

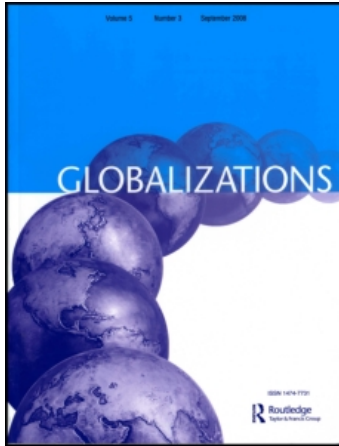
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## The Multiple Crisis and Beyond

FRANÇOIS HOUTART

**ABSTRACT** *The issue we face today is a crisis with multiple aspects, for which I would first like to offer an analysis. Beyond that, moreover, I would like to look ahead to a utopia, and to the question: how can a solution to this crisis move us beyond the parameters of capitalism?*

*El problema que enfrentamos es una crisis de múltiples aspectos, para el cual quisiera primeramente ofrecer un análisis. Además de eso, me gustaría mirar hacia el futuro a una utopía y al interrogante: ¿Cómo puede una solución a esta crisis trasladarnos más allá de los parámetros del capitalismo?*

我们今天所面对的问题是具有很面性的危机，我首先想给这个问题提供一个分析。除此之外，我想对这个问题进行展望，往理想主义的方向展望：怎样才能使解决这个危机的办法带领我们超越资本主义的范畴？

**Keywords:** globalization, capitalism, food crisis, financial crisis, energy crisis, ethics, climate, socialism

### The Dimensions of Crisis

The crisis is not only a financial one. Of course, attention today is focused on this aspect, but it is much more than that. It is also an economic crisis, which could lead to a world depression, with all the accompanying social ramifications. In addition moreover, we are also experiencing a food crisis, an energy crisis and a climate crisis. Ultimately, an analysis of the overall situation suggests that we are facing a real crisis of civilisation.

Therefore, the major challenge is precisely how to find new parameters for the collective life of humankind. Financial crises are of course a recurrent phenomenon in the history of capitalism; the present one, however, has some particularities. It is linked, as has been true of past crises, with over-production and under-consumption. In the productive sphere, according to

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liberal theory, that is a healthy phenomenon, since it supposedly eliminates the bad elements of the economic system and creates the conditions for a fresh start. Certainly, it is a mechanism for reducing the cost of production, in particular of commodities and labour. Today, thanks to globalisation, the economic system also has a better tool kit available to it to deal with financial crisis than was the case during the 1929–1930 period, including both a new material base, especially new technologies, but also new instruments for operating the system itself. During the 1930s for example, the issue of the quasi-nationalisation of banks did not even arise.

What is, however, specific to the present crisis is the fact that it is a combination of various crises, which are all the fruit of capitalist logic—and that is what needs to be explained. Therefore it is impossible to consider solutions without a vision and an analysis of the whole, without a holistic approach. A simple regulation of the economic system would not be particularly significant if it were simply to involve beginning again anew, from where one had left off before the crisis. What is the use, indeed, of developing and regulating a financial system to finance a productive system which is as destructive of ecological and social realities as the one we now have? We are facing today four main crises: two, the financial crisis and the food crisis, are conjunctural, but are also potentially structural; the energy crisis and the ecological crisis, on the other hand, are fully structural.

### *The Food Crisis*

Let us first address the food crisis. The conjunctural aspect of the problem was seen in the explosion of food prices in 2007 and 2008 at the Chicago commodities exchange. It was conjunctural because financial capital moved out of minerals to invest in food products in order to achieve capital gains in a speculative manner. The structural aspect is the fact that for more than 40 years now, peasant agriculture has been undergoing a transformation to a capitalist type of production, into monoculture agriculture. This has been called the ‘green revolution’, but it has been very destructive of the environment, and has driven millions of peasants off their land. This food crisis has had immense social consequences. According to the UN Food and Agriculture Organisation (FAO), in each of the years 2007 and 2008, more than 50 million people were pushed below the poverty line—which, of course, meant into hunger. This corresponds with the two main aspects of the logic of capitalism: first, the search for new frontiers of accumulation—here, agriculture was discovered as a realm for capitalist investment; and second, the exclusion of externalities from the economic calculation of costs—the devastation of nature, and also social destruction, neither of which is subject to capitalist accountability. The problem is that the food crisis is built precisely on that kind of logic: it is the result of the contradiction between the fact that everyone in the world needs food, and the logic of capitalist accumulation.

