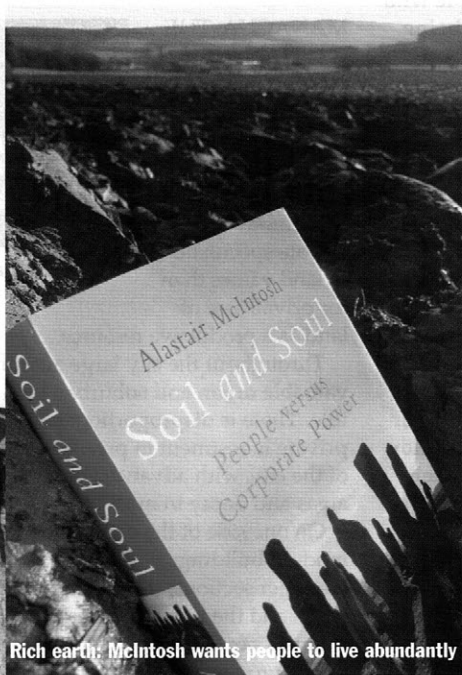


Development

with soul

Debt is the scourge of development. Here Peter Gibb asks social reformer Alastair McIntosh how communities, economies and cities can revive without falling into its trap



Rich earth: McIntosh wants people to live abundantly

HUMAN ECOLOGY IS more than a subject, it is a perspective that embraces the natural environment, society and ourselves. It is the 'science of community'.

As a Fellow of the Centre for Human Ecology in Edinburgh, Alastair McIntosh is an activist and academic working on ways people can live, develop and relate to their surroundings.

Peter Gibb Margaret Thatcher said there was no such thing as society. But for you the idea is important?

Alastair McIntosh For me, community is about the expression of life. It's about living not just any old life, but abundant life. And it's something that is more than just a convenience, and more than just a so-called community of interests. It's the articulation of our interconnectedness as human beings – our membership one of another. It's about the principle that no person is an island entire unto themselves. We are all connected through the bedrock, and therefore inasmuch as I do to my neighbour, it comes back on me.

Community is living in accordance with that principle. I see it as essentially spiritual in its depth because it's about a three-way interrelationship, with one another, with the natural world, and with whatever our understanding of the divine basis of life might be.

PG In this context how do you find 'development'?

AM Development is a word some people would like to

see abandoned, because it's been abused, and used synonymously with economic growth.

But my view is we need to reclaim these words. Development, etymologically, means the unfolding of something. Hence we use the word correctly when we talk about foetal development – the unfolding of the foetus in the nurturing environment of the womb. Similarly, with human development, the word implies the unfolding of the full potential of what it is to be a human being living life abundantly.

PG So the term 'sustainable development' is an attempt to reclaim 'development'?

AM That's right. The term sustainable development has come about in response to the fact we live in a cancer economy, where growth for the rich is proceeding at such a pace it's destroying the earth and undermining the possibility of dignified development for the poor. So social and ecological justice must be at the heart of sustainable development.

PG We often think of how the human species fits into its environment as a matter of balance between conservation and development.

AM There ought to be no tension between conservation and development if we understand development in the way I have defined it. The reason in practice there is a tension is two-fold.

Firstly, simple human selfishness – the not-in-my-backyard effect – whereby some are willing to take the

Who controls the corporations?

CAPITALISM WAS A 16th century invention.

Investors realised running an enterprise didn't require being an artisan – you could simply invest money. So in 1600 the East India Company was formed – the first company with interest holders whose sole function was to provide capital and extract a return from the colonial endeavour it represented. But after the Great India Mutiny the British Parliament dissolved the company, concluding its avaricious activities were harmful to empire's stability. Today single states can't dissolve modern multinationals. When Union Carbide poisoned Bhopal, the Indian government effectively closed down the local subsidiary. But little touched the parent company back in the US. Money – through corporations with limited liability and so limited responsibility – has taken on runaway qualities of its own. So who controls a corporation? No individual or group really does. A corporation is an entity unto itself – paying a competitive rate of return or being eaten up in a predatory takeover.

fruits of development but not suffer any of the costs. More importantly, the whole process of modernity from the 16th century onwards has been one of colonisation of community and community resources. This has now translated itself into advanced capitalism, where it's acceptable to exploit others and the natural world to concentrate material wealth.

The result is we now live in a state the French sociologist Durkheim called *anomie*. People have lost the sense of their bearings, their roots and connection to one another. What Carl Jung saw as the greatest disease of modern times – meaninglessness – has blighted people's lives, and without vision, as one of the prophets said, the people perish. That's the danger of the times we're in.

PG **Indebtedness in the modern world would appear to arise systemically.**

AM I understand indebtedness at two levels, and these relate to the function of money and what money actually is.

