

The global crisis and the limits to growth: a fatal blow to Europe or an opportunity for the EU to become a major player in a sustainable world?

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Allow me to jump to the conclusion of this short introductory speech:

the global crisis and the limits to growth are *not* a fatal blow to Europe. They are a *unique opportunity* for the EU to become a major player in a future sustainable world.

We Europeans, gathered here today, can seize this opportunity – and we have to do it! And culture is our greatest asset. I shall endeavour to demonstrate it here.

In the last three weeks we got very opposed signals about Europe:

- there was, on one hand, the award of the Nobel Peace prize to the EU institutions, which generated quite some euphoric reactions and acclamations among European leaders and convinced European citizens.
- There was, on the other hand, the brutal announcement of the closing down of large industrial sites, particularly in the car industry in Belgium and the U.K., making thousand workers redundant. A new crisis on top of several others, within and outside the euro zone. More than ever economic recovery seems to be an unattainable goal.
- There is, by and large, throughout the world community, the feeling that Europe is on the decline and that the global crisis may indeed be a fatal blow to the “Old” Continent.

In the light of the latter developments it may therefore seem naïve to believe that Europe, and more particularly the European Union, can become a major player on the world scene, even less a leader. The economic momentum happens elsewhere in the world, in the BRICS countries: Brazil, India, China, South-Africa, and also in South Korea, Taiwan, Singapore, the Philippines...

It is understandable that most observers and analysts remain sceptical about the chances for Europe to gain or regain a strong position in today’s globalised world. But this is because they still live with outdated beliefs.

We at the Club of Rome don’t share the dominant discourse of mainstream opinion leaders, either pessimistic or candidly giving false hopes for recovery, preaching business as usual.

We see signs that new thinking, new approaches, new actions are beginning to emerge, in spite of strong resistance. However, they won't have a chance if there is no major shift of paradigm. We have to change our values system. In other words: evolve towards another culture. And it is my firm belief that Europe can set the trend.

America, Asia, Australia will not do it, as they stick to the limitless growth paradigm, still dominant in the US, even with Barack Obama. [With Romney it could have been worse!]

Before demonstrating the opportunity for Europe to take the lead, let us address the following questions:

- What do we mean with global crisis?
- What are the limits to growth?
- What is a sustainable world?
- What is culture?
- What is Europe?

The global crisis

We all witness that humankind finds itself, worldwide, in at least five major global crises: in economy, finances, ecology, employment, food. Not to mention war in many parts of the world.

Most political and economic leaders fail to acknowledge that these crises have the same root causes: an obsolete belief system, an outdated economy, inadequate institutions and governance systems.

The context though is totally different from previous decades and centuries. For the first time in history, Man is forced to choose his future, the future of his species, the future of the planet Earth. Because now, He has got the freedom and the power to do so.

In spite of two bloody world wars, industrial society seemed to be on top of civilisation, holding the promise a brave new world. Yet, we witness the technological aggression on Nature.

Not only nature is going to bankruptcy. Society itself is also deeply affected. Human relations are decaying in ever growing urban settlements, in increasing bureaucracy and under the endless stress of producing and consuming ever more.

Until the rise of the industrial society, crises were mostly local, regional or national. Today they are universal, because the industrial model spread all over the globe. It was Europe, the European nations which exported, promoted or imposed this model.

The limits to growth

Exactly 40 years ago – in 1972 – the first report to the Club of Rome “Limits to Growth” was made public. In the wake of the emerging environmental movement - mainly in Europe and North America - it had a tremendous impact on public opinion. The report warned that if the growth rates, seen between 1900 and 1972, were to continue, humanity would overstep planetary boundaries sometime between 2000 and 2100.

We are 2012 and there is no doubt that the world has already crossed many limits in natural and energy resources, in soil, in biodiversity. The industrial society, which brought an unseen material welfare in many countries during the last two centuries, has made the planet Earth a place where life is no longer comfortable: climate change with its droughts, floods and unseen storms, is just one example. This change is largely anthropogenic and believed to contribute to the present trend.

It is surprising how difficult most people find it to grasp that we cannot command nature and have to live within limits.

In fact, the famous report to the Club of Rome followed several other early warnings in the years before its publication. Let me just refer to one, from Paul Ehrlich's book "*The Population Bomb*" (1968):

"If population continues to grow at the current pace, in a thousand years its density would be 2.000 inhabitants per square meter of the planet, including the immersed parts."

Who can then still believe any longer that population growth can go on? Who cannot understand that limits are a fundamental fact of life?

Besides the bankruptcy of nature, there is the threat of bankruptcy of social life in exploding megacities, where the quality of life is deteriorating for large groups of citizens. The financial and human management of these cities is a headache for their public authorities. Security and vandalism are major problems, sense of civic responsibility and social control are disappearing.

