

THE GLOBAL ECONOMIC CRISIS & SUSTAINABILITY:
MOVING FROM PARASITISM TO SYMBIOSIS.

Distinguished Delegates,

I want first to thank the Provincial Government of Jilin for this opportunity to address you on behalf of the Government and the People of Gibraltar, as Minister for International Investment.

It falls on us to close our deliberations with a result which shows we are capable of providing Global Economic Leadership in the crucial issues that face us all.

Having considered the range of topics which we are discussing, it seems to me that there is an implicit underlying assumption, the premise that the crisis can be reversed by going back to the policies that led up to it.

The different options in relation to the real economy and globalization, and the suggested stimulus that we should be seeking to revive the pre-existing level of economic activity, all assume that the economic model that has led to the crisis is capable of being perpetuated, based on ever higher levels of per capita consumption and depletion of finite natural resources.

I put it to you that to pursue such a course of action would lead us into a dead end and not provide a long term solution.

Some weeks ago, I read that global fishing stocks on which so many human lives depend were, on the point of extinction through over fishing and climate change. This is an issue that we are very conscious of in Gibraltar and have addressed as a Government. As far back as 1992, we introduced a Nature Protection Act which

outlaws commercial fishing in our territorial waters. If we do not act to protect life in the seas, we will have been responsible for converting oceans that were teeming with life, into dead seas.

I also read that Arctic ice is melting at a rate which is 50% higher than anticipated, that the volume for summer ice in the Arctic has fallen from an estimated 14 thousand cubic meters in 2004 to 7 thousand cubic meters this summer. These are the issues which we need to address if we are to consider sustainability. At the same time every one of us here is acutely conscious of the economic crisis that has developed engulfing almost every trading nation since 2008 and which in the globalised economy ensures contagion across all national boundaries. Later I will give you some indication of where Gibraltar's economy stands in all this.

But the message, that I think is important to convey, predominantly and above all else, is that we need to concentrate on one particular element that we have to face as a species. We humans irrespective of colour or creed, history or culture, political system or ideology, are faced with one question.

Are we going to survive?

The indications are that unless we make a fundamental change of direction in the policies we are following, we will not.

That may be very bad news for our species, but it's probably good news for our planet.

Why, you may ask?

Well, because in the last 200 years we have acquired God-like powers which allow us to ignore and infringe the laws of physics and of nature, when it comes to sustainability. We have ascribed to ourselves as a species the power of Gods, without seeking to acquire the wisdom of Gods.

The model that has done us well for the last 200 years has been partly at the expense of the under-developed nations. The Planet cannot take this model, apply it for the whole of mankind and provide sustainability.

This is not a Malthusian message that I am delivering, but a call for us to face reality.

When the use of our technology, overrides the natural laws that control every other species on the planet we have the obligation and should have the wisdom to develop rules that are self-imposed to ensure sustainability, and we are manifestly failing to do this.

So what is the bottom line?

For me it is clear, if we do not get our act together and provide new ideas and the leadership that mankind needs, then this summit will be yet another failed attempt to provide the answers that people expect from their political and business leaders and that so far have failed to materialise.

The issue is no more and no less; whether in the long-run our species will survive?

At best, if we do nothing, mankind may disappear, at worst so will other wonderful, innocent life forms destroyed by our reckless lifestyle. The first is the lesser of the two evils.

The alternative is that our species has to evolve, to change from a parasitic to a symbiotic relationship with other life forms and the natural resources of Planet Earth.

Moving in this direction requires a respect for the wonderful biodiversity of this planet so that we preserve and put back as much as we take out and we limit what we take to what we really need for our own preservation and collective survival.

It means that in policy making and in business decisions we include the cost to the environment and the burden on future generations of the actions we take today.

This intra-generational connection means that we transmit a changing set of values, that we adopt and start implementing those values and that we promote the need for change and campaign to bring it about.

It is not a change from high growth to low growth. On the contrary, it is a change from fictitious growth to sustainable growth.

My country is in fact committed to high growth and our current 4 year economic plan is for a 50% growth in per capita GDP. Though I have to say it seems modest after learning yesterday of the remarkable growth record of Jilin Province.

We are a small nation but we have an open economy fully integrated in the global one, which forms part of the EEA, but has no trade restrictions and a fully independent and very competitive fiscal structure.

But in the growth targets we have included action designed to reduce our carbon footprint, to green our environment, to protect our flora and fauna.

Growth should not be measured, just by increases in quantitative consumption of what Galbraith called “created wants”, 60 years ago.

