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## **Ronald Colman** **WHAT REALLY COUNTS** **The Case for a** **Sustainable and** **Equitable Economy**

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Columbia University Press, 2021, 372 pgs

Ronald Colman is a well-known international economist, who promotes replacing the Gross Domestic Product (GDP) with another measure to take account of the quality of life and environmental status. He promotes the idea of "Genuine Progress Indicator" and the example of Canada: Canadian Environmental Sustainability Indicators. "What Really Counts" is his new book, in which he described the sources and determinants of his concept.

The book, in fact, describes the life adventures of working on a new economic system: "hope, disappointment, and tough lessons" (p. 211). In general, it is a record of lifelong defeat, when his unfunded proposals got mired in the labyrinths of bureaucracy, politics and the global financial system, but he was successful in working with local communities. His concept, research, and results crashed with vested economic interests and the resistance of bureaucracies. It is an awareness of the failure and irreversibility of global trends, and praise of economic and ecological autarchy. As he said: "this book is a chronicle of my journey trying to introduce new measures of progress (...) as we moved towards actual adoption and implementation, whether in Nova Scotia, New Zealand,

or Bhutan, the almost invisible resistance pushed back, grew stronger, and thwarted real action" (p. 273). In all of these countries, for various reasons, he failed and could not replace the GDP.

In the "note to readers", he analysed in short the effects of the pandemic COVID-19 on economy and nature ("Forcibly shutting down power plants, industry, and transportation... has already produced demonstrable savings in pollution costs", p. VIII). He recalled the impacts of climate change and quoted Nicholas Stern's accurate statement: "Climate change is the greatest and widest-ranging market failure ever seen" (p. VIII). Colman sees in the pandemic crisis the hope for changing the free market paradigm: people should use less resources, produce less, buy less, travel less.

In the prologue he described his life experiences including his dismissal from work in the editorial staff for publishing an anti-capitalist leaflet, observation of corruption in Hong Kong and Margaret Mead's lectures. In India he asked: Why don't economists talk about "the gap between the rich and the poor?" All the while he was confirming his belief that the capitalist economic system is not so static and self-perpetuating. The point is that the classic economic models ignore "nature's role in powering human systems and downplay the suffering and tensions of extreme poverty, inequality, and lopsided power dynamics" (p. 3). Therefore, he began a critical analysis of the GDP, because the market is not a "closed box in which households provide labour to firms in exchange for income that households use to buy what firms produce and sell" (p. 5). He looked for measures which would answer the questions: Are our communities safer? Are we healthier and better educated? Are we financially more secure? Is our natural world cleaner? Are we leaving the conditions of life on the planet in better shape for our children and for other species? (pp. 5-6). Finally, he asked: "Why do policy makers ignore the facts and figures being churned out by their own statistics agencies?" (pp. 6-7).

In the first chapter, "The Magic Number", as the main mistake in our economic system he recognises the "belief in continuous economic growth" (p. 9). The word "belief" specifies very well the essence of the economists' world view. He also showed the lack of logic in using the GDP, because it does not allow the assessment of "overall well-being and societal progress" (p. 12). In this way, the words "economic growth" work like a spell cast by economists and politicians.

GDP provides highly misleading and often entirely inaccurate information and encourages "the adoption of policies that hurt rather than help us and (...) make us worse than better off" (p. 15). Even activities destructive to society and the environment, if they involve consumption, increase the GDP, just like sharp gains of a small group of the richest people, but social work and domestic work do not. GDP is a symbol of the "disconnection between economics and life" (p. 16). In addition, GDP does not take into account "net income". It is therefore simply the way to bankruptcy, and it is visible, when we see the national debt. It does not take into account innovations and intangible goods. Moreover, in his opinion, the continuation of the GDP as a measure for everything "imperils our children's future" (p. 20).

