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A DIFFERENT COMMONWEALTH

On January 6th each year La Befana, a magical character in Italian folklore, brings children one of two gifts. If they have been good in the previous year, she leaves them sweets. If not, they get charcoal. Looking out across the hills to Siena, and waiting for the birth of our own child, I can't help wonder what sort of gifts La Befana would bring the parents of today's children.

By any measure, the last year has been a difficult one. It began in the shadow of the tsunami and a war without end in Iraq. It ended up chasing the costs of Hurricane Katrina, and a war without end in Iraq.

The world's parents continue to give their own children charcoal; not in the form you can draw with, but in ever rising carbon emissions. Meanwhile Russia and Ukraine are at odds over gas supplies and prices, while the rest of Europe looks on, wondering how it will keep warm if the anticipated freeze returns at the end of January, in a world of rising energy prices.

Of course we will manage our way through the crises that 2006 brings with it. Why, because that is what we are good at. In the face of adversity we rediscover that the real wealth of nations is in its human capital far more than in its finance capital.

In South Asia it is primarily local people and local communities who are putting their lives back together. In Europe, when snow storms close local schools the children are sheltered by local communities. When areas are flooded, when mines or buildings collapse, people come together as the rescue remedy. We do so on compassionate rather than economic grounds. It is a response that capitalism can neither market nor fully understand. These are the qualities that I hope 2006 will begin to harness, with imagination as well as courage, as a way out of the crisis we are increasingly drifting into. Some crises can be avoided. Others will have to be managed as best we can.

The tragedy would be to think that today's dominant economic and political models, that are the core of today's problems, have any worthwhile place in tomorrow's solutions.

We live in a world that has become politically shallow and economically short term. We need to rethink the meaning of money, the source of its creation and the nature of wealth. When a nation's economy looks more prosperous if it creates ill-health (and then spends a fortune on treating it), rather than spending a lesser amount on the avoidance of illness in the first place, there is something wrong with the system of accounting. When governments are forced to rein in public debt and credit companies become the creators of new money (debt), planning for the future gets crushed in the stampede for instant consumption. When the World Bank tells nations that infrastructure programmes have to transfer assets to private global corporations, we need to be looking for a different bank. We need a new economics that puts back for tomorrow more than it takes for today.

In the UK we are the beneficiaries of Victorian 'over-engineering'. They built bridges that would last centuries and drainage networks with capacities way beyond their anticipated use levels. Only now are we reaching their limits. The drains are still fine, but what was never factored in was that Britain would face the sort of flash flooding that Mexico has long had to live with. Climate change has changed all that. But in the face of these new challenges economic yardsticks have become mean-minded and short-term.

Government retreats from the cost of re-engineering the sewerage networks that support the nation's cities. It wants the market to come up with solutions. But the market is just concerned with making a fast buck. Try telling developers they should incorporate water management capacity into all of their new building programmes. They will scream blue murder at you. So too at any suggestions of making them liable for the energy consumption costs of their buildings.

The trouble is that markets are essentially amoral in character. The more deregulated they are, the more of a crooks charter they become. And once you have a crooks charter, big crooks eat little crooks in order to hold everyone else to ransom. Nowhere is this more apparent than in the neo-liberal push for privatisation, PPP and Private Finance Initiatives. Worst of all has been the private theft of public water.

Last year the Trans National Institute (TNI) and Corporate Europe Observatory (CEO) jointly published a book about the international struggles against water privatisation. 'Reclaiming Public Water' sets out fascinating accounts of water privatisations that have delivered huge profits for the corporately rich at the expense of huge costs to the poor. Often the costs have also been in health, when the poorest of those disconnected are forced to survive on contaminated water sources.

The book documents the landscape of institutional water greed that has raced from India to Eastern Europe, from Southern Africa to South America, and across the terrains of South East Asia. More importantly, it also sets out the astonishing success of struggles to reclaim the public ownership of water.

It is hardly surprising that many of the most inspiring struggles have taken place in Latin America. A political tsunami of a different sort has been sweeping neo-liberal politics out of office on a scale the West would do well to reflect on.

The recent election of Evo Morales in Bolivia symbolises much of what is happening. Morales is the first indigenous Bolivian ever to be elected President. His acceptance speech was made from the steps of his trade union headquarters in Cochabmba; probably the most famous location of anti-water privatisation struggles so far.

After the municipal water system was privatised in 1999 the town was in semi-permanent uproar. Water prices rocketed. The company (owned by the US corporation, Bechtel) was discovered to have had 'guaranteed' profits of 15% written into their contract, along with the right to expropriate water from community water systems. By April 2000 there was a week long strike against the privatisation. Troops were sent in, hundreds were injured, and a 17 year old boy killed. Still the protests went on. Finally the company fled and water was taken back into public ownership.

The same sorts of struggles have been taking place in Brazil, Argentina, Venezuela, Uruguay and Mexico.

In each case the World Bank has acted as a money mafia for corporate acquisition. They have bullied governments into accepting privatisation as a condition of infrastructure investment in the same way that US corporate lobbyists hustle for government contracts. The difference is that no one from the Bank seems destined for a spell in prison.

What the Latin American struggles point out to us is that power still exists when people stand together and exert it. The fight to hold on to public resources, as a public commonhold, rather than privatised fiefdoms, is a central issue for the politics of this century. The new generation of Latin American political leaders also reminds us that these struggles can be led, and won, from the left. In Britain, it is a useful antidote to the press obsessions about whether Blairism can best live on under Cameron, or whether Gordon Brown is the natural continuation of Thatcherite market economics.

The challenges of 2006 will come from a different direction, and need different answers. Climate change brings with it three connected crises – food security, water management and energy supply. I have already written about these as separate issues, but the common strand of optimism that connects them is that workable solutions are based on networks of inter-dependency rather than global dominions. They also harness the dreams and imagination of the young in ways that current politics manifestly fails to do.

If the Dutch can provide energy for housing estates from 'hot road' technology embedded in motorways, and schools can be powered from solar playgrounds, then sustainable energy networks can replace global dependencies on 'big power'. The same approach to designing water management systems into every part of the built environment can transform not only the ways in which we deal with flash flooding (and drought) but also the ability to turn both of these phenomena into sources of energy production.

Talk to kids in school about such approaches and you will be astonished at the enthusiasm (and ideas) that spill out. Our trouble, as adults, is that we have lost touch with the excitement that local innovation and common ownership brings with it. Moreover, we have a government line still obsessed with saying there is no money in the public sector for these ideas to be pursued under public ownership.

Such a shame, when British workers continue to put £50 billion or more of their wages each year into pension funds that mainly prop up everything that threatens their long term pension prospects. We have the money but not the political will.

So here is my hope for 2006. Let La Befana visit the grown ups. Let her leave us neither sweets nor charcoal but a simple invitation; an invitation to visit the dreams and imagination of our children. Here we will find not wars and greed but a commonwealth of ideas and interdependencies that the best of societies have always built on. May she visit us all, and remind us of how others are already putting the 'public' back into public investment in the delivery of these dreams.