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The Fight for a New Economy

An Interview with Stewart Wallis

Each day, we can see new evidence that the economy fails to serve people or planet. Stewart Wallis, former executive director of the New Economics Foundation, speaks with Tellus Senior Fellow Allen White about how to galvanize action for a new economy.

You began your career in business but have since become a strong advocate of a new economic paradigm. What shaped this trajectory?

When I was growing up, I spent a lot of time reading about systems thinking, including works by Geoffrey Vickers, author of *Freedom in a Rocking Boat*. Vickers observed that those rich in knowledge eat specialized diets at separate tables; only dogs scavenging for crumbs under the tables have a balanced diet. I thought to myself: “Well, I guess I want to be a dog in life, with a balanced diet, continuously sampling different things, and rocking the boat along the way.

A geological expedition to Peru I went on as a college student was a formative experience. My very conventional childhood did not include exposure to the poverty and inequality I witnessed there and during a subsequent trip to Uganda. I was struck by the fact that people who had next to nothing materially could experience high degrees of well-being based on community and trust, and that they were some of the kindest people I had ever met.

After university, I followed the path for which I thought I was destined. I worked in business for four years, then went to London Business School, where I studied far more macroeconomics than business. I then worked at the World Bank as an industrial and financial economist, which, in turn, led me to my first love—international development. My position at the bank, however, was cut short when, tragically, I lost my wife to cancer, leaving me with a two-year-old and a four-year-old, which, of course, was incompatible with global travel. I returned to the UK to be close to family and began nine years of corporate work in the North Midlands, including a stint as Managing Director of a manufacturing company.

How did your time in business help shape your worldview?

I faced the challenge of turning around a 1,000-employee organization, while negotiating with 13 quarrelsome unions during the conservative Thatcher era. Half of the female workforce was married to members of the National Union of Miners; another group was married to members of the breakaway Democratic Union of Miners. I even had to deal with a knife fight on the shop floor. Needless to say, it was a very different experience from applying macroeconomics at the World Bank.

Although I admired the intelligence of my colleagues, at the end of the day, what mattered to the firm were the interests of the shareholders, most of whom had inherited their wealth. I found myself getting angrier and angrier with that system. I always believed that the purpose of a business should be to do something worthwhile in the world, but when profits become paramount, any social purpose is compromised. Even in a company where many of the shareholders are family owners, the primacy of profits (and shareholder value) persisted. After years of wrestling with a system to which I harbored fundamental objections, I was ready to return to international development. I had remarried, and my children were older, enabling me to become International Director of Oxfam.

And did this offer the purpose-driven work you craved?

Yes, definitely. My eleven years at Oxfam from 1992 to 2002 were life-changing. I managed 2,500 people in 70 countries who were engaged in humanitarian, relief, and policy work while confronting horrific human suffering in cases like the Rwandan genocide. Having weathered a personal tragedy as I mentioned earlier, I realized that one cannot change the past but can shape the future. Wasting time in bitterness makes no sense—finding the inner strength to better the world was my only viable option. Oxfam was the vehicle for doing just that.

The rewards of my work at Oxfam were substantial, but so were the nagging doubts. Our focus on the effects of poverty and suffering limited the attention we could pay to the systemic problems at the root of such conditions, particularly the economic system that was fundamentally immune to the policy changes we advocated. The focus on symptoms rather than causes would not achieve the necessary transformative change. Thus, when the opportunity to head the New Economics Foundation (NEF) arose, I took it.

Before we get into your work at NEF, can you talk a bit about the idea of the “new economy”? How would you define its key attributes?

The goal of the new economy is to meet the needs of all human beings while operating within ecological limits. It seeks to maximize the well-being of all species, human and other. Its proponents believe that economics is embedded in, and dependent on, the Earth’s ecosystems. They reject the concept of *homo economicus*—the notion that humans are self-serving, dispassionate individuals—and instead focus on the reality that we are adaptive, social creatures. Such a new economy rejects the goal of endless growth; indeed, it is agnostic about

growth, focusing instead on designs and practices that are regenerative rather than extractive. This framework contains a spiritual element as well, defining the economy as a vehicle for enabling humans to grow and realize their full humanity. A new economy, of course, needs a new economics—a better foundation for explaining our current predicament and analyzing and creating policy. This is where NEF came in.

