



Dalhousie University

International Ocean
Institute



FACSIMILE TRANSMISSION

To: Professor Paul Ekins
Dept. of Economics, Birbeck College
FAX No: 44 171 631 6416

From: Elisabeth Mann Borgese
FAX No.: 1 902 868 2455

Date: 2 February, 1996

Subject: Collaboration

Dear Paul,

I don't know whether you remember me, but quite a few years ago I invited you for a seminar organised by the International Ocean Institute and the Pearson Institute at Dalhousie University, and you made a very important contribution to that seminar.

We have just now established an Independent World Commission on the Oceans; President Mario Soares of Portugal is the Chairman; I am one of the Vice Chairpersons. More about that later.

One of the studies we want to undertake as an input into the final report (which will be published in 1998, the year declared by the U.N. as the Year of the Ocean) is on ocean economics. What I think should be brought out is (a) the amazingly great importance of the marine sector of the world economy -- if you don't forget, as is usually the case, to include sea-borne trade (90 percent of world trade) and tourism (about 60 percent of which is ocean-dependent); or, in other words, the crucially important role of the oceans in the world economy; and (b) the application of contemporary or emerging economic theories, including resource economics and environmental accounting and Orlo's concept of "deducted value," to the marine sector to which it is rarely applied. All available case studies are in the fields of agriculture, forestry, or mining. I would like a case study on the construction and operation of an important Port or Yacht Harbour, or an offshore oil project in the context of integrated coastal management.

The leader of the group, I think, need not be a marine economist but should be a very creative general economist, and that is how I came to think of you. But under this leadership, we need a little group consisting of:

- . A shipping economist; and I would suggest one from Lloyd's
- . a Fishery economist. I have an excellent one, involved in innumerable international projects, in Asia, Africa and Latin America, and with a highly respectable list of publications. I am just now involving him in our training programme. Actually I think he is the best I know. You met him in Costa Rica; it is Anthony Charles, of St. Mary's University. But if any of us comes up with another idea, especially if it were an economist from the Third World, that would be excellent. I only put forward this name, so we have some one to fall back on if no other suggestion comes.
- . An expert on ocean minerals and metal markets. If nobody else comes up with an idea, I would suggest Peter Rona of Rutgers University, but I really would prefer an Indian or a Japanese. Or some

one from the University of Hamburg where they have done very important work on the environmental/economic interaction in deep seabed mining;

. An expert on international trade and GATT and shipping. Perhaps Awni Behnam.

. a Petroleum economist, e.g. Peter Odell (U.K.) or Anil Malhotra of the World Bank;

. An expert on coastal tourism. I strongly recommend Georges Vassiliou, former president of Cyprus.

. One ecologist/biologist, who might be Dr. Holt.

To start the project, we would have a workshop in Geneva, where the Commission has its Secretariat. That meeting would be back to back with the meeting of the Executive Committee which will be held in Lisbon probably the end of March (exact date has not yet been set). So that some of the Vice Chairpersons could participate.

It should be a brain-storming session. There need not be prepared papers. They should come afterwards, to be ready for presentation at the second Plenary Session of the Commission which will take place in Brazil the first week of July (the first session was in Tokyo, in December 95). Orio Giarini has promised me he would participate in the workshop.

So I just wanted to hear, quite generally, whether you would be interested in that project. Then I would tell you a lot more. Ocean economics is not a well developed field. We do need new thinking. All the talk of integrated coastal and ocean management for sustainable development remains empty and will get us nowhere if we do not get some new thinking about the economics of the whole thing.

Could you send me a fax telling me where and when I could phone you so we could discuss the matter?

I am in Madras until the 9th of February (was in London yesterday and tried to find you but failed). You can fax me at 91 44 235 1319, at the Swaminathan Foundation, where I am attending a meeting.

I feel a certain urgency because from here I go to Paris where I have a meeting with the Secretary-General of the Commission, and we have to nail down the project.

It would be nice to see you again.

My warmest regards and all the best for 1996!

Yours sincerely,

E. Holt



Dalhousie University

International Ocean
Institute



FAXED

September 27, 1996

Dr. Orio Giarini
18 chemin Rieu
CH-1208 Geneva
Switzerland

My dear Orio,

I have just finished reading, very carefully, *the future of work*, and so this letter is of course for both of you, you and Patrick Liedtke.

The book is undoubtedly very impressive. I do believe you are on to something new, although I do have some concerns, on some points.