### *The Energy Crisis*

Certainly, the energy crisis also has a conjunctural dimension—the enormous increase of the price of oil and gas over a short period—but it is fundamentally structural. Indeed, during the next 50 years, humankind will have to transform its energy cycle, moving out of fossil fuels towards a new cycle of energy production. We have only enough oil for the next 40 years or so, gas for about 60 years, and coal for about 200 years, and if all the energy worldwide were to be supplied by nuclear power, our uranium supplies would last about a year and a half. So even if these time frames may be extended a little by new discoveries or exploitative technologies,

we are now facing the ultimate limits. Since the dawn of capitalism growth has been characterised by hyper-consumption of energy. That has accelerated during the neoliberal period, with the expansion of the global exchange of goods and services. With the global division of labour, 62% of all industrial production is transported across the oceans, which involves an enormous consumption of energy. The individualised modes of transportation and residence, which follow the same economic logic, also involve immense consumption of energy.

Thus, the problem of changing the source of energy really raises enormous questions, the first being the need for a significant contraction of demand. We will have to restrict our use of energy; this is the fundamental solution in the long term. It will be impossible, at least in the short or medium term, to produce as much energy as we are consuming today. Second, major financial investments will be needed to develop new technologies in the field of energy, which necessity of course constitutes a contradiction with the enormous public expenses needed to solve the financial crisis.

One of the solutions the capitalist system has developed to address the need for a change in the energy cycle is the development of agro-industry—the production of bio-fuels. However, in order to constitute a real contribution to a solution, that would entail the shift of hundreds of millions of hectares of land in Asia, Africa and Latin America to monocultures for the production of such fuels, with all the associated ramifications that monoculture has: the destruction of biodiversity, the pollution of the soil and water, and most drastically, given a continuation of this project for a 25 year period, the expulsion of an estimated 60 million or more peasants from their land. The result would be salvage urbanisation and strong migration pressure. Thus, this proposal is neither a solution to the climate crisis nor a long term solution to the energy problem; as a short and medium term measure, however, it is a very good solution to the crisis of the rate of profit and of the accumulation of capital. Again, we have the fruit of the same logic, the speculative character of energy as a commodity, and the exclusion of externalities in the cost of production and the use of energy.

### *The Climate Crisis*

The climate crisis is much more severe than world public opinion is prepared to admit. It has been accelerating since the onset of the neoliberal period. The increase of CO<sub>2</sub> emissions and of global warming since the 1970s, at the time of the Washington Consensus, has taken on new dimensions. All the studies show that, in spite of some progress in diminishing the emission of CO<sub>2</sub> into the atmosphere, the increase in greenhouse gases is considerable. Reports being prepared for the Copenhagen Conference illustrate this dramatically. Such new emerging countries as China and India are contributing—albeit to a relatively modest degree—to this phenomenon. A second aspect is the destruction of carbon sinks, such as forests and oceans, which absorb CO<sub>2</sub> and other greenhouse gases. There are still some 400 million hectares of virgin forest in the world, but every year 15 million hectares are destroyed. Not many years are left before all natural forests in the world will have been destroyed. For many reasons due to global warming, primarily growing acidity, the oceans too, are increasingly and very rapidly losing an important part of their capacity to absorb CO<sub>2</sub>. Another effect of global warming is that of rising sea levels, which endangers low-lying countries and coastal cities. Little by little, the capacity of the earth to naturally regenerate the biosphere is diminishing. It has been calculated that this capacity for 2008 had already been exhausted by 23 September—on a global scale; if we take a country like Belgium, however, that date was sometime in March. And every year, these dates are earlier. The problem is that we only have one planet.

The destruction of nature also means severe effects on the biosphere. Some experts of the Group of International Scientists on the Climate (GIEC) estimate that if global warming exceeds 1°C during this century—during the twentieth century, the increase of the global temperature was 0.75°C—between 20% and 30% of all species on earth will disappear. According to various predictions for this century, if nothing is done, we will have a temperature increase of 2, 3, 4 or even 8°C. The warming of the earth will make it impossible to live in some regions, due to drought or to rising sea levels. It is estimated that an increase by more than 1°C would cause more than 17% of the territory of Bangladesh to disappear. That country now has more than 150 million inhabitants in a territory four times the size of Belgium (whose population is 10 million). India is already building a wall along the border between the two countries, like that between Mexico and the United States, to prevent migration. According to a report prepared for the British Government in 2007 by Nicholas Stern (2006) of the World Bank, we can, if nothing is done, expect between 150 and 200 million climate migrants by mid-century, i.e. people who will no longer be able to live where they live now. That means that, according to international climate experts, unless urgent and costly measures are taken, the situation could become irreversible. This too is the fruit of the same logic: considering nature as a resource for capitalist growth, and refusing to integrate into the balance sheet the externalities of the productive system.

