So far, half-way through the first quarter of the 21st century, things have certainly not turned out as one might have expected, let alone hoped, when the century opened up in a bout of some euphoric optimism. With the end of the cold war, the implosion of the Soviet empire, the radical economic liberalisation reforms undertaken by China and subsequently by virtually all countries of the erstwhile ‘third world’, the apparent wave of democratisation, and the establishment of the World Trade Organization (WTO), prospects had hardly ever seemed so good.

The euphoric enthusiasm has not stood the test of time. After the ‘Lehman moment’ in the autumn of 2008, when the so-called advanced economies went sour, the world economy could still look forward to the emerging economies’ engines proceeding at full, or at least nearly full, throttle. Four years later, as the crisis in the Eurozone has significantly worsened, joblessness in the US remains stubbornly high and Japan fails to recover from its lost decades, on the ‘BIC’ front things are also getting gloomy: the Brazilian economy is in the doldrums, India is mired in political and economic quicksand, and China seems to be tottering economically while social unrest ferments.

The ‘crisis’ in which we live is not only economic, nor social—though there are ample concerns about rising global inequality and injustice—but fundamentally systemic. The ‘scandals’ in the corporate sector, especially finance, undermine the very foundations of the global market economy. Since virtually all homosapiens of
the planet are far better connected, hence informed, than has ever been the case, one is bewildered by the very idea, let alone the reality, of, say, J.P. Morgan-Chase ‘losing’ US $5.8 bn, which comes out to ₹ 316.5 bn. How is it possible to ‘lose’ ₹ 316.5 bn when there are some 2.5 billion people who have no access to potable water and basic sanitation? Surely something is seriously wrong. The world economy appears to be managed not only incompetently but also unethically.

The systemic crisis appears in two forms: there is a human morality crisis and an institutional crisis, the former no doubt accounting in good part for the latter.

All the key global agenda engines are stalled: trade, climate, food security, poverty, IMF reform, the euro etc. Yet when the turn of the century came, there were so many expectations and so much that required attention. As former Brazilian President Luiz Inácio Lula da Silva lamented, “how will we explain to future generations that we had so much and we did so little.” In fact, it’s worse than that. By not addressing these agendas, by doing nothing, the future is greatly jeopardised.

The parents of persons of Pradeep Mehta’s and my generation could rightly feel that they bequeathed to us a better world than they had inhabited. They had seen the great depression, the war and, in the case of Pradeep’s parents, the fight for independence. The world our generation will leave to our children and grandchildren, unless some miracle occurs soon, will be worse, possibly far worse, than the world we inherited. The breakdown that has occurred in global governance will have lasting dramatic effects. A friend is writing a book he intends to entitle: “Why do we hate our children so much.” It could be the overarching theme of our age.

On the human ethical front, there is a consensus among a growing number of philosophers and economists that ‘capitalism’ has lost its ‘ism’: in other words, the ethical principles, the ideology, that were deemed to be the underpinnings of capitalist society, as expressed notably in Adam Smith’s The Theory of Moral Sentiments (1759), have evaporated while only the search for the accumulation of capital remains in a moral environment whereby the ends justify
the means and the value of human beings is measured in purely material terms, whatever might be the social consequences. The notion of Adam Smith whereby “no society can be flourishing and happy, of which the far greater part of the members are poor and miserable” has evaporated as Joseph Stiglitz argues in *The Price of Inequality: How Today’s Divided Society Endangers Our Future* (2012). Once again, as Adam Smith warned: “if the fruits of a society’s economic development cannot be shared by all, it is morally unsound and risky, as it is bound to jeopardise social stability.” At this juncture of the 21st century, the spectre of rising global social instability cannot be deemed purely illusory.

Consumerism would seem to account for much of the undermining of the higher ethical principles of capitalism. In an increasingly frequently cited work by John Maynard Keynes, *Economic Possibilities for Our Grandchildren* (1930), we are reminded that the whole purpose of capital accumulation was to generate welfare and thereby achieve the ‘good life’. The objective of the good life was to work less and enjoy life more—with ‘life’ composed of cultural, spiritual and sentimental things, including friendship and love, rather than purely material ones. This is the theme of a recent publication by Keynes’ biographer, Robert Skidelsky and his son Edward, *How Much is Enough? Money and the Good Life* (2012). The philosopher Michael Sandel also develops this theme with force in *What Money Can’t Buy: The Moral Limits of Markets* (2011).

Modern economics must bear considerable amount of the blame. Whereas with Adam Smith economics was a minor branch of moral philosophy and the concept that economics and morality could not be divorced survived into the 20th century, notably with Keynes, with the more recent quick passage of time it became more a minor branch of mathematics and divorced, indeed avowedly so, from morality and from humanity.

