

introduction

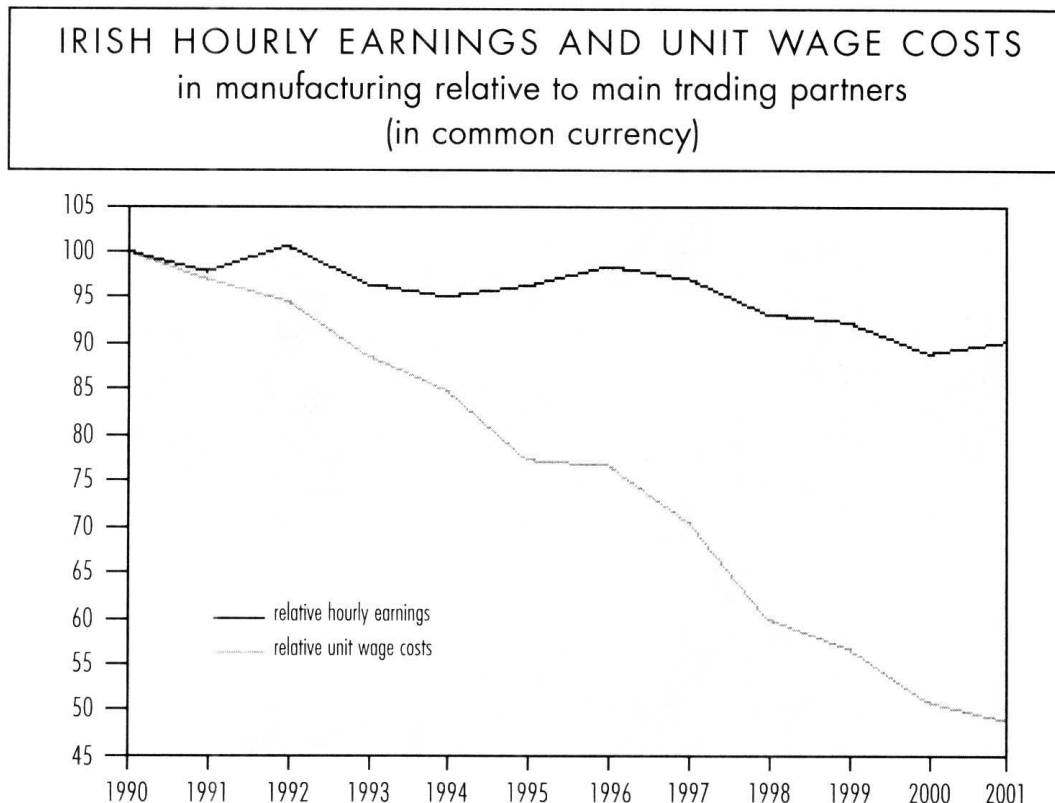
Two and a half years after its launch in October 1998, it's becoming a little clearer what Feasta is about. At the launch we set ourselves the task of answering a number of questions. Among these were: 'What is it about the existing economic system that causes it to undermine itself? Why, for example, is it widening the gap between rich and poor, both within nations and between them? Why would it collapse if it failed to grow? And what compels it to progressively destroy the natural world on which human life depends?'

Once we can answer questions like these, we can move on to second-stage questions such as : 'What changes do we need to make to the economic system if we are to remove its undesirable characteristics? And, given that most governments are dominated by powerful forces committed to defending, and, indeed, accelerating, the present self-destructive arrangements, what steps can we take to bring the changes we identify as desirable about? And, once the system has been changed, what would the world that resulted be like to live in?'

We're a lot surer than we were about some of the answers to the first stage questions, as we hope this, the first *Feasta Review*, makes clear. As we suspected, the problems are concerned with the design of the economic system itself. If the design of any system is flawed, it is going to be difficult to make it work properly, no matter how hard people try. And if some folk have their own motives for not trying very hard, then it may function very badly indeed, just as the Irish economy is doing in some important respects now.

For example, while the total income accruing to Irish residents and businesses registered here will probably be seen to have grown by over 8 per cent in 2000 when the figures are published later this year, the National Economic and Social Forum reports that the distribution of this income is one of the most inequitable in Europe and that, despite the unprecedented rate at which it has been growing recently, more than 20 per cent of the population are still living in households below the poverty line. So, has this country's rapid economic growth come about

because low wages make us more internationally competitive? And is the growth our competitiveness brings making the inequality worse? And is the government unwilling to approve national wage agreements which would reduce inequality for fear this would damage our competitiveness and thus kill the goose which is laying so many golden eggs for the rest of the population? In other words, is Ireland in a Catch-22 situation because of the way its economy works? Feasta believes that the answer to all four questions is 'Yes'.



This graph, taken from the Winter 2000 Bulletin of the Central Bank of Ireland, demonstrates that Irish wage costs per unit of output in the manufacturing sector have fallen sharply in relation to those in the country's main trading partners. Actual wages are now among the lowest in the EU. Only Portugal, Greece and Spain are cheaper.

Most of the changes we have identified as necessary so far are structural-and therefore radical-rather than superficial and administrative. We've satisfied ourselves, for example, that far-reaching reforms are needed to the way that money is created and put into circulation. And that scarce rights-such as the right to emit a greenhouse gas-belong to us all equally and need to be allocated on a basis that benefits everyone. They must not be kept as the preserve of those who have held

them historically and the very rich. We're convinced, too that sustain-ability will be very hard to achieve within the context of an ever-more integrated world economy, and that it has to be sought by creating thousands of largely self-sufficient and probably very different local economies in which everyone living in each area has a say.

The second-stage questions are much tougher. How to bring about radical change, other than by bloody revolution, is among the most intractable questions human societies have ever faced. In an ideal world, mainstream politics would offer the option of radical change but the evidence of recent decades in Western democracies is that governments of all colours discover that the pressure to operate within the existing system is irresistible. Even if a Green party was able to form a majority government by itself, it would almost certainly succumb to the same pressures.

This democratic deficit drives many of those wanting change to organise protests and campaigns outside politics. Their work is immensely valuable in alerting the public to vital issues but, overall, its effect is to soften the edges of the system and thus make it more acceptable, rather than to change the way it works. To put this another way, campaigns can alleviate symptoms-an activity which can be extremely important when you are ill-but not cure the disease. And that's where Feasta comes in. Feasta is not a campaigning organisation but a network of activists of all kinds who have joined together to identify the changes needed to create a just and sustainable world. Our aim is to assemble these into a coherent whole to be introduced together, as a package, rather than piecemeal, as soon as circumstances develop which make this politically possible.

We may not have long to wait for such a crisis and a lot of thinking is required before then. And a lot of practical work too, if we are to do any road-testing on the solutions we are developing. Accordingly, Feasta has joined with other organisations in setting up some of the systems-like community currencies and an interest-free bank-required for the strong local economies on which, we think, a globally sustainable future will depend. On another level, we are working with other NGOs to devise structural reforms to the international financial system within a framework to limit climate change. And we've made good progress in assembling study courses that explore what true sustainability really means.

However, while we are pleased with the progress made in our first two and a half years, what excites us is the belief that, as more doers and thinkers join the Feasta network to contribute to it, its influence, scope and effectiveness will improve

significantly. It better had, too, because radical yet carefully considered alternatives are urgently required.



This article is from the first Feasta Review, a 204-page large format book. Copies of the book are available for £15 from [Green Books](#).