering the planet*' (Douthwaite 1992).

Capital tends to accumulate and concentrate in certain geographical locations and to withdraw from others (World Bank 2008). Competition is most severe in the centres of accumulation. However, competition for scarce financial resources does not necessarily hurt those directly involved. Mostly the effects are shifted on to third parties who may not even be aware that they face the consequences of the functioning of our monetary system (Achterhuis 1988: 59).

No doubt, Stiglitz is right when he claims that various forms of rent seeking and other market distortions result in even higher inequalities (2012: 6, 39), and that this may lead to lower growth (Ibid. 117). Nevertheless, 'markets, by themselves, even when they are stable, often lead to high levels of inequality, outcomes that are widely viewed as unfair' (Ibid. xiii-xiv). Without strong regulatory and redistributive measures, a free-market economy cannot avoid inequality. Moreover, there is a trade-off between regulation and redistribution on the one hand and economic growth on the other (Jacobs 2008), a trade-off between equity and growth. It follows that the continuous pursuit of growth under free-market conditions promotes inequality<sup>2</sup>.

We are beginning to realize ever more clearly the high price we have to pay for inequality. Wilkinson & Pickett (2009) have shown that the incidence of a host of social and health problems (problems such as violence, homicide and other forms of crime, depression and other mental illnesses, teenage pregnancies, school drop-out, infant mortality, low birthweight, AIDS, and obesity) are not related to the absolute average wealth of a country. They do show a clear correlation, however, with the rate of inequality in a country. More unequal countries are worse off, even if their average absolute level of wealth is high. Likewise, life-expectancy, literacy,

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<sup>2</sup> Especially in the last three decades of neoliberal deregulation and privatisation, the decades of 'unfettered' globalisation, global inequalities have risen tremendously (AIV 2011: 19-20; Galbraith 2012: 18, 70-4, 290-3; Murawski 2012; Ortiz & Cummins 2011; Stiglitz 2012: xi, 145).

trust, social mobility, and general well-being are all better in more equal societies, even in countries with a relatively low level of absolute average wealth (Paldam 2007: 15; Woltring 2012).

Galbraith demonstrates that, contrary to established opinions in mainstream economics, greater inequality correlates with higher unemployment (2012: 37-9, 166-235). He also sees links between greater inequality and lower voter turnout, lower civic participation (Ibid. 153), and economic instability (Ibid. 149). Stiglitz draws attention to the fact that in highly unequal societies there is an absence of hope (2012: 3). More egalitarian societies work to preserve social cohesion, while in more unequal societies, government policies and other institutions tend to sustain inequality (Ibid. 77).

High inequality can be an important factor in the erosion of social cohesion, loss of state legitimacy, and in fragility and the fragmentation of states (AIV 2012: 61; World Bank 2011: 6). Global inequalities have a direct effect on migrant flows, political instability, and international organised crime and terrorism. Differences in wealth between states have become more visible and problematical. People are aware of material conditions around the globe, and see and position themselves and others in that light. In this way growing global inequalities spread malcontent and loss of trust in institutions, globally undermining human security.

As Wilkinson & Pickett demonstrate, addressing the problem of inequality is not only to the benefit of the poor but equally in the interest of the rich: 'The evidence shows that reducing inequality is the best way of improving the quality of the social environment, and so the real quality of life, for us all (including the better-off)' (2009: 29). This implies that giving up wealth by the affluent will raise their well-being. It requires a deliberate choice for a simpler, less consumptive but more satisfying lifestyle.

For these reasons, the first goal of a post-MDG agenda that presents itself is to radically reduce global economic inequalities, both within and between nations. Note that this is a truly universal goal. It will raise the well-being of poor and rich alike. It will eradicate absolute poverty and will greatly reduce relative poverty. It will supersede and render obsolete practically all of the MDGs. It will address many social problems, including those currently not addressed by the MDGs.