If we are all here because we care about the crisis that is affecting the global economy and we want to make a difference, then let me make clear that my message is not intended to be merely an appeal to philosophical principles.

In my country I am the longest serving member of Parliament now in my 40th year and whilst I have had the benefit of a university education in UK, I have also been educated in the University of Life as a manual worker and Trade Union Leader.

So my feet are firmly on the ground.

It is possible to move forward with pragmatic, profitable, sustainable economic policies.

These will enable us to come out of this ever worsening recession without sowing the seeds for the next one. There are a number of basic points that we, especially the participants from the so called advanced nations, must start by acknowledging.

There is an element of ethnocentricity in the underlying view that we subconsciously have of our cultural superiority as if the western economic model was the only viable model for mankind.

It is the result of the wealth creating capacity of technology which begun with the 19th Century Industrial Revolution in England and the emergence of the USA as the sole hegemonic power from the 1990's on, which has created this world view.

We know that this distribution of power is now shifting and that particularly China, its leaders and its people have an opportunity and indeed the heavy responsibility of showing that it is possible to do things a different and better way.

If the emerging leaders of the world economy are the BRICS nations, they also have to be the standard bearers of sustainable economic development.

I honestly believe that the underlying stereotype in western economic theory of economic man possessed by an insatiable appetite for ever higher level of consumption of material goods and solely motivated by an ever increasing level of profit attainment is a distortion, of the reality of our biological condition.

We all know that we can all be motivated by altruism to produce greater efforts than have ever been produced by the desire to accumulate material wealth.

The Long March that created this fantastic nation that makes up some 20% of humanity was a historic example of the power of the human spirit and willpower.

We know that the culture of the Chinese people goes back so far in time that they had a sophisticated society when we in Europe had warring tribal villages.

So we westerners must first accept that we have much to learn as well as having something to teach.

Today China and other Asian countries are the workshops of the world that England once was.

These workshops provide what the market demands because we in the west have made it so.

The market mechanism is a valuable tool to maximise the efficient use of resources but the markets do not determine demand, they reflect it.

The demands are often generated by those who stand to gain from higher consumption, but it cannot continue to be so. The future of our civilisation cannot be determined by the fact that those marketing consumer goods wish to persuade us to continue to consume ever greater volumes of their output, especially when we have reached the point where such consumption is only maintainable by extending credit to those who consume to persuade them to buy what they do not need, cannot afford and will never pay back.

If we are unwilling or unable to face these harsh realities which are staring us in the face, we will not even begin to look for alternative strategies.

So what is the answer?

Dear colleagues and friends, am I just putting to you the problem and suggesting there is no way forward?

Far from it. We have to tackle these problems because we owe it to ourselves and to millions of children without food and water who but for the luck of the draw could be your grandchildren or mine.

The answer is not charity to quieten our consciences, but mobilising the resources to give them the opportunity to feed themselves.

That will create economic growth.

We have a planet which every year is impoverished with the loss of some endangered species. That biodiversity lost, is the result of the fact that we are prepared to sacrifice irreplaceable genetic material which could be priceless giving preference to having bigger TV screens or more complex cell phones which, to people like me, are a complete mystery when it comes to using them.

Changing these priorities will provide economic growth.

We must not give up the quest for renewable energies. Short term political concerns should not put at risk the production of solar panels as is the case with the restrictions on the export of panels from China, introduced by US and Europe, because they are too cheap.

How can they be too cheap? We want them to be cheap, the cheaper they are the better, the cheaper they are the more people will use them to replace other energy sources.

Promoting renewable energy provides economic growth.

We must fund basic research in space and physics. This is hallmark of our species. We alone, apparently, are capable of abstract conceptual thinking, thinking that can conceptualise the structure of matter and explain it long before it can be demonstrated. Priority for funding increasing levels of university academic research so that ever greater numbers are engaged in the pursuit of expanding the frontiers of knowledge is another way of increasing wealth and providing economic growth.

The list is endless but a start has to be made. If we want to work together to create a better world so that when we pass it on to the next generation what is there is better than what we inherited, then you can count us in.

This strategy above all else requires that the basic needs of millions of our fellow humans in low income countries should be addressed by us helping them out of the poverty trap, to create the basic elements for dignified and fulfilled lives which the UN Human Rights Convention, now 55 years old, requires all of us to help in bringing about. Those in high income economies must consume less to ensure that the less well off members of the human family are able to consume more. However, escaping the poverty trap is one thing and adopting the western world's obsession with insatiable consumption is another.

Hope lies in the first course of action, disaster and the blight of this wonderful planet awaits us if we continue with the second.

Thank you.