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The Design of Prosperity:
Culture for Sustainable Growth

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Ladies and gentlemen,

Black seems to be the color of our prosperity outlook not only across Europe, and the USA 's economies but worldwide today.

Macroeconomists, governments and the media tell us that the global GDP is endangered as never before… "Growth isn't growing" and nobody knows if and when it will start growing again. And this threatening news got us while we were still under shock because of the results of the Stern Report of 2006, the IPCC UN scientists outcomes of 2007the UN-Nature Conservation Body research of 2008, just to mention few of the studies, that all told us that, yes, climate change is happening and it is anthropogenic in its nature, meaning that it is essentially caused by human interference**;** that the costs of climate change would amount to as much as 20 % of the global GDP if we don't commence immediate countermeasures; and that meanwhile we are already loosing 2 to 5 billion dollars in form of natural capital every year.

Is this just a temporary stormy condition, or the "end of the beginning" of a worldwide catastrophe?

Let's get one thing straight: catastrophes are catastrophic only for transient life on this planet – like human beings, because our planet Earth, unlike us, is the product of as many as 5 billion years of natural catastrophes. In fact, the environmental pressure that we have been imposing on the planet over the last two-three hundred years represents just one of its many disasters. But for most life forms that inhabit our planet, including the human race it's a matter of life and death. For us, human beings this is an existential problem.

Gaia, together with her gods and demons, is looking on and leaving us to get on with our self-made catastrophe. Our pretty blue planet will continue along its path through the universe with or without us. It will survive with or without *homo sapiens sapiens* and our wonderful inventions such as art, science, technology… with or without that special creature that invented music, philosophy, and discovered X-rays and vaccines …with or without that same humanity that created morality, but also war...that humanity that made history.

A history that describes how mankind, slowly and gradually at first and then, with rocket-like acceleration, has managed to exponentially increase its population and its productive power.

When we follow the development of economic achievements of mankind then we have to notice that there was not much happening for millions of years. It was only at the beginning of the 19th century that the gross domestic product of certain countries literally took off. This enormous growth spurt which is actually still going on, indicates that at that time, after the *homo habilis*, the *homo erectus*, the *homo sapiens* and the *homo sapiens sapiens*, a new type of human being was born: the *homo modernicus*.
Our *homo modernicus* is a European offspring, a rationally-thinking offspring of the Enlightenment. He is a free and democratic Man, who shows his solidarity with others and is

guided by the values of the French Revolution. He is an ingenious being, who made the Industrial Revolution. He is a pragmatic Man who grasps the economic dimensions of consumption economy . And finally, this *homo modernicus* is also an exuberant Man, who not only threw himself -with all the exuberance of an youngster- into the globalization project in order to be able to keep up with the exponential trend of economic growth at compound annual growth rates. But he also went beyond his goal of harvesting the profit of the real economy and launched himself into the hazard of the speculative financial markets.

According to general economic knowledge, the economic growth of the modern age, which has kept up for nearly two centuries now, is a factor touching on self -supporting processes, which are based on two main tenets:
With regard to the supply side, growth made it possible to invest in research and development, which produced significant technological innovations until now. This led to new products and more efficient production processes which, in and of themselves, reinforced further growth. That is why productivity today is 20 times that of 1820. In the eyes of economists technology is thus the true driving force of growth. They rely on technological progress to solve the repercussions of any environmental pressure and do not see any incompatibility between economic growth and environmental protection.
On the demand side, growth created an extraordinary improvement in the standard of living in the industrialised countries and led to the development of our present consumer society, which is itself an important mainspring of growth. For traditional economists our concept of well-being, as well as the social, civil and cultural development of societies, is therefore tightly linked to economical growth. But this neoclassical growth theory provides neither details about the social impact of economic prerequisites on technological progress, nor does it tell us anything about the duration of the transitional state. Like most economic theories, it is based on a very simplified model, which describes the consequences of an input parameter like technological progress for example, on the output parameter, which is defined by the model, as for instance the GDP growth index. For this, *ceteris paribus* conditions are assumed – which means that one thus assumes that all other parameters remain unchanged.