What aspirations did you bring to NEF, especially regarding systemic change?

NEF was about a decade old when I joined. It had already achieved some impressive successes, but taking the organization to the next level would require more human and financial resources. So the first aspiration was survival. Our strategy here was to create a consultancy that would apply NEF research in the real world, while generating an income stream for the organization.

The second aspiration was to enhance our impact. We created about 800 microbusinesses in some of the most deprived communities in the UK. Our theory of change involved working with communities to test new economy ideas on the ground, positioning them as working examples of what is possible and how to make it happen. We were among a handful of organizations that convinced the UK government to adopt well-being as a measure of progress. This seminal moment challenged the hegemony of GDP as the preeminent measurement of prosperity. Further, we helped advance community tax relief and community development finance organizations, offering an alternative to mainstream finance. Over the years, NEF affected virtually every sector of the economy via policy, practice, or both.

NEF became one of the largest and most respected think tanks in the UK, an organization at the vanguard of innovative economics. We didn't shy away from major debates, for example, over our proposal for a 21-hour/three-day workweek. At first, many people scoffed at the idea, but it has since moved from the fringe to the imaginable to the plausible. We tried to think ahead, to conceive and invent a different world.

Notwithstanding these significant successes, we were falling short of our aspirations for system change. We were adherents of Peter Drucker's adage "What gets measured gets done." The UK government's adoption of well-being as a metric was a headline achievement. We hoped that this might be the start of the dethroning of GDP and, more importantly, of learning from earlier, major societal transformations. But this aspect of our work remained elusive.

What were the underlying causes of this shortcoming?

We genuinely believed that a group of people who really believed in system change, had a plausible vision based on rigorous research, and implemented model projects on the ground, could begin to make a difference. Instead, we learned these were necessary but not sufficient

conditions for catalyzing the change we seek. On top of this, timing—external events such as the financial crisis—diverted attention from structural changes to rescue and restoration efforts.

Let's talk about your new initiative, the Well-Being Economy Alliance (WE All). What inspired its creation, and how does it fit within the wider array of social change initiatives?

WE All has its roots in deliberations at NEF. When we analyzed the obstacles to system change, we identified four key factors: dismissing the old narrative and creating a compelling new narrative; weakening existing power bases and replacing them with new power bases. The neoliberal narrative of how the world should work was the Reagan-Thatcher model of unfettered markets, individualism, self-reliance and limited government (in the social and economic realm, that is—the national security-industrial complex only grew larger). Another feature was the weakening of old power bases, particularly in the form of trade unions.

For change to occur, the old narrative needed to weaken, and new power bases had to emerge. Signs of both appeared in the 1990s with the rise of progressive movements in the UK and the US, but were hobbled by the absence of a coherent power base. Too many entities were competing rather than cooperating to form a concerted, powerful movement. Even in the best of circumstances, their impact would have fallen short of the deeper, more disruptive change required, along with the new ways of thinking and new institutions that entails.

Notwithstanding many laudable efforts, we have lacked a coherent, compelling story that articulates not only what's wrong, but what's needed—in the form of hopeful, plausible visions. I don't believe that the current version of new economics is coherent in either theory or practice. Worthy concepts and practices abound, but collectively lack the unity that would help to expand adoption and impact. The lack of a narrative and absence of a new power base further stymie progress. Thus far, however, network building and conferences have yet to crystallize into a cohesive power base and strategy.

What do you mean by “narrative,” and what role do narrative shifts play in your theory of change?

A narrative is critically important to galvanizing change because creates common ground among disparate actors. I am passionate about developing a shared worldview that translates into a unifying story that can support systems change.

In a keynote address at a conference in Colorado last May, I called for a global new economics movement, and the response was overwhelmingly positive. Alliances at the event decided to consolidate their efforts, and several individuals contributed seed funding to launch an integrated initiative for a new global economy movement. Since then, many other kindred groups have connected to the process, including GTI. I am serving as interim chair of the convening group.

