

## THE ROLE OF BICYCLES IN TOMORROW'S ECONOMY

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We meet at a time of profound and rapid change, when human life on this planet will change radically in the lifetime of most of us here. That change calls us to judge every act of policy or implementation by its effect on our resilience: whether it will increase or decrease our vulnerability to the changes that *will* come, whether we like it or not.

What are those changes?

- First, the end of the era of cheap fossil fuel reflects, of course, the fact that the production of one of those fossil fuels – oil - has peaked. We have to find alternatives to oil for energy – to drive all long-distance transport, from cars to airplanes; to enable all large-scale production, from large factories to farming as agri-business; to create light and heat and coolth and cooking, and TVs and radios, and irons and computers in our homes; to fuel the famous knowledge economy that is based on the internet, linking us not just as humans but as commercial units; to enable us as consumers of the arts in all their forms, from cinemas to theatres, sports stadiums and electronic pop concerts. To keep hospitals going, and schools and public transport and police stations and prisons and courts and libraries and universities..... You name it.
- Second, while we find ways to end dependence on oil - President Bush called it addiction – every litre we burn changes our climate violently. Every time we use fossil fuels we build up the conditions for disasters: killing droughts, horrendous floods, icy temperatures in tropical areas, destruction of species, collapse of insurance systems as we know them; requirement for huge disaster management skills and budgets; unpredictable stress on all human management systems.
- Third, the global financial system – and unfortunately it is global – is based on completely unsustainable bubble conditions. In all developed countries ordinary citizens carry more debt than the assets that support it. Americans on average owe about 150% of their assets. Consumer spending is based not only on incomes but on the present value of people's assets – mainly property and shares. Those in turn rely – if they are to continue going up – on everyone thinking they will go on going up. When the word spreads that these secondary values rest on a bubble, rather than real assets, selling will become a panic. Just as it did in the so-called Asian Tiger collapse in the late 90s, as well as Russia and Argentina early this century.
- Fourth, the dollar is the international currency that holds the global financial system together. Its value is NOT based on the strength of the American economy, which is in chronic deficit, needing some \$4billion a day to service. It is based on the fact that everyone has to hold dollars as reserves to pay for oil and other imports. And so the Americans can simply print more dollars to meet that need and thus cover its deficit. If that stopped – if for instance Iran started selling its oil for euros, which it has said it may do – and if people started selling dollars, it could lose its value very fast. And bring the rest of us down with it.

What has all this to do with the bicycle? Before I tackle that, let me add one more historic turning point: this time, I think, benign. UK New Economics' thinker James Robertson, points out that the history of humanity's labour arrangements has been to move from slavery to serfdom, to employeeship. Throughout that history, broadly speaking, most people have worked in one way or another for someone else. (Small farm ownership has been an exception that proves the rule: exemplified by the French, it is under huge pressure from the global market to shift away from that independence).

And now we are moving to a new phase in which work will comprise livelihoods rather than jobs. People will work for themselves – either individually or collectively – rather than be employed.. Under the present phase of global capitalism there will never be ‘full employment’ again, because the digital revolution ensures that production of goods and services must shed labour, and still ‘over-produce’ its output. When we finally grasp that, we will stop planning as though enough jobs will be created by private enterprise, and start supporting livelihoods. There are lots of ways of doing that, rather than relying on traditional small business. Many of those are based on new, localised technologies, highly efficient and therefore a threat to the massive profits of large factory production.

What does all that imply? Surely it shows that the first characteristic of all sustainable economic activity will be local and relatively small-scale. (Low artificial energy input, renewable energy sources, local circulation of money, livelihoods rather than jobs.) What means of transport fits most snugly there? The bicycle. It is purpose built to maximize human resilience to the dangers that will beset us. If we are not talking about long distances, and about transport that relies on a declining and toxic fuel, we are talking at root about human-powered clean transport. The bicycle.

Even now, before the dangers become overwhelming, go to poor communities and ask them what they need most. They will say small scale farming – to produce food – and transport that is faster than walking and also inexpensive, to get them around locally. (They will also talk about telecommunications, by the way, and maybe someone can help me to fit the bicycle into that need.)

Sustainable local economies do not mean that absolutely everything is done on a small and local scale. Some things will continue to be global for some time - although in view of the existence of appropriate technologies, some based on pedal power, it is hard to see quite what they are. But what it means is that people will trade mostly in human-scale communities. Cash that is used to trade with will not immediately escape to richer areas, as it does today. The fact that transport is so expensive will privilege local production. The fact that chemicals produced in factories are expensive will privilege healthy organic food, produced and traded locally. Not all of that can be done on the humble two-wheel bike; but a heck of a lot more can be done to adapt and develop the principle that bikes use.

Put it a different way. The human race faces three challenges. As I mention them, you will see how the bicycle as a means of transport fits in. The first is to stop and then reverse the production of toxic substances that produce climate change. The second is to live with what cannot be reversed. And the third is to create a new paradigm for economic management that will allow the planet to recover and continue to support us beautifully; that will enable human beings to live in human scale communities; and that will deliver equity – give us all a fair share. All three of those challenges are enabled by the use of the bicycle, which is profoundly democratic.

It goes without saying that we need massively to invest in developing renewable sources of energy. That will happen, even though some of us will be dragged kicking and screaming away from the ideology that only large scale production can meet the needs for energy production, and that means nuclear.

Localised renewable production of energy is closely linked to poverty reduction. It improves the access of poor people to clean water and cooked food; it can reduce the time poor women spend on collecting wood and water and on cooking; it reduces deforestation; and it extends the day by providing light and heat. The bicycle is the form of transport that matches that inevitable shift to the renewable, the local and the small-scale.

Another way of putting it is that we can choose between Mirage (fantasies about ‘the scientists’ rescuing us from fuel and climate famine) and Oasis (the grateful acceptance of the planet’s capacity to give us abundance at the local scale). The bicycle will be at home and at work in the Oasis.

In sum, I think that Marx was right that human development is rooted in the economy. It is fantasy to suggest we can discuss anything without reference to how the economy works. But I think he was wrong to suggest that human *nature* is essentially about economic relationships with each other: a theory on which, ironically, current mainstream global economists also base their prescriptions. Human beings want human contact, not just trading transactions and possessions. In fact I think the way the economy works is deeply connected to what kind of people we become. In that sense it is economics that maketh mankind. As humanity we can create the kind of economic system that will enhance our best, and not our worst, nature. The bicycle symbolizes just that – democratic, equitable, healthy, local, sustainable, living lightly on the planet.

None of this will happen without leaders who can think long-term. Short-term political considerations and short-term profit-seeking will prevent proper action being taken before we are overtaken

**ENDS**