Today, macroeconomics is still unable to describe the effect of several determining factors which are interacting with each other on complex and interlinked systems like our economy, our societies, our cultures and our environment. Nor can it make statements about the reaction time to modifying impulses within such systems. That is why, Ladies and Gentlemen, we must be very much aware of the fact that we have entered into the adventure of deregulation, liberalization and globalization with a stirring declaration of faith but without any rudder. We were, we are navigating on sight!

In 1968 Robert Kennedy, in a speech he gave during the primaries of a US election campaign, was already questioning the GNP as a suitable economic indicators of prosperity when he said: "…Our gross national product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for those who break them. It counts napalm and the cost of a nuclear warhead…It counts television programs which glorify violence in order to sell toys to our children… Yet the gross national product… does not include the beauty of our poetry… the intelligence of our public debate… It measures everything, in short, except that which makes life worthwhile…".

Until today, and in spite of that prophetical warning, more than 30 different indicators have been developed in which the subject of prosperity has been assessed in different ways. One of the most interesting one is the Index of Sustainable Economic Welfare (which later evolved into the Genuine Progressive Index) because, for the first time, this indicator made it possible to make an actual comparison between economic growth and prosperity. This comparison proves that economic growth in all the industrialized countries has indeed generated prosperity, although with a steadily decreasing force.

Prosperity growth began to stagnate in the US from the 1960s onward, and in the 1980s growth even became negative in the remaining OECD countries. Despite some criticisms that could be made with regard to the Index of Sustainable Economic Welfare methods, people today would largely agree that a steadily growing portion of the GDP consists of the repair and maintenance of our society.

It will come as no surprise that the equation linking economic growth and public happiness has today being repealed - not by moralists or anti-capitalist activists - but by liberal economists such as Lord Richard Layard. There is scientific proof that – in economically developed countries - the tensions caused by material wealth worsen with the increase of economic growth.

According to the findings of the psychologist and Nobel laureate Daniel Kahneman, in our western societies, people's aspirations are presently moving from an economy striving for material wealth to an economy striving for wellbeing and happiness. In such an economy, those goods that are valued most highly only have a significance within communities and are not exchangeable, cannot be reproduced or cannot be replaced by others, like for example security, peace, friendship, time, culture, knowledge or simply truthfulness and honesty.

These socio-cultural factors, which form the bases of what people's aspirations are made-of and that could be the platform of our future economy, have not really been taken into consideration in macro-economics to date.

It is only recently that some politicians have also come to understand that today, the gross domestic product cannot be an indicator of prosperity any longer. At the beginning of this year, as an example, the French President Nicolas Sarkozy surprisingly commissioned Josef Stieglitz and Amartya Sen, the Nobel Prize Laureates in Economics, to propose new indicators for the quality of life and for sustainable economic development by April 2009.

Ladies and gentlemen, the thing is that we should not only question if and how economic growth is really contributing to our well-being and happiness today, **we should also take a much closer look at the concept of technology as the driving force of growth and progress.**

On one hand it's true that technology has already proven many catastrophic predictions wrong. In the past, for example, we thought demographic growth was going to throw us back into the dark ages, but increases in agricultural productivity have managed to solve the problem.
Too bad that this same technological "solution" is also one of the factors that increases environmental pressure and will eventually create the next generation of problems.

The advocates of "natural capitalism" claim that if technological progress could provide enough free energy by exploiting all forms of renewable resources, then we will have achieved heaven on earth.
We would have built up a kind of perpetual production machine, a happy, everlasting world, fuelled by all kind of renewable resources. It is a world where the economy is in perfect harmony with all ecosystems, a world in tune with all imaginable consumerist lifestyles and a world in which we no longer need to question either our economic system, nor the quantity of material "things" that we need to need for our happiness' pursue.

Let us imagine for just a second that this vision can come true right after we will have fixed our actual global economic crisis, before climate change becomes irreversible and before we run out of fossil fuels. Let us envision a world of tomorrow in which the development of a "cradle-to-cradle" design system, based on the precept that there is no real end for any object we manufacture, just "reincarnation", together with an endless availability of energy,

an unlimited access to resources, would make the unlimited production of material things feasible.