In the next chapter, "Counting What Matters", he wrote that "policy makers regularly tout the importance of environmental stewardship, health, community well-being" but assign them no value in measuring progress and consequently pay them minimal attention in making policy (p. 22). So "GDP cannot effectively evaluate progress towards well-being, sustainability, equality, security, and other critical values" (pp.

22-23).

He cited other indicators that prove the defectiveness of the GDP: temperature rise, sea and ocean level rise, loss of tropical forests, economic inequality, number of people displaced by armed conflicts etc. He recalled Romanian economist Nicholas Georgescu-Roegenand's trend of ecological economy. He referred to concepts such as: ecological footprint and ecological deficit or other methods: Index of Sustainable Economic Welfare, Genuine Progress Indicator. He emphasised that we need to take into consideration health, economic, and social benefits and costs of economic activity and accounts that assess the economic value of the natural, human, and social assets of a society. Of course, in that way, some countries will look worse off despite their ever-growing GDP numbers. However, climate change produces heavy economic losses due to droughts, storms, fires, heat waves, flooding (p. 34).

Colman looked for new measures which are variable in time and denominated in US dollars. They should show health, pollution, and climate change costs, and show savings, when any of the indicators improve. An example is crime rate: it creates costs in judiciary, losses of property, treatment for victims of violence etc. Similar is the work of volunteers indicator, which shows the value of social capital and quality of life.

The first research area he focused on was Nova Scotia in Canada (chapter "A Nova Scotia Start"). In his view, investments in disease prevention and health promotion, education, mass transit, sustainable waste management, and renewable energy – which typically appeared as costs in conventional government balance sheets – actually produce significant economic benefits. On the contrary, we could show that activities and trends that are detrimental to society and the natural world and that imperil our children's future entail real economic liabilities.

In the chapter "The New Measures in Action" the author described the work

on a new sustainability measure. His research team chose twenty social, economic, and environmental components based on the society of Nova Scotia. These components "included, in addition to the value of paid work, the value of unpaid household and voluntary work and of leisure time, measures of income distribution (not just total or average income), and the costs of sickness, pollution, and resource degradation" (p. 56). Also, they were politically neutral.

They estimated the value of volunteer work for the society in Nova Scotia, measured carbon storage in the province's forests, and Nova Scotia's sustainable waste management system. Later, they analysed the unpaid work in homes: household work and child care. Finally, it was time for the real cost of crime. They estimated i.a. shoplifting and insurance fraud and in case of murders: productivity losses by age. The results were devastating.

In chapter 5, "Scaling Up", Colman calculated the value of organic farming. The cost of organic products seems high, but industrially produced food with the costs of obesity, diseases, environmental pollution, land enclosure, rural unemployment, bankruptcy of cooperatives, loss of economic potential in local rural markets (family farms buy products from local suppliers) is costlier. He referred to financial performance: "The reliance on gross income and growth statistics inevitably underplayed the rising debt levels" (p. 84). His calculations were confirmed in the time of financial crisis.

Then he wrote in chapter 6, "Challenges Behind the Scene", that, contrary to the theses promoted by the advocates of GDP, nonmarket assets have economic

value: "People regularly pay to see natural beauty in higher rent for an apartment overlooking a park or natural waterway" (p. 102). He became interested in the calculation of natural resources too, for example: forest value. The greatest value is attributed to the old forest, but the analysis of forest areas in Nova Scotia proves a decrease in the age of trees. The conclusion is clear: renewable resources such as forests, fish stocks, and wildlife customarily replenish themselves when used sustainably or left untouched (p. 110).

In chapter 7, "Genuine Progress Meets Politics", Colman described his efforts for "new measures to be adopted and used by governments" (p. 113). He corresponded with the OECD, EU, World Bank, United Nations, famous economists. In Canada he tried to adopt new measures in the health-care system, solid waste management and transport costs. He met defeat not only in Canada, but in New Zealand too. In chapter 8, "A New Zealand Interlude", he described the attempts to implement new measures especially in Wellington and for Māori people's institutions. Colman therefore praised the holistic, ecocentric perspective of indigenous groups.