### **Designing Utopia**

Of course, an apocalyptic discourse is useless for action. But awareness of reality is absolutely necessary. What can we do in the face of such challenges? How can we redesign a utopia? There are various responses:

#### *The Various Responses*

The neoliberal position in response to the financial crisis is very clear: the other aspects of the global crisis are irrelevant. The solution is to replace the actors, the incompetent or corrupt bankers, and the system will be restored and ready to continue.

A second position advocates re-regulation of the system, after a long period of deregulation. In the view of the G20, the market economy—the capitalist system—needs to be saved, because it has proved to be very efficient in lifting many people out of poverty. This is true; it has taken many millions out of poverty in a very spectacular way. But what is not said is the fact that at the same time, it has forced into poverty—extreme poverty—hundreds of millions of people. The G20 also affirms that the system has been very positive for progress—in response to which the question arises: what kind of progress and for whom? The upshot is that the G20's proposed solution involves only some very soft regulations, which will in fact not solve the long term problems.

Another approach is that adopted by the Commission of the United Nations for the Reforms of the Financial and Monetary System, initiated by UN General Assembly President Miguel d'Escoto Brockman and headed by Joseph Stiglitz, winner of the Nobel Prize of economy. A former vice-president of the World Bank, Stiglitz has taken a very critical position on the present system, and has produced a report for the G-192, i.e. all member nations of the UN, which, in d'Escoto's view, is the venue which will have to discuss and present a solution to the crisis. The G20 by contrast, the self-proclaimed spokesman of the world community, lacks both legal and moral legitimacy.

The Stiglitz Commission advocates such strong regulations as the abolition of fiscal safe-havens, banks secrecy, the 'odious' Third World debt, a regulatory organisation at the international level for the banks, a reform of the World Bank and the IMF, the creation of new international bodies, etc (United Nations, 2009). These are indeed strong measures, but they are no more than regulations. The question is: regulation for what? To continue the exploitation of nature as before, to prolong the inequalities in the world as before, to continue financing the auto industry, the monocultures and agro-fuel? Is that the way to solve the problem? In fact, we need not only regulation, but alternatives, which means new parameters. Thus, the question is: how are these new parameters to be conceived? They will have to meet four major criteria which define the basis for the further existence of humankind.

#### *Four Parameters*

The first question is our relationship with nature. We have only one planet. The second is how to produce what is needed for life, for the life of everyone in the world. The third question is how to organise collective life and socio-political institutions. The fourth is what kind of vision, *Weltanschauung*, to adopt and how to construct the ethics necessary to build such a common world. That is culture. To rethink our parameters in terms of those four main aspects of human collective life is the task we now face.

The first issue is how to relate to nature. In this case, the parameter is to affirm that we have to develop a sustainable and responsible mode of using natural resources. And that means a new philosophy of the relationship between human beings and the earth, away from the concept of exploitation of nature as a commodity and towards a respect for nature as the source of life. In this sense, nature is the common heritage of the whole of humankind, which must not be destroyed. This need for respect is well expressed by the indigenous peoples of Latin America when they speak of 'mother earth'. Such a parameter enters into contradiction with the logic of capitalism, for which nature is a commodity at the service of private interests.

The second main parameter involves establishing the priority of use value over exchange value. Capitalism is built on exchange value. It is only possible to make a profit and accumulate capital on the basis of the exchange of merchandise; the result is the mercantilisation of everything. The systems of production, distribution and transportation are built on the foundation of how to increase exchange value. What we need is a new definition of economy, a different philosophy of economic activity: from production of added value for private interest to activity that produces the basis for life—physical, cultural and spiritual—for all human beings in the world. That concept, however, is in contradiction with the basic definition of the capitalist system. The market can no longer be merely a forum for making a profit for the few, but must rather be a place of mediation between supply and demand. Production of goods and services will be completely different when use value is privileged over exchange value.

The third parameter is the generalisation of democracy, not only in the political field through participatory elements, but also in all other societal relationships. In economics nothing could be less democratic than the capitalist system. The democratic logic should also be introduced into all institutions, such as trade unions, churches, educational institutions and also between men and women. Humans will become real actors to a much greater extent. This is why Franz Hinkelamert (2006), a Latin American philosopher of German origin, is calling for 'The Return of the Subject'. It means a new approach of individuals to society, but also a new conception of the state.

The final parameter is multiculturalism, which means that all knowledge, including traditional knowledge, in medicine for example, should really have a role to play. With the Western

*Weltanschauung*, built since the fifteenth century, we have marginalised all other knowledge and philosophies. Progress has equalled Westernisation. The problem today is to envisage a means to ensure participation in the construction of the future for all knowledge systems and philosophies, of all religions and ethical instances, in order to build not only the vision—the reading of reality—but also the ethics of a new political and economic construct. There is a real possibility for the participation of all cultures in the elaboration of new parameters, of course including a sustainable and responsible relationship with nature, a priority of use value and generalised democracy.

