

## Article for World Review Autumn 2001

Being a businessman yet also a great fan of the late E.F. Schumacher, and in particular of his world famous book, "Small is Beautiful", I was struck by his assertion that the catch-phrase of business in the 1970s was that everything must 'economic'. By 'economic' was meant profitable. If any activity failed to be 'economic', its right to existence was immediately and inherently denied. So in those days it was clear that profit must be the guiding criterium by which much, if not all, of our lives were to be determined. "Not just in those days", I hear you say. For today, too, many of us would say that greed and profit still remain our guiding principles: money still makes the world go round.

But in "Simultaneous Policy" I argue rather differently. For today, profit is no longer our direct objective and, similarly, neither are the terms 'economic' or 'uneconomic' as often heard as they used to be. Instead, from about the 1980s onwards, our new – but no less pervasive - guiding principle is that we or anything we undertake must be '*competitive*'. Indeed, I would argue that, today, we live not so much in the 'Age of Greed', but rather in the 'Age of Competition'. For profit has become but the indirect result of behaving competitively. In today's global economy, we no longer simply have to look at an activity to make sure it has been costed in such a way as to produce a profit. Instead, business must ensure the price of its product or service is competitive with comparable products or services. If it is competitive, it follows that profits will – hopefully - result. If it is 'uncompetitive', on the other hand, you are quickly out of business or out of your job. As such, profit is no longer our direct objective but instead becomes merely the uncertain by-product of "being competitive". In this way of looking at things, instead of behaving *autonomously* in the direct and greedy pursuit of profit, our actions are now much more influenced by the *actions of others* and by the fear and insecurity which they instill in us.

Now the distinction between greed and competition might not, at first, sound very significant. After all, the end result is much the same. But I suggest it is indicative of a fundamental transformation that has taken place; a transformation from an era when business and economics were essentially national affairs to one where they are now transnational. Whilst in the 1970s, a business's main competitor may have been located down the road, today it could be on the other side of the planet. Likewise, while in the 1970s governments could impose necessary social and environmental regulations on capital and corporations without fear of them moving elsewhere, today that is no longer the case. Indeed, whether it is government or business, today the pursuit of economic success is no longer an *absolute*, but a *relative*, undertaking. For today, success is no longer determined solely by our, or our government's, autonomous actions *per se*, but rather by those actions *as they relate to those of competing businesses or nations*. Competition – and not greed - is primarily what makes today's global economy go round.

Interestingly, however, competition is almost universally held to be a good thing. The more competition there is, we are told, the better things will be; the more competitive we are – as individuals, businesses or nations - the richer we will become. But is competition really all it's cracked up to be? Is it necessarily and exclusively a good thing? I put these questions because, if asked to reduce to one word what I believe to represent the core of our world economic, environmental and social problems, that word would also be '*competition*' or, if I am allowed a further word, those words would be '*destructive competition*'.

For the reason world problems only seem to worsen and businesses seem reluctant to fully embrace sustainability is not because we lack the resources, knowledge or will. It is because competition induces fear. Governments now shrink from implementing any policy that might incur the displeasure of internationally mobile capital for fear of devaluation, inflation or capital flight. They also fight shy of imposing tighter controls on industry for fear of capital, jobs or new inward investment moving to competitor countries. Businesses, too, resist the implementation of environmentally responsible technology not because it cannot be done but because they fear increased costs and reduced competitiveness resulting in lower profits and lost market share. Mergers and acquisitions and their attendant job losses also occur,

not so much out of greed but out of fear for companies to retain competitive advantage and relative safety to avoid themselves becoming targets for hostile takeovers. We should equally be aware, however, that destructive competition is not just a 'first world' phenomenon: Third World countries, too, must compete with one another to attract investment from foreign multinationals by submitting to IMF-imposed 'structural adjustment' and by allowing their raw materials to be plundered and indigenous peoples displaced. Their exports, too, earn ever-lower levels of foreign exchange as First World buyers have consolidated their purchasing power playing one producer off against another. Third World governments are therefore locked in to a vicious circle of ever more ruinous debts owed to the World Bank and equally ruinous 'structural adjustment' administered by the IMF. And all this in the name of 'improving their competitiveness' in the global market; or as the IMF and the World Bank like to put it: "short-term pain for long-term gain".

There seems, therefore, to be rather more to competition than meets the eye. For not only is the public and business subject to the dictates of 'competitiveness' in what is now a global market, but so are nations and governments. Indeed, the ability of capital to move, or merely threaten to move, across national borders effectively precludes the implementation of any national policy that might incur market or corporate displeasure; i.e. any policy which might impair 'national competitiveness'. The markets have consequently engineered strong leverage over the economic, social and environmental policies adopted by any country ensuring that only market and business-friendly policies are pursued - *regardless of the party in power*. The result is the strangle-hold of pseudo-democracy in which, whatever party we elect, the policies delivered remain substantially the same. Since virtually all nations are part of an increasingly integrated global economy, they are all subject to the same strangle-hold. Whilst governments remain impotent, business is effectively abandoned to a global struggle for the survival of the fittest.