Ladies and gentlemen, I think that even if this were to happen, we would still end up “hitting the wall” simply because the infinite growth of material “things” would be unsustainable and incompatible with our ways of life and the meaning of life. The fact is that we cannot just consider our physical environment and our material world. We also need to take into account our *habitat*, and our habits, meaning the totality of our living space and of our life-styles in which the psychological dimension of the quality of our existential space and time occupy a central position. Our space and our time are also limited and they are also - in some sense - non-renewable resources. They should thus be handled with care and be an integral component of our deliberations on economic development and environmental pressure.
The issue of a sustainable growth, ladies and gentlemen, certainly implies a technological challenge, but also an anthropological one, meaning a cultural concern. And both of these facets of growth are closely correlated to each other and have to be viewed as on equal terms.

It is of course true that people respond very differently to the economic and environmental pressures they are exposed to, depending on where they live. On one side of our planet we have new hopes for prosperity and for the achievement of a Western life-style – a hope that might start to collapse due to the repercussions of our western economic crunch...- 20 Million Chinese laid-off factory workers have already migrated back to their native villages... And on this side of our planet the end of the dream of constantly growing material prosperity. This was the dream of Mr. and Mrs. Everyman when they were – quite recently – still identifying themselves as members of an increasingly wealthy middle class. For them, the Damocles sword of a next energy crisis and the soaring costs of basic foods of their children’s education of health and assistance have become a serious problem.
They do not basically care about whether prosperity is measured by one index or another. They only notice that the bursting of the speculative bubbles has also left a deep hole in their own pockets and that, in the meantime, planet Earth has become as small as their own apartment and that suddenly, everything is somehow interconnected. They have understood that the two giants, China and India, have awakened and are hoovering up energy, raw materials and jobs by manufacturing cheap products for the whole world. And their employer's "headcount reduction measures" showed them very clearly just how much these foreign cheap articles production sites impact the domestic industry. And by the same token how much we also depend on the prosperity of those “fast developing countries” for the export of what we still produce in our countries...

Thus the life of Mr. and Mrs. Everyman has changed all of a sudden and quite unexpectedly. Concerns about their standard of living, their pensions and their jobs are added to private crises, which are accelerated by the decline of the traditional family model and the dissolution of obsolete gender roles. In view of the economic, social and environmental turbulences of our time, our previous life style, aimed at material, ephemerally hedonistic and irrationally entertaining consumption, can no longer provide the security they desperately need today. What was so self-evident until recently, now seems remarkably unreasonable. Therefore, we should not be astonished that consumers have become more shopping reluctant.

It is as if, after all of the hullabaloo of too much, too many, too tempting “offers, bargains, points-of-sale and advertising messages” aiming always and exclusively at their purse while making use of the most extravagant marketing means, consumers are now asking for a time-out. They are less and less impressed by the advertising campaigns and turn their attention increasingly to the cost-benefit ratio of what they eventually still buy. That is why they flock to discount shops, into factory outlets of all kinds And their only new form of luxury is to treat themselves with a private item, a little something that is very special and unique, clean, fair , good ...something that make sense and is able to tell the story of its tradition and origin.

Or they invest the few bits –not of free time- but of "liberated" time to "wondering" and "wandering" –and not to just consume-cultural products that offer meaningful re-creation more than senseless escapist distraction (a term reminiscent of a prison sentence).

They try to find alternatives to that cultural production of those commercial circuits which aim to make a profit in the belief that what doesn't entertain is not sufficiently "fun", it doesn't yield a profit, and should therefore be forgotten.

Ladies and gentlemen, the last act of the odyssey of our consumption economies has begun: Ulysses returns to Ithaca. As Ulysses did after his long wandering, people too after all the deceptions, the disappointments and transient seductions- are searching for tranquillity, the sense of a safe harbour today.

They have lost their faith in the myth of possession, of the "must-have" and are yearning for values which are not only added, but intrinsic and linked to another basic human need, namely the need to grow, the need to invent oneself again and again.

However, only ***those*** things that have meaning to us, broaden our horizon and stimulate us to keep on rising above our own personal limits.
I'm not talking here of the so called "Economy of Creativity" announced by Richard Florida. And I'm not talking about Design or Art as strategic tools for differentiating new mass-market products in a global landscape already drowning in commodities. No. Here, I am talking about the need of an economy of balanced material growth on the one hand, and an economy of culture on the other hand, one that implies the advancement of science and art, the expansion of knowledge and experience and last but not least the redesign of educational programmes that break down the barriers between disciplines.
It is that kind of cultural development that is necessary for transforming all our products into symbolic and cultural means.