The primary quality of money is as an accounting system of obligations and credits between people. It lubricates supply and demand for goods and services. I don't think anybody – including any of the great religions in the world – can have any problem with money at that level. It's simply a keeping of scores between people.

What gives money secondary qualities, and makes it morally challenging, is when you start to expect a rate of return from the money itself. In other words, I don't just lend you money and expect you to pay it back, perhaps with a little bit added for administration, inflation and bad losses. But I expect you to pay it back with interest: which gives me, as the economists would say, a positive rate of return. In other words I make money simply because I possess it.

This is what is known in the Judeo-Christian and Islamic religious systems as usury. Usury means that wealth creates its own wealth. When money takes on this second-order characteristic a moral question arises which I think is at the heart of much of the malaise in the West.

PG **The international debt scenario between the rich industrial nations and so-called 'under-developed' countries is very problematic.**

AM The way forward lies in the lessons of Islamic economics. International debt has usually been structured by us giving something that costs us relatively little, but means a lot to the recipient. Loans were given to corrupt regimes, or used in projects that resulted in commodity prices collapsing. So that whereas at one time, a Tanzanian farmer's coffee crop might have bought a tractor – now it's enough to buy a bicycle. Consequently, not just this generation of Tanzanian coffee growers, but also future generations,

have become economic slaves to the West and its institutions.

Many people in the West invest in pensions and so on, without realising the return is partly predicated upon a form of slavery – debt slavery. I don't think that's an acceptable way to live.

The difference with an Islamic system is that it would not permit the extraction of usury from a country that can't pay. It would only permit a rate of return to be linked to the prosperity of the body or nation taking the loan. So a sharing of profits would be acceptable. But to continue extracting interest when there are no profits would be considered deeply immoral. If we had such a system we would see a very different world scenario than we see today.

PG **The opium trade in the 19th century was an example of exchanging cheap commodities for debt – and we now have the creation of intellectual property rights through bio-patenting (see Essay page 14).**

AM Well that's right. I mean all these things hook people into a relationship where wealth not only doesn't trickle down, but it actually funnels back up. It doesn't have to be like that. It is like that because we have canonised greed, and base our economic relationships on something other than service to one another.

We have made it acceptable to allow making money out of money to run riot in a world-wide casino economy. People are no longer bothered what they invest in – only in maximising their rate of return. Now this is Mammon. And while the suffering is most obviously felt by the poor, the real poverty is in those allowing these things to happen for their own benefit.

PG **In *Soil and Soul* you speak about your younger life. How do ideas of mutuality and indebtedness relate to your own upbringing?**

AM In the community I grew up in, if somebody needed money, and you lent it, no way would you ever think of asking for interest on that money. Interest was a very alien idea that was not uninfected. But it's not something you do with your friends. With your friends you operate on the basis of mutuality. I have, you need: you take, and give back when I need.

PG **We easily forget we're more friends than strangers.**

AM I think this comes about from a failed perception of reality. It comes from an individualistic, atomistic, competitive ethos that has no real understanding of community, except as something to exploit. As such, it comes about from a world in which violence must be germane: because unjust structures can only be held in place by violence, albeit implicit or passive violence.

The question basically is whether we want to live in a world that expresses the values of love or of violence. An economics system based upon mutuality, I would suggest, is predicated upon love.

PG **You have argued in *Geophilos* that intergenerational equity is the only basis of sustainable development. How are our present systems failing and indebting our future?**

AM Intergenerational equity is the idea that each generation has a right to what it needs for life, and we ►

Money making money is running riot in a world-wide casino economy

The dangers of a small number controlling internet software

ALTHOUGH ANYBODY, INCLUDING pornographers and the mafia, can hook in and use it, I think the internet provides a very good model of a service that functions democratically for community benefit. My concern is the reality that when we live in one world connected by information transmission, we do have a very real problem when control over that becomes concentrated in the hands of a Bill Gates, or a very few people, says *Alastair McIntosh*. I don't think that's a problem which even cyber-land value taxation is powerful enough to handle. The technical problem is that you still need to have a common basis of communicating together. That means whoever controls the unifying bits of software has got tremendous monopolistic power, which needs to be controlled. You can either deal with that by taxation, or nationalisation. In this case it would be some kind of a United Nations nationalisation for the very large companies, so that these systems get used for worldwide benefit.