Because of their historical diversity and autonomy, cities and regions in Europe seem to remain less affected by the trend to concentrate population in megacities. However, the split of the various functions generates migration towards rural areas, destroying rich soil, natural sites and landscapes. Mobility problems increase as we are all dependent - and often addicted - to private car transportation.

This evolution is not natural. It is man-made. It is cultural. We have developed a civilisation largely based on the creed that growth has no limits. Growth, of course, has been and still is the engine of our economy.

But today, economy, a means with no other value than meeting *real* human needs has become an end in itself. Economics neither appears to address the real issues, nor does it measure what really matters to most people. We need to introduce a radically changed economic system that links economics with ecology. We should stop applying a growth model that contains the seeds of its own destruction.

On 5th December next the Club of Rome will launch a new report entitled "*Bankrupting Nature*". Building on the notion that there are planetary boundaries, this book is part of a growing school of thought confirming that we are seriously depleting the earth's resources, and are overstepping the Earth's 'operating system'.

"The challenges of sustainability cannot be met by simply tinkering with the current economic system", say the authors, Anders Wijkman, recently elected Co-President of the international Club of Rome, and Johan Rockström from Stockholm University. Instead

they argue for a ‘circular economy’, decoupling wealth and welfare from resource consumption by radically enhancing the efficiency of energy and material use. A key element of the circular economy would be to redesign industrial systems - so they are waste-free, recycle and reuse materials - and phase out fossil fuels by investing in energy efficiency and renewables.

Europe has got the intellectual capabilities to understand this message, to recognize the link between politics, economics and ecology, and to change course.

Let’s us turn to Europe and to culture to see why we have this opportunity.

Europe

Definitions of Europe vary. For many it is a subcontinent of Asia, a geographical space. For me Europe is a culture, a state of mind, a spirit. No physical borders, but with a union with a legal framework based on humanistic values.

Here today we are talking about the global crisis and the challenges for Europe.

Let’s face it: if the world became global, it is largely because of the European national states. In the past millennium three quarters of the globe were discovered and subjected to colonisation, with violence and plunder. By trading – mostly to its own advantage – Europe became the first economic power of the planet.

On the positive side of the balance, it must be said that Europe brought new political insights and democratic systems, especially with the Enlightenment. The influence of European national states declined rapidly in the 20th century. Global leadership, politically and economically, was taken over by the United States of America. The Western World first, the rest of planet afterwards, took over the “American way of life”, based on boundless production and consumption.

The world today is concentrating around the Pacific, with a club of newly rich and powerful nations. The EU will be excluded from this club, not having any influence whatsoever, unless it changes course, moving resolutely towards a true political and economic entity.

The question is how do we achieve a change of course? The answer is: we have to get rid of the concept of national sovereignty. The Member States are either too small or too big to solve the current economic, ecological and social problems.

But what is the role of culture in this process, you may ask?

Culture

Culture is the cement we need to build a true European Union. This vision is living among many intellectuals, writers and artists. Not among politicians and business people.

It became a “Weltanschauung” – a world view – generating a pan-European movement between the two world wars, when it was obvious that only a united Europe could guarantee peace between the sacred nation-states, which were competing with each other and preparing war rather than cooperation. There was however not clear view on how to build such a union. What could be the basis for it?

The conference of the European movement in May 1948 in The Hague, chaired by Winston Churchill, was the first political attempt to envisage an institutional system. The Swiss philosopher and writer Denis de Rougemont¹ was appointed ‘rapporteur’ for the subject of culture. He read his now forgotten “*Message aux Européens*” at the closing session. He pleaded for cooperation between the people, the citizens, outside the national governments. For action at the level of smaller, regional entities, but within a common European culture. Regions are closer to the citizens. They can break the sovereign power of the national states. But they should strive for a union based on shared values, on the common roots of all Europeans.

His report was applauded, but behind the scene immediately torpedoed by the dominant fraction in the conference. The preferred model was an alliance of sovereign Nation States, not a federation.

Nevertheless, the union started getting shape, mainly thanks to the pragmatic approach of Jean Monnet and Robert Schuman. Economy was the engine. Culture disappeared from the agenda. The unique feature of Europe – its diversity in unity of its common roots – partly dissipated in what citizens perceive as bureaucratic uniformity.

A federation will only be possible if the indivisible, sovereign national states are losing competences to both a higher and a lower level.

The Nation State was born three centuries ago, when values and world vision were totally different. While national states played a major role in improving the quality of life for many human beings, they have also been the cause of wars, of destruction of nature, health and democracy. Still today they pursue economic domination, with the support of multinational corporations and governments.