The pursuit of this goal requires research to measure inequality and set appropriate targets. It needs to take into account both within-national and international distribution (Milanovic 2011: 115-20). A widely accepted indicator is the Gini coefficient. Countries with a Gini coefficient of 0.3 or lower consistently score high on various indices of well-being and happiness. For that reason, a global Gini coefficient of 0.3 can be tentatively set as a target for this goal. In 2012, the gross world product (GWP) per capita was approximated at USD 12,700 (CIA 2013). Earlier we saw that human well-being does not rise beyond a GDP per capita of USD 10,000 to 15,000. If such figures are meaningful and correct, further growth of GWP per capita serves no purpose and we can fully focus on redistribution (Kubiszewski et al. 2013).

However, we must take into account that acceptable minimum living standards are contextual and differ across the globe. Bringing down these standards in affluent nations may imply painful adaptation processes. Consequently, a global convergence of levels of wealth and income can only be gradually achieved. It will require raising public awareness and building public support to pave the way for substantial redistributions and the deliberate choice for a lifestyle of material simplicity by the affluent.

### ***Growth leads to environmental collapse***

A system depending for its survival on the continual arousal and satisfaction of ever new desires necessarily seeks to expand production and consumption in every sphere of life. It has an in-built incentive to exploit all available resources, irrespective of the social or environmental costs. But the expansion of the global economy reaches its limits, if it has not already surpassed these limits. The growth compulsion of the economy meets with the limitations of a finite world. The commodification of natural resources and the continuous expansion of material production results in sustained exploitation of nature, to the effect of depletion of natural resources such as fossil fuels, fresh water, and scarce materials. This comes with pollution and the devastation of ecosystems, and thus with deforestation, erosion, and loss of biodiversity. The resilience of nature is being irresponsibly subjected to severe trials. The vulnerability of the planet is ignored. Climate change is manifest everywhere, the atmosphere and oceans have warmed, the amounts of snow and ice have diminished, the sea level has risen, and the concentrations of greenhouse gases have increased (IPCC 2013: 2).

Mitigation measures and technologies to enhance resource efficiency so far do not succeed in reversing these trends: 'Neither the scope of these [adverse environmental changes] nor their speed has abated in the past five years' (UNEP 2012b: 6). To mention but a few indicators: demand for basic materials is increasing, more energy and natural resources are being consumed, global CO<sub>2</sub> emissions continue to rise as does global mean temperature, demands on freshwater and ocean resources are growing, the state of global biodiversity continues to decline, production of slowly-decomposing plastics continues to grow, primary forest area continues to decrease, and the Living Planet Index—reflecting the health of the earth's ecosystems—continues to go down (UNEP 2011, 2012a). This is not to say that there are no positive developments. Human population growth rate is declining, production processes are becoming more efficient in terms of energy and natural resources, and the private sector is increasingly adopting environmental management standards (UNEP 2011). But against the global backdrop of continued growth on the one hand, and resource depletion and environmental degradation on the other, these positive developments are limited, late, and marginal.

Our ecological footprint now stands at 150 per cent of the earth's ecological capacity to regenerate and is rapidly expanding (Global Footprint Network 2013). As Jackson (2009: 13) points out, 'It's now widely acknowledged that an estimated 60 per cent of the world's ecosystem services have been degraded or over-used since the mid-twentieth century. During the same period of time the global economy has grown more than 5 times. If it continues to grow at the same rate, it will be 80 times bigger in 2100 than it was in 1950'. We are on the road to a slowly unfolding disaster and heading for protracted collective suicide (Ehrlich & Ehrlich 2013). Unfortunately, since this process plays out on a time scale that encompasses multiple generations, many fail to grasp the urgency of the problem.