Already the opening motto, the extracts from the Popper interview, is simply marvellous and sets the tone for the whole book. Peace, no more hunger, life fulfilment in a full occupation or avocation, and, of course, education. We need all of this. And a strong dose of optimism is a moral duty, because, without it, we simply cannot act. I could not agree more. I have said so, and written it, many times.

The problem of work and employment cannot be solved within the present system of economics. We must break out of it, and our new visions, indeed are rooted in both implicit and explicit philosophies in human culture and are inevitably linked to moral motivations and aspirations. That is the starting point, and really always was. As you put it, the great economists of the past were also great philosophers and social thinkers. The "specialisation" of a "value-free" economics has been an aberration, and we see what it has brought us to. The emphasis on "human capital" as our real wealth and that of future generations is right.

I very much like your critical look at Adam Smith, Karl Marx, Maynard Keynes and the neoclassical economists, and was particularly fascinated by Marx's early premonition of indeterminism.

The relations between "producer" and "consumer," supply and demand, are

extremely well described, with demand assuming the function of "selection," as complement to the production function. Excellent, also the interrelations between technology and economic performance, and quite fascinating, the role of insurance economics and its far wider applicability (the comparison between the insurance business today and the textile industry at the beginning of the industrial revolution). and I find your scheme for the future of work brilliant, in line with the most desirable direction of social evolution and workable: in the industrialized countries. And here come my two major concerns:

The three or four pages (starting on p. 100) dealing with the industrialized vs. developing countries, are not convincing to me. It seems to me, they are based on, and they use, statistical information very much in an official way. It sounds as if you were in agreement with the proposition that one billion new conventional jobs have to be created in developing countries during the next decade, and that this would be facilitated by free trade, direct investment, and creating a "favourable investment climate." These pages seem to me to be clashing with the gist of your book. Actually I don't even believe that population growth is the most pressing problem of developing countries, or that you can solve the problem with contraceptives alien to their cultures. It seems to me, a lot more emphasis, and a lot more work should be done on utilising the strength in these countries, that is, the strength of the informal non-monetized sector, and its integration into the public, monetized, sector.

A few weeks ago I came across a newspaper article (you may have seen it too) on the ways in which the inhabitants of the barrios in Mexico City have taken their problems into their own hand. The author used pretty strong language, pointing out, e.g., the tremendous water shortage they had to deal with -- with only one flush being available for every 70 piles of sh... The Government was totally unable to take care of the situation in any way, and so the people did it themselves...

I do think that Krishan's research on Gandhian, Buddhist, Islamic and other nonwestern economics can make an important contribution and that many of his conclusions would fit quite well into your own thinking, which I do not find reflected in these two or three pages. You have his papers and I will not quote extensively from them. But just look at Buddhist economy as an example of an

“adaptive nonlinear network,” non-homogeneous, “leading to multiple equilibria thereby making impossible the prediction of unique future states”; Look at the inclusion of moral, psychological and sociological forces in the economic system; and the integration of individual and community aspirations. Apropos of that, I found a passage in a later Japanese version of the Teachings of Buddha which I never tire of quoting

It is because people cherish the idea of an ego-personality that they cling to the ideas of possession; but since there is no such thing as an “ego,” there can be no such things as possessions. When people are able to realize this truth, they will be able to realize the truth of “non-duality.”

In any case, I find the linkage between the concept of “possession” and the concept of one’s “ego” quite interesting as it links a sense of absolute ownership to the glorification of individualism, and the non-dualistic integration between individual and society to the sharing of possessions, or a limitation of the concept of possession. This of course applies also to the Gandhi paper (“Gandhian thought leads to a ceiling on personal incomes or wealth”).

And the paper on Gandhian economics is full of references to your own aspirations. Take Gandhi’s attitude toward work, toward the relations between output (supply) and employment -- the whole concept of economics as essentially “the science of human welfare,” “community economics,” guaranteed employment.; the producer-consumer relationship -- “the consumer will cooperate with the producer neighbour in the process of improving the efficiency of production. In this sense consumer and producer do not generate an antagonistic relationship as they are jointly involved in a cooperative effort;” and “The emphasis of Gandhi is on ‘service’ -- service to one’s neighbours, the community, the nation, the world.” Obviously “service” is not used here in the sense you use it in the concept of “service economy,” but it is strongly linked to your concept of “benevolent” non-monetized, third-tier work

And, of course, both systems are 100 percent in line with the Popper motto at the beginning of your book!