Such a paradigm-shift requires a deep cultural and social transformation: from the actual culture of economy driven by the mythology of quantity, mass consumption based on mass-production and the promise of an opulent society focused on the possession of ephemeral things to a new economy of culture based on quality good works, good products , good services. Sustainable of course, but also beautiful and meaningful.

And a new economy of culture in which culture is not an abstract term, but it is a network of cultural actors who can generate and diffuse not only a new economy producing art, information, communication and education but also the design of social innovation.

People are in fact not waiting for macroeconomist and world politicians to fix the problem of our crises ridden economies. People are already doing their bit. They want to make sense, to make a difference. Individuals are already starting to explore new systems to work and live together in a more meaningful and sustainable way. They are starting to organize their own lives differently. They act. They show by doing that, there are other ways to live a good life without at the same time threatening nature, other people or their own inner peace. Time banks, home nursery, playgroups, car-sharing, producer markets, ethical purchasing groups, community supported agriculture, self-help groups for the elderly, shared gardens, vegetable gardens in parks, eco-sustainable villages, local food caterer, co-housing, neighborhood self management, local micro logistics, neighborhood launderettes& restaurants, or 0 Km food services, tool exchange, book exchange, second hand fashion ateliers.

In the last years all these new forms of social innovation and bottom-up-driven models of designing prosperity in times of adversities have been the object of investigation and cooperation of a new generation of scholars, designers and artists – like the group of Ezio Manzini in Italy or the one lead by John Thackara here in UK .

The cultural leaders and the creatives engaged in the design of a social innovation give to policy makers an opportunity to learn from their common success factors and to be alerted to cross-cutting obstacles they encountered. They can help to develop, initiate and test new policies, aimed at enabling and empowering individuals or “creative communities” to do better and to do more.
By exploring new structures of civil society they are also setting the conditions for replication of projects of sustainable life-styles. By understanding the existential anthropological motivations linked to new people’s behaviors they can also alert and advise the operators of the consumer goods industry and service about new sustainable and meaningful life models, and therefore about the design of new processes, new products’ and services’ ideas, for which a latent need exists.

What we also already see happening is that many creative individuals or communities are already transforming themselves into sustainable entrepreneurs of excellent uniqueness. Seen from an economic point of view, the entire range of these new generation of artisanal niche suppliers will not only become more significant in terms of turnover, they will also become an important motor of employment for our post-industrial societies, especially because their business model is NOT oriented towards the use of economies of scale. However, we cannot allow ourselves to envision the production facilities of these new niche suppliers only as romantic arts and craft facilities without any kind of technology. On the contrary! These new producers, in spite of the fact that they regard themselves as enlightened craftsmen and their craft also as an art, have become real experts in the employment and use of small, flexible and high-tech machinery which has meanwhile become accessible and affordable for every DIY amateur.

And, like every good artist, they know how to sell themselves. They make contracts with local retailer and even department stores, which are beginning to open up for such niche products because they have understood the importance of including excellence in their own range of products. But they use the internet – and its viral power – as their preferred sales and – above all – communications channel. They are masters of the art of mouth-to-mouth propaganda using twitter, blogs and, video blogs and make sure that people are able to discuss their products, works and principles in specifically themed forums.

As Chris Anderson has highlighted in his book "The Long Tail", the internet is an integrated component of the niche provider's business strategy because it turns masses of markets into a virtual mass market for products that are either unique or of excellent quality.

Ladies and gentlemen, what would become the focal point of the new economy of culture is thus a culture that does not seek to renounce material wealth, but redesigns a balance between our unsustainable way of consuming and a fair and equitable distribution of wealth in the world. It is a culture that puts our unreasonable lifestyles under scrutiny of course, but without demonize material goods tout-court, is instead questioning about the meaning of what we do. It is a culture that can change on parallel unreasonable habits of our private every-day life as well as in our actual senseless production methods, by transmitting the intangible yet priceless worth of our vital resources. And it is a culture that frees itself from the dictatorship of differentiation and the always changing consumption-driven Western lifestyles fictionary, by showing us the unknown gain of diversity and suggesting new models of a good life based on the richness of our cultural diversities. In brief: It is a culture that -by challenging the zeitgeist - spreads the seeds of a new prosperity and a new faith in the future. A culture that reconciles the vision of the world we are living in with the planet we are living on.

