ECONOMY AND ECOLOGY 22.07.2021 | Markus Engels

We live in the era of system change

Our current way of doing politics has reached its limits: considering the tectonic societal shifts of our era, a transformative approach is necessary

Everyone is talking about 'changing the system' and 'big systemic change'. And times, they are indeed a' changing. Radical demands for a major shake-up that, in the 1970s and 1980s would have, at the very least, elicited disapproving frowns, have been formulated in all seriousness by prominent academics, economists, and politicians at the Global Solutions Summit.

You don't have to look far to see why even established voices are calling for a wholesale renewal: climate change and the loss of biodiversity are jeopardising our planet's ability to support life as we know it; the widening gap between rich and poor both within and between societies is calling the legitimacy of today's political leadership into question; and the increasing pace of change in all areas of society occasioned by digitisation and artificial intelligence makes 'business as usual' patently untenable.

The Covid-19 pandemic has shone a glaring spotlight on the inequality and vulnerability of the current political order. UN General Secretary António Guterres has pointed out the appalling injustice in the global distribution of vaccinations against Covid-19, and only the most recalcitrant of ideologues are still sticking to the line that 'the market' will solve the panoply of pressing problems outlined above. What the few who continue to spout this mantra (often willingly) overlook is that it is precisely the ideology of deregulation, privatisation, and 'market self-regulation' – commonly known as neoliberalism – which has led to many of today's mega-crises.

So great are the challenges at hand that many corporations, too, are now willing to change their business models; some are even campaigning for 'value balancing' as a way of taking more account of sustainability in their financial reporting. Indeed, at a macro-economic level, criticism of the reductive way wealth and progress is measured by one lone, absurdly empty figure – gross domestic product (GDP) – is becoming ever more difficult to ignore, especially now that alternative methodologies such as

the Recoupling-Dashboard are being developed. Instruments such as this measure sustainability, social cohesion, and individual enablement as well as growth, combining them into approaches which are gaining increasing traction within international organisations and which may well go on to found a new global narrative about the value of genuine, planet-wide cooperation.

Who influences climate action?

One thing the pandemic has demonstrated, after all, is that growth alone is not enough: there is a widespread need for more social cohesion and a growing desire for individuals to be able to shape their own destiny. The term 'shareholder value', long widely-accepted *passe-partout*, is now being called into question by an increasingly broad cross-section of politics and society as the realisation dawns that it isn't just shareholders in companies or even the population of a single country, but rather the entire population of the planet who are affected by business and economic-policy decisions.

After all, those who will feel the effects of climate change the earliest are also those who have, to date, had the least say in international climate negotiations.

Since it is in the nature of climate change and pandemics is that their consequences are global, those whose activities affect the health of the planet as a whole cannot be allowed to take decisions with global ramifications. This realisation is also very much in tune with the current debate about the effects of colonialism which, quite rightly, brands the current incarnation of globalisation as a mechanism of global exploitation and cultural dominance.

Moreover, this realisation raises a clear and pressing question about the future of the current system – but not the kind of question being asked by self-proclaimed 'free speech activists' and fans of 'alternative facts' who are warning of an approaching 'eco-dictatorship'. No, the question at hand is as follows: how can we ensure that, on an international level, those who stand to be particularly badly affected by climate change are able to exert influence on relevant decisions as equals? After all, those who will feel the effects of climate change the earliest are also those who have, to date, had the least say in international climate negotiations. More generally, we might ask how social groups without a lobby but most in jeopardy from disruptive change can gain in influence.

This, in turn, leads us to a range of institutional questions, both on international and national levels – e.g. debates on UN or WTO reform. Yet even if either organisation were successfully remodelled in such a way

as to take account of these considerations, the interests of future generations still remain unrepresented – although it is, of course, these generations who will be most affected by decisions taken today in respect of climate change or digitisation. Here, too, there is no shortage of debates and proposals, starting with the option of reducing the voting age or of increasing the influence guardians of minors can have on political decision-making. Insofar as they have a direct bearing on the most fundamental of democratic principals, these questions are just as complicated as those facing institutions.

The challenges for democracies

As such, democracies are now confronted by at least three major political challenges: firstly, there is the pressure to deliver solutions that solve the pressing global issues without sacrificing the legitimate interests of their own populations in the face of systemic competition from the Chinese model of state-controlled capitalism. Until the dawn of the new millennium, the received wisdom was that democracies would, almost automatically, always deliver the best political output due to the greater breadth and diversity of the ideas in the decision-making process. Twenty years on, confronted with an increasingly aggressive China, this now unconvincing assumption is rarely voiced.

Secondly, democracies now have to take systemic account of the fact that climate change and a loss of biodiversity pose a danger to nothing less than to life on earth itself. By extension, democratic politics has to start advocating for long-term impact assessments to become a part of decision-making, a development which will require short-term and sometimes painful sacrifices from today's voters in the interests of generations to come. Yet in these times of 24-hour news feeds and social-media frenzies feeding off of missteps and driven by extreme polarisation, this task seams more unsolvable than ever.

In view of the epoch-making mega-crises engulfing us, 'changing the system' seems like the order of the way.

Thirdly, Donald Trump's attempts to establish an international political culture of lying and fraud that focusses attention on the alleged dominance of 'global elites' have had a lasting effect. Yet the reaction to fake-news politics cannot consist in basing political decisions solely scientific evidence. Politics is, after all, the continuous striving for fair and equitable compromises between interests which enjoy the support of the majority.

Politics' balancing act

In this continuous balancing act, a virologist may demand an immediate lockdown while a youth psychologist warms of the collateral damage an extended lack of social contact would cause to young people. Both the virologist and the psychologist have points of view which, within the confines of their disciplines, can be supported by bodies of evidence; the job of politics in such cases is to take decisions in full consciousness of the grave responsibility this entails – and, ideally, with results that ultimately unite different areas and interests.

In this context, science and academia need to remember that it does not fall within their remit to take political decisions; rather, one of their many tasks is to provide a solid basis on which decisions can be taken and indicate the options available. The current respect accorded to 'evidence-based political decision-making' in which 'there are no alternatives' is, in some aspects, reminiscent of the rhetoric of scientific socialism, a discipline that claimed that it wasn't a political philosophy, but rather a science following the proven laws of Marxism.

In view of the epoch-making mega-crises engulfing us, 'changing the system' seems like the order of the way – and in many societal sub-systems such as the world of business, discussions about how to change things are already well underway. Yet politics and society more broadly are facing a challenging debate about how our political systems need to start reacting to change without harming social cohesion, the separation of powers, and democracy itself. As such, it is worth all of the effort of having this discussion in a measured way that avoids overheated arguments while producing solutions up to the scale of the challenge.



Markus Engels
Berlin

Dr Markus Engels is the Secretary-General of the Global Solutions Initiative (GSI), an international think tank network that advocates for a reorientation towards more sustainability, social solidarity and individual empowerment. The GSI is independent and formulates recommendations

for the G20, among others.