Into the spiral of decline

"ANNUAL INCOME £20, annual expenditure £19 19s 6d, result happiness. Annual income £20, annual expenditure £20 0s 6d, result misery" – but then Mr Micawber never had a credit card. Whether or not a piece of plastic can undermine the simplicity of Mr Micawber's economics, we've obviously come a long way from his day. For most people, credit provides elasticity around budgeting blips. So what's the problem? For the majority, an increasingly credit-based lifestyle leaves us locked-in to a life geared to satisfying the building society, student loans company, 'Provi man' or IMF – a subtle and corrosive form of dependency culture that leaves people even more vulnerable to the sudden disruption of income that comes from illness, relationship breakdown or harvest failure. And for those who are not on the receiving end of regular invitations to attractive credit – those most in need – there is the experience of being locked-out, at least from mainstream credit. Debt (usually in the form of rent arrears or fuel bills) mixes with poverty to build a powerful downward spiral.

Graham Blount, Scottish Co-ordinator, Debt on our Doorstep Network

◀ shouldn't compromise the needs of future generations.

A basic problem with debt is it contains emergent properties. There is a scale of debt at which new properties not anticipated start to emerge. For instance, you suddenly wake up to the fact – hang on – we can effectively mortgage the children's future! We can fool ourselves into thinking we can have this hospital or whatever *now*, by bonding our children, and their children, to paying it off.

Debt is one of many ways in which human beings delude themselves, and allow themselves to be deluded. At this level it is a dysfunction of consciousness, and one that leads to suffering of future generations. So what would be the alternative to debt? Social justice here and now.

Just because you build that hospital by a Private Finance Initiative, with future generations paying for it, doesn't mean society has had to do any less work or use any fewer resources in building it. All it means is that money has been moved around to somebody's long-term benefit.

PG As you say, PFI is a mechanism for providing public services by mortgaging the future. What do you think of the alternative of funding public services from the private benefits they bring?

AM I think that land value taxation is an important and powerful part of the portfolio of fiscal measures needed, because so much economic activity is related to land – in terms of location and resource provision.

But while I am deeply in favour of land value taxation, I don't think it can be a single tax as is often proposed, because not all economic activity is land related. Similarly, why shouldn't we tax things like alcohol and tobacco, which cause considerable social problems?

PG Our systems of financial accounting deeply affect our day-to-day economic activity. Why is much of what we do today so unending and throwaway?

AM I think all resource economists recognise it's no longer economic to plant forests of oak. Nor is it economic to build buildings lasting 60 years or more. Few economists see the direct connection between that and the expectation of a real positive rate of return on capital – which means it makes no economic sense to invest in anything that will last into the future – like our environment for instance.

PG What is the community land movement that has been blossoming in Scotland in recent years about?

AM Community land ownership is the principle of land being owned on a communitarian land-trust basis, for the benefit of residents, in a democratic structure. It means land can be used to give life, rather than merely to extract profit for individuals whose sole qualification is their already massive

wealth.

PG So what are the movement's benefits and significance?

AM Community ownership, as on the Isle of Eigg and elsewhere, has immediate practical benefits in terms of self-determination and the stimulation of local enterprise. But even more than that the benefits are psychological and spiritual, because having an authentic and secure connection with place enhances people's sense of belonging and identity and their capacity to develop long-term life-affirming values.

PG Most recent Scottish community land acquisitions have relied on outside support, indebting the community. Can community development come about without debt?

AM I was a trustee of the original Isle of Eigg Trust which launched the appeal

that achieved the buyout. That succeeded because we attracted 10,000 donations from around the world totalling £1.6m. Now in no way is that a sustainable basis for land reform. We did it, as have the Assynt crofters and the people of Gigha, to provide patterns and examples of what can happen when communities manage to take over the land.

However, if success is to be perpetuated in the long term, you either have to use unethical Mugabe-type methods, or a more gentle way. I propose that land value taxation should be levied on private land – community-owned land being exempt. The proceeds from taxing private landowners, both rural and urban, should go into a fund for buying out land, thereby financing the lairds' own clearance.

PG Why is development without debt important?

AM I'm not simply saying society should develop without debt, but without usurious debt. Finance should be on a mutual footing, where one person's prosperity assists another's need, and we don't have the poor financing the rich as we do now.

I see that as a central pillar of human dignity: of right relationship with one another that builds community, but also enriches our connection with place, and with the spiritual.

I see our economic relations as being very centrally a spiritual issue – connected with how we understand life and its meaning. Not subjecting people to usury is a central part of moving towards the world in which all can live not just any old life, but life abundant. **L&L**

So what's alternative to debt? Social justice here and now

The high cost of the Isle of Gigha
 Gigha cost £4m to buy back for its people – £36,500 per person. Clearly, we need cheaper ways of resolving Scotland's land ownership problem. Land Reform Scotland calculates that on current funding, if all rural communities were supported like Gigha, it would take 3,000 years to buy back Scotland.

Photography: Henry George Foundation