People have the tendency to look away and cling to false hopes. One such false hope is the belief in technology: new technologies would allow us to decouple growth from emissions and resource depletion. According to this belief we will be able to develop a material-light or weightless economy. Jackson (Ibid. 77-86) demonstrates that such thinking is fundamentally flawed. By revealing the simple arithmetic of growth he argues that assumptions about the capacity of capitalism to prevent climate change and resource depletion through technological advancement are delusional. As he puts it (Ibid. 88): 'Nowhere is there any evidence that efficiency can outrun--and continue to outrun--scale in the way it must do if growth is to be compatible with sustainability'.

Luckily not everyone looks away and there are ample initiatives to try and find more sustainable ways of shaping the economy. There are many forms of social entrepreneurship, new business models aimed at multiple value creation (Jonker et al. 2012), initiatives to internalize environmental costs or social costs in the price of goods and services, attempts to harmonize profits, people, and planet. All such initiatives are sympathetic and important. But they mostly try and engraft themselves on underlying market principles and the price mechanism. They do not radically question growth or generalized competition. I fear such initiatives by themselves will not suffice to turn the tide.

### ***The need to abandon growth***

Let me recapitulate. We have seen that beyond a certain threshold, further growth does not lead to enhanced well-being. We have also seen that the continuous pursuit of growth is senseless and runs counter to the civilization process, that it is inherently divisive resulting in a plethora of social problems that affect everyone, and that it leads slowly to ecological collapse.

Much of this is not new in circles of critical social science, and has been described and analysed from various angles (amongst others by Crew & Harrison 1998; Crush 1995; Douthwaite 1992; Galbraith 2012; Graebner 2011; Jackson 2009; Lemaire 2002 and 2010; Marglin 2008; Rist 1997; Rivero 2001). Yet many scholars and public figures tend to shy away from facing the implications. Somehow, this understanding fails to penetrate mainstream thinking among policy makers, or scholars for that matter. It does not fit within the growth-intoxicated self-understanding of modernity. The 'lens of capital' distorts these insights.

Nevertheless, research into human well-being and happiness (Bok 2011: 13-40; Goleman 2006: 312; Laytard 2005: 72-105) consistently indicates that it is not wealth and material possessions but social relationships and social participation which contribute most to feelings of happiness, contentment, meaningfulness, and belonging. Love, a stable marriage, family life, friendship, community service, performing acts of kindness, shared religious experience, and participation in society appear as the most important contributing factors in

all surveys on subjective well-being. There are also indications that a consciously chosen lifestyle of voluntary simplicity and living in harmony with nature results in higher well-being (Ibid. 22).

The implications of this have to be faced. There can be only one sensible conclusion, and that is that we have to abandon growth. This, then, is the second goal of a post-MDG agenda: to stop global growth and to move towards a steady-state global economy. This second goal is equally universal in that it affects everybody. Obviously, it will need to work-out differently for poor and rich countries, as the first goal will work-out differently for the poor and the better-off. The two goals are consistent and mutually reinforce one another.

This second goal equally requires research in order to identify valid indicators and set meaningful targets. The GDP may be the most widely used indicator to measure the extent of the economy, but whether it serves the purpose of this policy goal requires further reflection (Stiglitz et al. 2009; Kubiszewski et al. 2013). Also the target for a steady GWP, to be set in relation to human population figures, requires further research.

Neither reducing inequalities nor abandoning growth will be easily realized. Not only will it require a massive change of public awareness and the forging of alliances to raise public support (Edwards 2011). We also have to face that growth is a built-in structural element of the economy. Without growth, the current economic system is not stable. The growth imperative is hard-wired into many of our institutions. Consequently, we will need to prudently change the foundations of the economy. Progress towards this goal will require research, deliberations, consensus building, and the careful crafting of policies to allow for a meticulously orchestrated multilateral approach.

But this much should be clear: economic growth is not an inevitable law of nature. The pursuit of growth is not an inborn human trait. It is not unthinkable to change course and to abandon growth. In broad outlines the transition entails curtailing the financialization of the economy, gradually reducing both public and private debts, rolling back the role of credit and interest, and eventually reducing the role of money (indeed the role of economy) in society. For this, we need to harness forces currently spent in the pursuit of growth for other purposes. We need a convincing perspective to inspire enthusiasm, arouse energy, capture the imagination, and fuel the drive for social action. In short, we need an entirely different narrative.