The next chapters include a description of his activity in Bhutan. Bhutan is the only country in the world which promotes Gross National Happiness. The government of Bhutan invited Colman to research and reform the public administration in this country. Chapters 9, "Invitation to Bhutan", 10, "(Mis)Measuring Gross National Happiness", 11, "Education – the Golden Key", and 12, "The Gap Between Words and Action", are concerned with the definition of the GNH, the fight against testing in education, the attempt to convert agriculture to organic farming and the opening of the GNH Centre in Thimphu. The characteristics of GNH are simple: true happiness is not directly measurable, but we can measure conditions empirically associated and correlated with well-being. GNH expresses concern for the future: "high-income, jet-setting, SUV-driving... may

report ample life satisfaction today, though it may well be at the expense of catastrophic global warming consequences for their children" (p. 174-175).

Colman criticised the educational system which is based on standardised educational tests. He realised that education is an essential element of sustainable development. This is the "key to building a sustainable and equitable new economy" (p. 194). By the way, he described the errors and funds wasted by UNICEF. Even a famous presentation of the new model from Bhutan at the UN in 2012 (chapter 13, "A 'New Economic Paradigm' for the World", ended in defeat. Bhutan is economically dependent on foreign aid and politically on India. Resistance of the World Bank and India, the Asian Development Bank, and the conflict between civil servants and experts brought about the collapse of the project.

The summary is included in the last two chapters, 14, "Can Genuine Progress Really Happen?", and 15, "Forging a New Economy". He cited Greta Thunberg and David Attenborough and said that politicians need concrete, verified measures, but when they receive them, they are still guided by the political calculations detrimental to society and nature. Finally, he asked: "Is capitalism compatible with sustainability?" In his opinion, the choice is not between capitalism and communism, but we need a new "economic system based on the necessity to live within the boundaries of what nature provides and to ensure that resources are efficiently used and fairly distributed" (p. 275).

He wrote about it earlier: "Resistance to the GPI (...) sprang not just from powerful economic forces but from the very nature and inner structure of a capitalist system that is reliant on growth for its sur-

vival" (p. 130). The modification of the GDP has no sense, because "GDP per se is not an indicator but an accounting system" (p. 131). The new economy should be based on sustainability, equity, and efficient use of resources. The book by Ronald Colman is indeed long, sometimes long-winded, and includes a lot of repeats, but it is interesting and written in colourful language.

Karol Dąbrowski

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## **Marin Sopta, Vlatka Lemić i Marija Benić Penava (Ur.) POVIJEŠT HRVATSKE POLITIČKE EMIGRACIJE U 20. STOLJEĆU**

Centar za istraživanje hrvatskog iseljništva, Zagreb, 2020., 332 str.

Zbornik radova *Povijest hrvatske političke emigracije u 20. stoljeću*, koji predstavljamo javnosti, proizišao je iz istoimenoga međunarodnog skupa koji je održan 21. i 22. veljače 2019. godine u Hrvatskoj matici iseljenika u Zagrebu. Skup je održan u organizaciji Centra za istraživanje hrvatskog iseljništva, dok je Hrvatska matica iseljenika bila suorganizator. Cilj skupa bio je, prema riječima njegova organizatora, Marina Sopte, demistificiranje uloge hrvatske političke emigracije u dugoj borbi za hrvatsku neovisnost i upoznavanje javnosti s akterima i događajima tijekom "kratkoga" 20. stoljeća. Zbornik, u koji je uvršteno 29 radova, ima 332 stranice, uredili su dr. sc. Marin Sopta, doc. dr. sc. Vlatka Lemić i izv. prof. dr. sc. Marija Benić Penava. Zbornik sadrži i prolog te pozdravne riječi Marina Sopte, Mije Marića, Tomislava Markića i Vlatke Vukelić.

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