

Short Circuit

Richard Douthwaite

A Resurgence Book, £14.95

Review by GEOFFREY LEE

AS AN examination of small-scale community efforts to overcome the effects of global exploration this book is an invaluable and, indeed, inspirational guide. However, it fails to find the root-cause of our economic problems and therefore does not come up with any large-scale solutions.

It is all very well to suggest back-to-the-land self-sufficiency movements, such as the American community land trusts which, as the author suggests, owe much to Henry George's *Progress and Poverty*, but these are not going to be any use to the 25 million people who live in the urban conurbations of southern England.

Likewise his suggestion for monetary systems such as LETS (an acronym for "local exchange trading systems") are of limited use. What is needed is a fundamental reform of the international banking and trading systems. Interestingly, Ed Mayo and Helena Norberg-Hodge in the foreword lay emphasis on the distorting effect that subsidies have on international trade. The author also believes that under existing systems free trade causes unemployment in that imports from low-wage countries will drive home industries out of business.

He sites the example of the GATT treaties which reduced import duties and allowed Britain to be flooded with shoes and clothing leading to employment in those industries dropping from 973,000 to 412,000 between 1973 and 1993. This is true, but it can easily be proved that it need not have led to a drop in total employment.

Let us assume that Robinson Crusoe on his desert island spent every Wednesday afternoon making his clothes and shoes and that exporters from a neighbouring island offered to give him all the clothes and shoes he needed in exchange for a few coconuts

(which he had freely available in abundance). Would he say "no" because it would make him unemployed on Wednesday afternoons? Of course he would not. He would take the cheap imports and spend Wednesday afternoons sitting on the beach in a deckchair - or, more likely, he would work producing something else that he needed.

Cheap imports to Britain meant that the people who paid less for their shoes could buy other things. Money spent abroad for the cheap imports must eventually return and be spent in Britain (there is nowhere else for it to go) so all the money is available for job creation. But it doesn't quite work out like that.

The problem arises when Man Friday appears on the scene and Robinson Crusoe says to him "I own this island and you will work for me". If it is Man Friday who spends his Wednesday

afternoons making shoes and clothes when the cheap imports come in Robinson Crusoe can say to him: "I don't need you to work on Wednesday afternoons and obviously I won't pay you for the half day." He could say that he wanted him to do other work on Wednesday afternoons. Whatever Robinson Crusoe does he is the one who reaps the unearned benefits, and as he claims to own the island poor Man Friday has no alternative but to go along with his wishes.

The story clearly shows that in the main it is the landowner who benefits from cheap imports. If Richard Douthwaite together with some of the organisations he mentions in the book and the publishers of such magazines as *Resurgence* and *Fourth World Review*, could put their minds to the fundamentals of economics, then a practical and permanent solution might arise. **LSL**

Beyond the Dependency Culture

James Robertson

Adamantine Press, £14.50

Review by PETER POOLE

THIS BOOK is almost as much a work of biography as an exposition of philosophy for what is called post-industrial society.

James Robertson began to think beyond the confines of the current economic paradigm in the 1960s. He was at the cutting edge of Britain's decolonialisation experience. Indeed, he wrote the "wind of change sweeping through Africa" speech which was delivered by Prime Minister Harold MacMillan.

Robertson moved from Whitehall and the Cabinet Office to become one of the leading philosophers of a more humane society. But what would such a society look like? He acknowledges that the absence of a practical mechanism for changing society led to

"the trap of fruitless institutional reform in which so many of us wasted our energies during the 1960s and 1970s". His first essay in this volume was a paper presented in 1977 on "Post-Industrial Liberation". But by 1980 he was still writing that "although a restructuring of the whole system of taxation and social security (including its devolution to local control, at least in part) will be an important aspect of the enabling approach, no persons or organisations currently exist with the skill, the will, or the authority to work out how this restructuring should be done. I do not yet see what practical steps can be taken to remedy this".

It was another ten years before Robertson was exposed to the notion of land taxation which he now