A multi-pronged structure is emerging, with civil society, governments, city and regional entities, businesses, faith groups, and academics as collaborators acting together to codify and advance a new economics rooted in justice and well-being. We envision each actor serving the larger vision of system change in its own way, building on a shared narrative, a range of on-the-ground stories, and common principles. The structure will combine bottom-up leadership with top-down guidance. While each part progresses, we are planning a large, international gathering in 2019 to launch the next wave of cooperation and action for the budding alliance.

What is the best-case scenario for WE All in the coming years?

I believe we have reached a turning point in planetary history. In the past, many societies and cultures have fallen because of resource overreach—most notably the Roman Empire. But globally, we've never faced planetary limits in the way we do now. The current system is untenable, and a future of instability, mass unemployment, and ecological breakdown lurks on the horizon.

In today's evolving world, economic, demographic, and ecological tectonic plates are colliding. We don't have the luxury to procrastinate and hope for reversal of these ominous shifts. The time is now for a mass movement of people saying "We want something different." We actually know what we need to do; it's a question of how we do it. I'm interested in helping to create the means, however unevenly it may unfold. It can't simply be a new super-organization. There must be a way of involving individuals of all backgrounds and at all scales. How do we link animated individuals to each other and to organizations at the vanguard of change? This is the great challenge in the years ahead.

In ten years, I'd like to see a multi-scale network of cutting edge entities and activities that collectively show how a new economy—indeed, a new society—might take shape. Catalysts of change may emerge gradually and unknowingly, depending on circumstance. We may not recognize, much less control, the forces of systemic change, but we can help create the preconditions for their crystallization. Such an exercise requires continuous adaptation. It is like sailing: you know your destination, the winds and the tides keep changing, and you must tack to adjust to real world conditions. Integrated, systemic thinking is urgently needed in response to multiple, in some cases existential, threats.

As you know, the Great Transition Initiative embraces a broad vision of civilizational change, identifying a supranational "global citizens movement" as a critical change agent in this transformation. How do you see WE All and GTI aligning in the context of this wider effort?

We humans have much more in common than most people assume, unable to see beyond contemporary divisiveness in so many parts of the world. Our common humanity provides the foundation for a global citizens movement. The Universal Declaration of Human Rights, which remains a truly universal statement of core human values, is a case in point, and the same will

apply to a new economy rooted in inclusiveness and justice.

We need a narrative and vocabulary that touch the heart as much as the head. "Sustainability" does not capture the richness and expansiveness of the necessary transformation. For the marginalized, undervalued, and disillusioned, we need to understand, envision, and speak in ways that resonate with their anxieties and offer them hope for a better world. If we can talk about those things, and people feel they are heard, I think most will be open to welcoming the stranger, the other, the refugee. They will feel open to looking after the planet. Whether in coal country in the UK or a favela in Brazil, dispossession and anger must be met with plausible visions of future well-being.

Such visions must acknowledge that globalization has been a story of benefits accruing to the few at the expense of the many. The alternative story must offer ways to rectify these disparities, or the emergence of fortress societies visible today will only accelerate in the coming decades.

A vanguard of change must emerge, tell a coherent story, and coalesce as a coherent power base. This is what is needed to achieve the systemic shifts essential to human thriving in the coming decades.

About the Interviewee



Stewart Wallis served as Executive Director of the New Economics Foundation (NEF) from 2003 to 2016. Prior to coming to NEF, he worked as a development consultant at the World Bank, a Managing Director at Robinson Packaging, and the International Director of Oxfam GB, for which he was awarded the O.B.E. in 2002. He is a Fellow of the Club of Rome, a Member of the World Economic Forum's Global Future Council on Values and Technology, a Board Member of the New Economy Coalition (NEC), and a Trustee of both the Devon Community Foundation and the Network of Wellbeing. He is currently leading a major new initiative to create a global "new economics movement" called WE All (Well-Being Economy Alliance). He holds degrees from Cambridge University and London Business School.

About the Publication

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