The tools of the trade reflect the biases. Gross domestic product (GDP) in particular illustrates what might be deemed a thoughtless predisposition to measure purely material increments. Already as the Japanese economist Shigeto Tsuru argued 20 years ago in *Japan’s Capitalism: Creative Defeat and Beyond* (1993), GNP (gross national production, as GDP was referred to at the time) in fact could be
transliterated as ‘gross national pollution’, consisting purely of material additions irrespective of their social and environmental consequences. He gave the example of the Japanese Inland Sea. For centuries this pristine setting of great natural ascetic beauty was honoured by generations of poets as a source of great inspiration. With the Japanese ‘economic miracle’ of the 1960s and 70s, the Inland Sea was transformed into a petrochemical industrial zone. Clearly this added to GDP. But how, asked Tsuru, could be measured the loss to future generations of Japanese who would never know the beauty that it was? Are not future generations of Japanese in reality much poorer for this loss? To get a better measurement, Tsuru proposed that in parallel to the addition of GDP, there should be what he termed a ‘social depletion index’ that would measure subtractions from society’s cultural, spiritual and environmental welfare: subtracting the bad from the good life.

Economic growth is driven by unleashing the animal spirits of entrepreneurs and the aspirations of consumers. When the animal spirits are repressed and aspirations not met, as was the case, for example, in Maoist China or in North Korea today, both society and economy suffer. As Deng Xiaoping is alleged to have proclaimed during his famous Southern tour in 1992, ‘to be rich is glorious’—an invocation that lit a fuse that witnessed double-digit growth and the lifting of hundreds of millions from poverty. In 1991 there were zero Chinese outbound tourists; in 2011 there were over 70 million. The economic reforms of China have clearly provided a good life to millions of Chinese. The question, therefore, cannot be whether there should be economic growth, to which the answer more often than no has to be an unambiguous yes. Growth has done social wonders for China, India and all those countries that have succeeded in rising from low to middle and higher incomes. Today, the continent of Africa needs East Asian sustained growth figures in order to rise from poverty and to produce a good (or better) life to the hundreds of millions expected to be born in the continent over the next couple of decades. The poor must become less poor, but the rich are probably rich enough.

That is the question posed in the words of Robert and Edward Skidelsky’s title: “how much is enough?” A critical question in
respect to growth is how can its fruits be better distributed? While Deng Xiaoping’s “to get rich is glorious” proclamation was clearly successfully motivating, the reality is that it was very disproportionately achieved. China is today one of the world’s most unequal societies, as measured by the Gini coefficient; furthermore, as revealed by a recent Financial Times analysis, “The family fortunes of Beijing’s new few” (July 10, 2012) and by the revelations of the Bo Xilai affair, a tremendous amount of the wealth is concentrated in the hands of the top crust minority of the glorious established elites of the Chinese Communist Party.

As individuals pursue individual material wealth in a Darwinian social environment whereby the fittest struggle to survive, so this psychological syndrome translates into a national zero-sum policy of economic competition. Global capitalism has transmuted into global mercantilism. It is undoubtedly true that all the major challenges facing the world today are global in nature and ipso facto cannot be solved at national level. It is undoubtedly true that the planet—socially, environmentally, geopolitically and economically—can only be preserved (ideally enhanced) for future generations by global cooperation today. However, mercantilism and the untrammelled pursuit of material wealth as pursued today just as logically translate into a spirit of confrontation. One cannot have collaborative institutions when those expected to collaborate are in a confrontational mode. Global institutional reform is bound to fail so long as there is no global spiritual renaissance.

So is humanity doomed? The answer on the basis of current conditions and trends has to be ‘yes’. The notion that man is somehow endowed with the fortitude necessary to escape the apocalypse, to retreat from the brink of the precipice just in time, is purely and worryingly wishful thinking; it is belied by humanity’s history, especially by the man-made horrors and tragedies of the last century. This applies emphatically to climate change. As many have remarked the climate change issue fits well into the frog in the heating pot syndrome. We vaguely see and feel things getting hotter, but the “it will all be ok in the end” mindset prevails; so we do nothing or the absolute minimum. Jared Diamond has, for example, demonstrated in his Collapse: How Societies Choose to Fail
or Succeed (2005), communities do commit ecocide. If the idea that catastrophes of climate change will not occur could be replaced by the idea that they could well occur, already prospects would be looking better for humanity. This would induce policy makers to recognise the imperative of envisaging, as Tim Jackson argues in Prosperity without Growth: Economics for a Finite Planet (2011), the development of truly socially and economically sustainable global goals based on new and revised macroeconomics and international cooperation.

So what is needed to change to dissipate the gloom? As an erstwhile witness and veteran of the civil rights movement in the US so magnificently trumpeted in Martin Luther King’s inspiring “I have a Dream” call to arms speech, the inspiration of which, in turn, came from the movement of civil disobedience spurred on by Gandhi, I am absolutely convinced that something comparable is needed today in order to raise awareness. All concerned citizens and especially youth and their parents should visibly demonstrate their alarm and the urgent imperative of change. This must be done in the spirit and tactics of Gandhi, without violence.

Furthermore, as Ian Johnson, Secretary-General of the Club of Rome, wrote in an article expressing his deep, even if expected, disappointment with the Rio+20 meeting, “Flying Down to Rio: Rethinking Global Public Policy”, The Globalist (July 10, 2012), “new networks of concerned, interested and committed activists and intellectuals could make a difference…and combine to form powerful alliances for change.”

This represents the life-work and vision of Pradeep Mehta. CUTS is one of the world’s leading institutions and networks seeking to enlighten and bring about positive change. Thus, the unequivocal conclusion in order to transform the darkness of today’s perspectives into light is to support Pradeep Mehta’s initiatives and somehow to populate the planet with more Pradeep Mehtas.