### **III An alternative for growth**

In order to find such an alternative we need to tap into a dimension of society that does not follow the logic of accumulation and competition, that is not based on the pursuit of self-interest. We must start from another notion of selfhood, a notion that is less atomistic and more social in character.

Our failure so far to conceptualize a single catching notion of development other than growth, is related to our tendency to see development as something individuals benefit from or have access to, rather than as a social phenomenon as such. However, people who act and live together bring forth (and are brought forth by) a dimension that is different from and more than the sum total of the separate individuals and their consciousness. The focus on the individual that is so prominent in the growth paradigm hides from view the special character and own weight of social connections, the special substance of the social texture of society (Lemaire 2010: 65).

#### ***The social self***

Neurosciences have recently confirmed that the human being is a social animal. Our brain is socially responsive: 'our brain's very design makes it *sociable*, inexorably drawn into an intimate brain-to-brain linkup whenever we engage with another person' (Goleman 2006: 4). Mirror neurons mimic what another person feels or does and thus create a shared sensibility. They create a neural bridge that allows for a brain-to-brain linkage in a two-person circuitry. Our minds are not separate, isolated entities but interdependent and mutually permeable (Ibid. 42-3). Our brain is capable of empathic resonance. Empathy consists of '*knowing* another person's feelings; *feeling* what that person feels; and *responding compassionately* to another's distress' (Ibid. 58). It is from mutual empathy, the mutually reverberating state of empathic resonance, that trust springs.

We learn to develop and use these in-born capacities from infancy onward. The newborn child experiences an elementary, precognitive awareness of being, a preconscious state of communion with



the world in which the self is not yet differentiated from its surroundings. The newborn child has not yet developed an identity. Our identity is not a deeply hidden, unchangeable core. Rather, it consists of ideas inscribed upon us by our environment (Verhaeghe 2012: 15). We develop our core identity through mirroring, identifying or coinciding with others on the one hand and distancing from others, pursuing autonomy and separation on the other hand (Ibid. 17-8). The process starts immediately after birth through preverbal, automatic, and essentially involuntary modes of empathic arousal (Hoffman 2000: 5).

Hoffman describes the development of children's empathy, starting with the stage of automatic mimicry through to the stage of developing a cognitive sense of others as distinct from themselves. He distinguishes 'four broad stages in the development of self and other: unclear or confused self/other differentiation; awareness of self and others as separate physical entities; awareness of self and others as having independent internal states; and awareness of self and others as having their own personal histories, identities, and life beyond the immediate situation (Ibid. 64). Thus, both the self and the other emerge out of a preverbal, undifferentiated state of communion through a process in which the self gradually develops identity. In disciplining their children, parents typically highlight the effect the child's behavior has on others, thus sensitizing the child's empathic capabilities while stressing self/other differentiation (Ibid. 139-62).

The process of mirroring and distancing never stops. We continue to develop our identity and our selfhood through the way others look upon us and interpret our behavior (Verhaeghe 2012: 29). Childhood is a crucial phase in the development of identity. The extent to which others trust, value and respect us in childhood, reflects itself in our self-confidence, self-esteem and self-respect. A loving and caring environment evokes trust in the developing child. Basic trust, the basis of 'a stable self-identity', presupposes the development of trust in oneself together with the building of trust in others (Giddens 1990: 94-9). Ontological security, our most important psychological need, is founded upon the formation of trust relationships. As the basis of a stable self-identity, trust is the foundation of our relationship with a wider world (Misztal 1996: 99). Thus, autonomy flows from trust (McLeod 2011: 16).