Are those principles utopias? Yes, they are utopias—but necessary ones, for they can be applied. They are not utopias, in the sense of illusions, merely because they do not exist today. But they could exist tomorrow.

Let us see, for example, what a new relationship with nature could mean, concretely and politically. It implies restoring public sovereignty over natural resources. This is what is being done now in Venezuela and Ecuador, for example. Of course, they are doing it step by step. It also means an end to monocultures, the destruction of nature due to the widespread use of fertilisers and pesticides. I have walked kilometres in such areas, in Colombia in particular: there are no birds anymore, no butterflies, and no fish in the rivers. Nature has been destroyed; biodiversity has been devastated, only so as to plant hundreds of hectares with soy, palms, sugarcane, eucalyptus, etc. This also means applying the Kyoto Protocol, and the ‘further commitments’ arrived at in Bali and, shortly, in Copenhagen. Limiting the destruction of nature requires applying measures to ensure that the global warming not increase by more than 1°C during the twenty-first century. That will require far-reaching measures. It will also mean the introduction of ecological externalities into the calculation of the cost of production, for example, those for bio-fuels.

If we give priority to use value, we can no longer accept the mercantilisation of what is indispensable for human life: water, seeds, health and education. In the context of capitalist accumulation, those necessarily became commodities. This is the main reason why the public sectors have been privatised. The official rationale is that it is more efficient. The real reason is that if a sector is not open to the market, it has no exchange value, and no profit can be made from it; it cannot contribute to the accumulation of capital. Such logic implies also the suppression of fiscal havens, of bank secrecy, and of the ‘odious’ debts of the Third World. Giving priority to use value would mean that agro-exports would become secondary to food sovereignty. Brazil is in favour of the Doha Agreement because it is an agro-exporter. But what does that mean, when a significant part of the population is suffering from hunger? Export oriented economics means raising the profit of multinationals and landlords. The solution is to assure, first, food security for each country or region. After that, exchange can be established.

It also means the regionalisation of economies, not only to promote common markets, but also with a new philosophy, like that of ALBA (Alternativa Bolivariana para las Americas) in Latin America. Here, the basis for regionalisation is not competition between markets, but complementarity and solidarity. The priority of use value also means the prohibition of any kind of speculation with food products. It implies restoration of public services, not only in the material, but also in the cultural sphere. Some suggested concrete measures could include:

- A guarantee of at least five years on all industrial products: the logic of capitalism favours a short lifespan for products, so as to promote rapid reproduction of capital; however, this also requires the use of excessive energy and natural resources.
- A tax on any manufactured product which has been transported for a distance of more than 1,000 kilometres: we know that some of the products in our supermarkets have a long trip behind them, sometimes more than 10,000 or even 12,000 km, before they arrive at the

consumers. This is an irrational use of energy, but, of course, it is logical in the capitalist system, because it is the result of the division of labour which seeks to make use of the 'comparative advantages'—such as cheap labour, absence of environmental protection, etc.—of certain regions of the world.

The creation of democracy could also involve a number of measures, such as participatory budgets, participatory development, as in Venezuela or in Bolivia, and democratic structures as a condition for state recognition of social and cultural institutions: to be recognised as democratic, they should include equality between men and women. The reform of the United Nations, with the abolition of veto rights in the Security Council, is another example.

Finally, multiculturalism means a new philosophy of life, with the acceptance, for example, of the contributions of the indigenous peoples of Latin America and other parts of the world. In Belem, for instance, during the last World Social Forum, they presented the idea of '*bien vivir*' (living well) rather than having more. It would require a new definition of Gross National Product (GNP), which was instituted after the First World War and reflects the logic of capitalism. Qualitative elements of human progress should be introduced. That would mean, too, an end to the monopoly on information in the hands of big capital, and finally the abolition of the patent system for scientific knowledge.

Clearly, concrete policies can be developed on the basis of these new parameters. Of course, all this may seem utopian. But utopias can take real shape. One utopia in the history of humankind was human rights. True enough, it has taken two centuries to get a Universal Declaration of Human Rights, and it is imperfect—too Western, and also subject to manipulation by political forces seeking to establish their hegemony. But it exists, and it is possible to use it, as a moving force. So why not promote the idea of a Universal Declaration on Humankind's Common Good, which would be based on the four principles described above: sustainability and responsible use of natural resources, priority of use value over exchange value, generalised democracy, and multiculturalism?

If we could promote this idea of a new parallel declaration, it could be a major step forward. Perhaps this, too, could be a new utopia, but one which could really become a small star in the history of humankind.

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