National states are the *ultima ratio* for decisions often against the will of the majority of the citizens and in the sole interest of oligarchies, monopolies or big businesses. This is detrimental to the real economic, ecological and cultural needs of the people, such as meaningful and rewarding jobs, education, sufficient supply of quality food, protection of the local natural and cultural heritage.

But then is culture the answer? If so, is there such a thing as a European culture? Are we not talking about a mosaic of cultures, showing more diversity than unity?

The common roots of Europe have been largely described by many authors, showing how history created a heritage of shared values on the continent, beyond the differences in languages, local traditions and customs. From the Renaissance on there has been a whirlpool of a transboundary culture, spreading all over the world. On this fertile soil the Enlightenment, Humanism, Human rights were born, growing and blossoming.

The specificity of European culture is that it permanently produces interaction and dialogue between apparently opposed poles: religion/rationality, philosophy/science, tradition/evolution, individualism/collectivism, etc.

¹ Founder of the *Fondation Européenne de la Culture/European Cultural Foundation* and the *Centre Européen de la Culture*.

European culture is the sum of the diversified regional cultures. Europe can only strengthen its position in the world by seeking a *balance* between the dynamics of its regions and the effectiveness of a true union in a federal system.

Europe is like a puzzle in which all pieces are different but evenly important. If you wish to get the full picture you cannot afford to lose one single piece.

Diversity is an asset in culture as it is in nature.

The Way Forward

In 1978 Helmut Schmidt, addressing the Assembly of the Council of Europe, already declared: *“In our country the national state is no longer the ultimate criterion of politics”*.

Regions are not top down organised entities within sovereign national states, but areas of civic participation with common roots, cultural, economic interests, great autonomy and community feeling.

Already today we can see regions and cities taking the lead in the transition to an energy-diverse, low-carbon society. However, political vision and more structural funding will be needed to facilitate and support partnerships between regions, not only within the EU, but also in joint transcontinental and transnational projects.

Why are regions with a considerable level of autonomy often successful? Is it because *“Small is beautiful”*², to quote the famous book of the economist Fritz Schumacher?

Yes, to a large extent, because there is a worldwide trend to oppose large scale industrial projects imposed by central governments and multinational corporations.

Humanising professional life and reinforcing civic participation with a view to stimulating a dynamic sustainable development at regional, provincial or local community levels call for decentralisation. Citizens cannot be really free, motivated and entrepreneurial as long as their community is not itself largely autonomous and thus responsible. However, a successful, autonomous region should never become a new, sovereign national state.

In spite – or perhaps because of – the globalisation we are clearly in an irreversible process of devolution to smaller entities and expansion to larger ones.

Some politicians still pretend to build Europe on so-called realistic economies which should make the continent a super-power much on the same models of the US, Russia or China. Their approach tends to be much “top down”, imposing laws and regulations prepared in the Brussels bureaucracies, much guided by the lobbies and national member states.

The heresy of the industrial/ national state is well illustrated by the absurd notion of the GDP, where progress is measured by including in a monetary system all activities which can be accounted for, even those engendered by accidents, diseases, pollution and warfare. Clearly enough this universal indicator only tends to reduce the diversity of the world and

² *“Small is beautiful: Economics as if People mattered”* E.F.Schumacher, 1973.

man's destiny to childish figures which are totally irrelevant as far as the real wealth and happiness of people are concerned.

The persistent economic, ecological and social crises at planetary level find their roots in Europe where both the Nation State and industrial society were born. The ruthless quantitative, anti-ecological growth in the past century led to a conflicting and asymmetric globalisation. Europe has got the capability and responsibility of going beyond it by better regional and continental governance. An improvement of the state of the world will not come from a hegemonic power, or from unbridled economic growth. It will come from a new culture.

It is time to stop our nihilistic thinking about Europe, to end our self flagellation and self indulgence. Let's not be Eurocentric and arrogant, but truly conscious and responsible about the role Europe can still play on the world scene. To the benefit of all Humans, children of Nature.

Post scriptum

The Club of Rome has defined six essential global goals, which I suggest the EU should pursue in its policies:

1. Societal values have to be fully reflected in all economic decisions.
2. Economy should reflect the value of natural and social capital; the markets operate in a fair and transparent manner, delivering the goods and services required for a sustainable livelihood.
3. Within and between the countries income should be distributed more equitably.
4. Access to meaningful work, providing enough income for a decent life, has to be guaranteed as an essential human right.
5. Ecology is a binding constraint for all human activity. It should be managed in a manner which reflects its biophysical and economic value.
6. Appropriate governance systems have to be established at local, regional, national and EU level.

The transition towards a sustainable and equitable world has to start in Europe. We have more openness than any other region in the world. We have the spirit to do it, but today we lack the political will. The word "crisis", as we all know, also means opportunities. Let's seize the momentum.