Trustworthiness invites trust but giving trust also reciprocally evokes trustworthiness (McLeod 2011: 8-12). Trust evokes an 'other-orientation' in the trustee and enhances her self-respect and moral maturity (McLeod 2011: 16). We normally feel a sense of obligation not to betray someone's trust and this keeps us from being dishonest (Gambetta 1988: 221). Showing one's trustworthiness is the best way to gain trust. And the best way to show one's trustworthiness is to empathize and to put one's trust in the other. Only those who are able to trust have the capability of knowing the trustworthiness of others (Klein 2011: 73). Thus, trust plays an integrative role in committing people to norms of reciprocity (Misztal 1996: 68).

Trust arises in mutuality. As Goleman (2006: 332-3) explains, as we engage with others, multiple ways of knowing and doing spring into action. This allows us to simultaneously know and communicate at various levels or through multiple channels (Gerck 1998: 3-8) and to mutually recognize trust and trustworthiness. Trust and trustworthiness evoke one another instantaneously. The essence of the process lies in the relation rather than in the individuals involved. Trust is first and foremost a social phenomenon. Typically, when our trust is betrayed, we do not merely lower our opinion of the other. We ourselves feel diminished, as if our self-worth has suffered damage (McLeod 2011: 3-4).

Clearly, this is a notion of selfhood that differs radically from the self-contained, atomistic self of homo economicus. The self originates out of a preconscious awareness of the world through a process of gradual self/other differentiation. In a sense, it originates from outside the individual and is born out of social relations. Moreover, the self never stops to be open and permeable to others. Also in this case we could use the description of 'extended self', since the self stretches beyond the individual. But it is not an empty self. It is able to reverberate with empathic resonance. It is filled with others and it spills over into others in its turn.

### ***Trust and well-being***

Unlike a commodity, trust cannot be exchanged in the market. It cannot be purchased. Any attempt to buy or sell trust is self-defeating since it can only destroy trust. Trust cannot be ordered or bribed. It can be earned and it can be lost, but it does not yield to the logic of the market. It is beyond the powers of

commodification and alienation. Trust is not a means that can be chosen for a particular end (Miztal 1996: 76). For these reasons I pose trust as an alternative for growth.

The literature on trust is extensive and stretches across many disciplines. Trust has been interpreted as a belief, a feeling, a motivation, an attitude, a value, or a propensity to act (McKnight & Chervany 1996). Unfortunately, many theories try and locate trust in the individual and see it as an individual property, attitude, or strategy. In doing so, I feel, they miss the central property of trust, which is that trust isn't located in individuals but in relations.

Trust is the glue that makes society possible and the crucial component of social cohesion. Trust's ability to play the role of a social lubricant or social capital facilitates cooperation. Trust towards others can be generalized and become embedded in social structures, thus becoming a more universal trust and the basis for a well-ordered society (Ibid. 199; Delhey & Welzel 2012: 50-2, 65-6). Trust 'in impersonal principles, as well as anonymous others, is indispensable to social existence' (Giddens 1990: 104). Modern societies are characterized by 'system trust', which is built upon the belief that others also trust (Luhman 1979: 66-9). This property seems to reflect that it is in some way external to the individual (Miztal 1996: 96). Thus, trust typically connects micro to macro levels in society (Rousseau et al. 1998).

High levels of trust make people feel secure and see others as co-operative. The greater the level of trust within a society, the greater the likelihood of cooperation, which in turn contributes to the establishment of trust relationships. Thus, trust allows for attachment, care-giving, and social bonding. More cohesive and connected communities create resilience (World Bank 2013: 139-63). Socially integrated people, people who enjoy nourishing relationships with family and friends, who belong to social and religious groups, and who participate widely in the life of society, recover more quickly from disease and live longer (Goleman 2006: 247). Trust allows for a life rich in rewarding relationships (Ibid. 312).

Trust, then, represents a central and indispensable condition for both individual and social well-being. It offers an alternative to growth in the pursuit of human well-being and holds the promise of countering the adverse phenomena that growth has brought. For these reasons, I advance the enhancement of trust as a third goal of the post-MDG agenda. It is directly complementary to the first goal of reducing global inequalities, since we saw that rising inequality undermines trust and social cohesion. Moreover, it is a universal goal in that it is relevant for all societies.