So, in sum, I do believe a lot more will have to be said about the economics in

developing countries and the enormous differences we have to cope with. Or, one should, at the outset, limit the scope of the book to the industrialized countries of the "West" (because even Japan is culturally different). But I don't think we want to deal with the developing countries as if they were the "West."

My second concern is that the philosophical and ethical changes contingent on the shift to the "service economy" are quite clear to you and me, but I am not sure they will be as clear to the reader who comes from the "establishment" who may look at this shift as *within* the parameters of the present economic and ethical (or ethics-free) system; who may consider the service economy as a part of the market economy rather than seeing the market as no more than a part of this new emerging system; who may think he agrees whole-heartedly that less money should be spent on public health and social services and that families and unpaid workers should carry a greater share of the burden. I myself clearly read your emphasis on social security and a minimum guaranteed income for every one; but the establishment reader may cite indeterminism, risk taking ("risk not as threat but as opportunity"), and entrepreneurship as more important than social security... I read the *integration* of the non-monetized and the monetized sector, which does not mean *going back* but *going forward*, transcending, not renouncing. But I am sure it can and will be misread. Do you think you could make that even clearer than it is right now -- right at the outset of the book? I know you are as frustrated with the present system -- and the present state of economics -- as I am -- but I think that should come through even stronger.

Let me end the way I started: I am deeply impressed by this work, as I have been by your previous work, and it made me think a lot. Thanks, and congratulations.

And much love,

Yours as ever,

Elisabeth



Dalhousie University

International Ocean
Institute



FAXED

FACSIMILE TRANSMISSION

To: Dr. Orio Giarini
Fax: 41 22347 20 78

From: Elisabeth Mann Borgese
Fax: 1 902 868 2455

Date: November 3, 1996

Subject: Service Economics of the Common Heritage

Carissimo,

I am very happy with your exchange with Krishan Saigal -- and I agree with you, and keep stressing -- that you "are probably half way in between the utilitarian concept of traditional economics and the one of Gandhi" and "talking about service economics as you do is more than 50 percent going in the direction of Gandhi."

Krishan keeps pointing out the difference between your concept of "Service" which is economic, and Gandhi's, which is ethical, but my feeling is that yours is economic *and* ethical and his is ethical *and* economic.

In any case, I think we are moving in the right direction with this project, and something very useful and relevant will come out of it.

All the very best, also, and especially, for your second surgery! And much love,

Yours as ever,

Elisabeth

P.S., as you probably already know from the Executive Committee, I am going to write a new *Report to the Club of Rome on the Oceans*

NE3/ECON.

THE CLUB OF ROME - LE CLUB DE ROME

Project on
The Employment Dilemma and The Future of Work
c/o Orio Giarini
18, chemin Rieu
1208 Geneva - Switzerland
Tél.: +4122'347.09.38
Fax.: +4122'347.20.78

RECEIVED JAN 02 1997

For your information, and

WITH THE COMPLIMENTS
OF
ORIO GIARINI

Mr. Mario SOARES, President
Independent World Commission on the
Oceans
Office of the Chairman
Rua de S. Bento, 176
P- 1200 LISBON

Geneva, December 12, 1996

Dear President,

Thank you very much indeed for your invitation letter of December 3 to contribute to a study group on *The Economic Use of the Oceans in the Context of Sustainability*.

The problem is that on February 5 I will be submitted to a hip operation and therefore I will be unable to move from Geneva until the end of March.

Nevertheless, I take the liberty of sending you herewith a paper I prepared a few years ago for an ICOD seminar in Halifax.

I would be very grateful if you could keep me informed on the future development of the study group meeting next February.

With my best wishes and regards, I am

Sincerely yours,

Orio Giarini

Encl.: ment.



Dalhousie University

International Ocean
Institute



FAXED

FACSIMILE TRANSMISSION

To: Jan van Ettinger
Fax: 41 22 710 0722

From: Elisabeth Mann Borgese
Fax: 1 902 868 2455

Date: January 20, 1997

Subject: Economics workshop

Dearest Jan,

Thanks for your calls and for the material. Miraculously, it is very much better now! But the background papers, and probably the participants, still don't match the agenda!

We still must protest against this way of working! It is just impossible and extremely frustrating!

Much love, and thanks again,

Elisabeth