Those who simply claim that such a transformation is impossible should first ask themselves and then tell us if the current dogma of senseless growth still carries within it the seed of

well-being and faith in the future. If the answer is negative, one has to imagine some new course of action.

History has already witnessed some cultural and social movements that have dramatically changed the stream of time like Christianity, the Renaissance or the Enlightenment. All transformation emerges from that which distinguishes our species from all others: our human mind and spirit.

The transformation towards an economy of significance and meaningfulness would thus require that philosophers besides dealing with ontological dilemmas start highlighting the relevant questions about the meaning of a good life and the set of values and principle we can share for re-designing a good and responsible life.
That economist reconsider their discipline as part of the social sciences and therefore stop applying simplistic models of growth and start designing an economy based on a model of balanced, fair and sustainable prosperity.

That sociologists stop writing up their market research and start understanding the driving forces of humanity.

And last but not least – that artists and designers apply their skills to giving shape, colour, taste and smell to new visions of (aesth)ethical and sustainable prosperity in such an inspiring way that it has the power to challenge the mainstream culture. As a matter of fact, in the construction of such an “Economy of Significance and Meaningfulness”, designers and artists are asked to use their creativity to provoke public opinion, to spark public imagination through their interpretations of what a good, clean and fair culture of living would look and feel like for the people of this planet.

In this new economy designers and artists have a tremendously political role, since they – and not the technocrats – can really involve people emotionally and provide models to help us all re-imagine the future. They are the ones that can help us to give shape to our visions and hopes. A future of happiness of course, but this time it certainly will be a more sober happiness.

Many people today speak of the meaning of art and also of design in the creation of a more sustainable growth. But so far no one understands how to really unlock the potential of these disciplines. In the consumer goods industry, designers and, in recent times, also artists are regarded as fulfilling strictly a pure marketing function and are not employed as “Change Agents” or as communicators of the new latent needs of people for a sustainable and better life. Which is why most of them do not entirely understand the subject of sustainability, let alone how to implement such a thing.

The result of this is that the confusion on our markets and in our civil society about “the sustainability thing” is tending to increase and that there is virtually no way that any vision for cultural transformation can be envisioned. We all know that the challenge of sustainability implies a parallel and synchronised ecological, economic and social commitment. But all that is not enough. It is necessary but not sufficient, because people today call for much more than just products or works, that will save their world or their wallets. They are looking for cultural messages that also can deliver a clue for the ecology of their mind. Cultural productions and goods that express their stance through a powerful aesthetic impact. That means everything that embodies strong cultural messages that can reconcile them with a future they thought they had lost.

Ladies and gentlemen, Indulge me here, if you will, in a last personal note. In 1933 Keynes said : **“**The decadent international but individualistic capitalism, in the hands of which we found ourselves after the war, is not a success. It is not intelligent, it is not beautiful, it is not

just, it is not virtuous – and it doesn't deliver the goods. In short we dislike it, and we are beginning to despise it. But when we wonder what to put in its place, we are extremely perplexed."

I believe the same. Certainly that kind of "decadent" capitalism will end, some day, like all historical formations. But only when new economic, political, and above all anthropological structures and cultural models have arisen that can take up and resolve the problems that capitalism itself has raised.In the absence of alternatives -for which the time is ripe- an unsustainable situation can drag on seemingly forever. History offers instances of social regimes that were collapsing for centuries.

What is needed is not just a good shove, but constructive work on a project, the practical utopia of the design of a new prosperity. What I have in mind is a sustainable, fair and enlighten new culture of economy based on a capitalist entrepreneurship that is not coextensive with accumulation for profit but consists of great, creative enterprises, luminous instances of which we have had so many in our Western countries, as elsewhere.

The supreme task of the next generations – starting now, with the present generation is to break the economy out of this petrifying mold of interminable material growth and senseless wealth accumulation and turn its vital force to the pursuit of responsible QUALITY, which means education, art, culture, experience and knowledge.

By transcending itself, capitalism could most probably, count on centuries and centuries more. Because it will enter the last growth phase of the consumer economy, the one of an economy of culture, which is the only economy, ladies and gentlemen, that allows for unlimited growth.

Thank-you.