The relation between growth and trust is complex. It has often been argued that growth stands to benefit from trust. Trust lowers the transaction costs of doing business. Our monetary system, indeed our economy at large, would not be able to function without trust. For that reason the enhancement of trust or the building of social capital in the interest of growth has often been propagated (i.e. Bachmann & Zaheer 2006; Currall 1995; Fukuyama 1995; Grootaert & Bastelaer 2002; Stiglitz 2012).

Yet, although it may be true that trust is a condition for growth, the reverse does not hold. Un-tempered growth corrodes trust. Growing inequalities undermine trust. After having passed a certain threshold of material welfare, continued growth turns cancerous and feeds upon the social fabric of society. Trust is prior to growth, and represents a deeply rooted social phenomenon. But it can be affected by growth. I advocate the enhancement of trust for its own sake, not as an instrument to pursue growth. Trust, in itself, represents a social virtue and is at the core of sociality, forming the basis of human and societal well-being.

Also this third goal requires further research to identify indicators and set appropriate targets. The literature on the measurement of trust revolves around two different approaches. The first is to measure trust through surveys. This approach, widely used by the World Bank and in the World Values Survey, typically focuses on the following question: 'Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?' As has been indicated (Glaeser et al. 2000: 812), this question is rather vague, abstract, and hard to interpret. Moreover, rather than measuring trust itself, it focuses on individual trust attitudes or opinions about trust.

The second approach focuses on behavioral indicators through conducting trust game experiments. These experiments typically use considerations of monetary returns to elicit behavior that is supposed to

indicate levels of trust or trustworthiness (i.e. Glaeser et al. 2000; Paldam 2009, Delhey & Welzel 2012). Consequently, many of these experiments introduce a calculative frame of mind, implicitly presupposing that trust is instrumental in pursuing private interests. Moreover, individuals partaking in these experiments mostly do not, or hardly, meet one another face-to-face.

This situation is unsatisfactory. Both approaches only try and measure trust by proxy and fail to address trust as a social phenomenon. This is not the place to explore and unfold an alternative approach. But there is need for developing a methodology that allows for trust to be measured as an empathy-based inter-human faculty.

### ***Enhancing trust***

Sociability has been a primary survival strategy of human groups (Goleman 2006: 56). It has brought us the willingness to cooperate and develop our empathic skills. Trust has allowed traits like benevolence, gentleness, helpfulness, and reciprocity preferences to give us an evolutionary advantage (Östrom & Walker 2003: 103-44). And this has been the basis for human intelligence, speech and culture to emerge (Klein 2011: 160-70).

But society rests on more than trust alone. Man balances benevolence and greed, altruism and egoism, identification and separation. Research into human evolution indicates that intergroup struggle has been the basis for in-group altruism to emerge (Bowles & Gintis: 110). Opposition to other groups is part of our evolutionary background and this has predisposed us to categorize people into us and them. Boundary maintenance makes the continued existence of the group possible. Boundaries convey to members of the group whom to trust and whom not to trust (Misztal 1996: 58).

Civilization follows a path towards increased social complexity, enhanced empathy, and more generalized trust relationships (Rifkin 2009). It is a process of overcoming parochialism and entering into wider and more abstract relations of trust. Growing social complexity and interdependence call for the continual enhancement of generalized trust. This requires the conscious crafting of trust relations across group boundaries, the forging of weak links between groups to complement the strong links of group membership. It requires complementing in-group trust with out-group trust (Delhey & Welzel 2012: 50-2), bonding with bridging (Putman 2000). This, then, is the route of a trust enhancing strategy.

In modern society, individuals can partake in many different groups or associations in many different spheres of life. They can assume many different identities (Sen 2006). Enhancement of trust requires the promotion of participation of citizens in multiple and diverse groups (Klein 2011: 249-51), and the promotion of intergroup linkages. One way of doing this is through the collective management of public goods.