It was this realisation that the world is ruled by a vicious circle of destructive competition which even business leaders are powerless to control that provided the seed-bed in which the Simultaneous Policy concept has grown and developed into what is now a fledgling global campaign. But the idea itself came to me in a split second and completely by surprise. Not, as it happens, while I was in the bath, but while I was doing the washing up after a Sunday lunch. It was the most powerful feeling I have ever experienced and left me convinced that I was not the idea's inventor, but merely its recipient or trustee. In essence, that idea was, quite simply, the technology required to get from competition to cooperation; for getting from one state to the other: from A to B. It was the technology needed for reconciling two apparently irreconcilable opposites. So powerful was that flash of insight or inspiration that I was instantly aware of its immense potential for solving current world problems. For it seemed clear that, if it were generally true that the world was ruled by destructive competition and that many, if not all, of our world problems could be linked to it, then this technology could bring clarity and unity of purpose to a situation characterised by confusion, chaos and confrontation. Since the very nature of a vicious circle is that there is ordinarily no way out of it, I wondered if it could be true that destructive competition might be the underlying reason why whole civilisations, from the Incas to the Romans, ended in collapse all those centuries ago – and why we, ourselves, might be set on a similar course.

What our world predicament serves to show is that, far from competition being an exclusively beneficial phenomenon as business leaders, politicians and economists would wish us believe, there are in fact two sides to competition: one constructive, the other destructive. For competition to be constructive in any context, cooperation between all the participants in that competition or game is first needed both to define appropriate and fair rules and to respect and police them. If that is the case, the ensuing competition is likely to be constructive. Conversely, under circumstances of unfair rules or inadequate control, even a competitive children's game can, as any parent knows, quickly get out of control and lead to a small war. So the factor determining whether competition is constructive or destructive is primarily one of fairness, cooperation and control: it is one of *governance*. But governance need not necessarily mean "government from above". It can equally mean *self-governance* by the participants in the competition themselves.

In the context of our out-of-control global economy, however, I believe it is generally true to say that this sorry state of affairs is not the result of an 'evil conspiracy' on the part of transnational corporations, market traders or fund managers but merely the natural consequence of competition

having broken free of its cooperative controlling framework. Up to the 1970s, the framework within which business and finance were made democratically accountable was national politics. Today, by contrast, business and finance have become truly transnational, yet politics – the means by which fairness, cooperation and control are democratically exercised - remains essentially national. And that, in a nutshell, is why the global economy is running out of control and why our leaders, feeling themselves to be impotent, trot out the familiar excuse that globalisation – i.e. global competition - is ‘inevitable, irreversible and irresistible’. But if that is so, it is only because transnational capital and corporations so comprehensively out-manoeuvre national governments as never before. In the global market, therefore, competition has indeed broken free of any meaningful cooperative framework of governance.

The flawed acceptance by politicians and the multi-lateral institutions of global competition as inevitable and exclusively beneficial can, furthermore, never lead to policies that are appropriate. Because the free movement of capital and corporations dictate that the WTO, the World Bank and the IMF are bound to prescribe yet *more* competition (i.e. more ‘Structural Adjustment’, more privatisation, more cuts in tax and public services, etc.) as the cure to competition’s destructive effects and not less. In other words, the very institutions we expect to solve global problems are themselves afflicted with a pathology or mind-set which causes them to act in ways which *exacerbate* the very problems they are trying to solve. And one cannot overestimate the perilous predicament for humanity their fundamental misunderstanding of competition represents.

Crucially, however, it is not just the multi-lateral institutions who suffer from this dangerous mind-set. For the “anti-corporate globalisation” movement, too, can only remain fragmented and ultimately powerless until it comes to recognise and understand that the myriad problems it is protesting against all find their source in the destructive competition I have described. Without such a recognition, they too can only remain locked in a negative framework of protest, unable to make the vital transition to a framework of positive action characterised by practical and feasible policy proposals and methods of implementation.

Hence it is not too great a simplification to say that the central challenge our world now faces in its urgent quest for ecological sustainability and social justice is, quite simply, how to get from global competition to global cooperation. Indeed, as corporate globalisation brings into focus the conflict of perpetual growth in a finite environment, it could be said that this represents humanity’s ultimate test. For finding the bridge that will take us from competition to cooperation is the true meaning and challenge of globalisation. And it is to this challenge that the Simultaneous Policy solution is offered as a practical technology for making that transition in a peaceful, secure and democratic manner. Through its gradual process of discussion and adoption of the necessary policies to solve global problems on the basis that their implementation can only take place when sufficient nations do likewise, it firstly removes each nation’s fear of being first to ‘go it alone’. In so doing, it provides a vital consensus-building strategy and an appropriate basis for international cooperation. Having created that cooperative basis, SP secondly provides us with a clean sheet of paper upon which citizens world-wide can democratically design the necessary policies without fear of negative competitive consequences. And finally, in providing them with a novel yet effective means for bringing politicians to adopt the needed changes through the ballot box, SP offers us all a peaceful, democratic and responsible method of achieving its implementation. It is, therefore, a “people’s technology”; one which individuals, NGOs, businesses and politicians alike can use to play our respective parts in *actually making it happen*.

John Bunzl – Founder and Director

November 2001.

**International Simultaneous Policy Organisation (ISPO)**

P.O. Box 26547, London SE3 7YT, UK.

[www.simpol.org](http://www.simpol.org)

[info@simpol.org](mailto:info@simpol.org)

Fax: +44 (0)20-8460 2035