As argued by Bollier (2007: 28-9), 'Economists tend to regard market activity and growth as inherently good, when in fact it is often a force for eroding nonmarket resources such as family time, social life, and ecosystems. In this climate, the language of the commons serves a valuable purpose. It provides a coherent alternative model for bringing economic, social, and ethical concerns into greater alignment. .... The commons fills a theoretical void by explaining how significant value can be created and sustained outside of the market system.' I add that a focus on commons offers an entry-point for trust enhancement.

Traditionally, public goods have been defined as goods that are state-provided since the market cannot efficiently allocate such goods. Since then, the notion has shifted in the sense that what makes a good public, is that it is consumed by society, in the public domain, with an impact on us all (Kaul 2011: 50-1). The public nature of goods is a matter of political or collective choice. It is not what the market rejects, but what the public decides as being of public interest, as belonging to the public domain (AIV 2011: 69). For example, matters of public interest may arise when due to market externalities such as resource depletion, access to once abundantly available resources is being curtailed, requiring a collective response redressing market shortcomings.

Such a collective response is not necessarily managed by government. In the socially complex modern world, purely market-led or purely state-based approaches no longer seem to work. There is a growing tendency for market, state, and society to merge in hybrid arrangements for collective action (WRR

2012: 143-4). This relative withdrawal of state and market offers new and exciting possibilities for trust building initiatives, for social arrangements that both require and promote trust. Trust is needed for solving collective action problems, resulting in its turn in further trust building (Dijkstra 2013: 291).

Collective action presupposes the delineation of the collectivity: who is included and who is excluded, who has access and who does not (Östrom et al. 1994), implying boundary monitoring and maintenance. The management of public goods requires agreements that may result in multiple arrangements of inclusion and exclusion. Collective action demands the determination of appropriate levels of engagement, commitment, responsibility, supervision, and conflict resolution (WRR 2012: 168). It means that people team up to arrange themselves in various constellations, define and redefine boundaries, and reach out to other groups for mutual adjustment, collaboration, and complementary action, allowing for simultaneous in-group and intergroup trust building.

Enhancing trust stands to benefit not only from reducing inequalities but also from abandoning growth. Reducing the relentless pursuit of growth will release tension and anxiety. It will lessen the pressure to maximize returns and free-up space and energy for alternative initiatives. Without the growth imperative, businesses no longer need to realize net profits and governments can turn to other objectives than shaping preconditions for growth. This will enlarge opportunities for functional arrangements of governments, private sector, and civil society to address issues of common concern and will widen the scope for social innovation and the creation of social and environmental values.

But the pursuit of trust does not need to await policies for reducing inequalities or abandoning growth. Every individual, collectivity, or legal personality can embark upon the enhancement of trust, can reach out and relate to others. Empathizing with others and shedding the burden of material accumulation and self-enhancement is a highly liberating and rewarding experience, requiring no government policies or private sector incentives. It is a path open to us all.

## Epilogue

The above sketches the outlines and building blocks of an alternative theory of human well-being and development. Compared to the growth paradigm, it departs from a radically different ontology. It seeks the roots of society not in the individual but in social relations. It sees the social relation as prior to the individual, prior to selfhood. And it recognizes trust rather than self-interest as the basic substance of society. It also holds the promise of an alternative epistemology, characterized by empathy-led induction rather than deduction building on detached observation.

This results in an entirely different global social agenda. It springs from a simple and intuitively appealing vision of well-being rooted in social cohesion. It is a simple and powerful agenda that comprises of only three complementary goals: the reduction of global inequalities, the abandonment of growth, and the enhancement of trust. These three goals not only complement but enforce one another. They overcome the arbitrariness of the multiple yet incomplete set of millennium goals. They are universal goals in that they address the concerns of everyone. Thus, they truly represent a post-MDG agenda.

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