



The 40th Anniversary of ILE/LEED

by Ron Gass

It is a pleasure for me to send this Message to the OECD Local Development Forum. In 1982 under the impact of the first oil shocks Jean Auroux, the French Minister of Labour, was frustrated because top-down macroeconomic policies were at the helm whereas he, as Minister of Labour, was held responsible for growing unemployment. He sent his Director of Cabinet to see me to ask whether other Ministers of Labour would join him in launching a programme of Local Employment Initiatives, thereby giving labour ministers a means of action.

« THINK LOCAL, ACT GLOBAL »

Today, in Cork, The OECD Local Development Forum involves thousands of individuals from more than 70 countries across the world. Just as gloom and doom dominate the debate about the future of the globalised economy, this network vibrates with creativity and optimism. Why? Is it because, as E.F. Schumacher asserted, « small is beautiful »? Rather, it is because the complex crisis, now amplified by the Russian aggression of Ukraine, has revealed the resilience of a plural and decentralized economy. The credo at the time of ILE's creation, « think global, act local » is being reversed to « think local, act global ». In a sense globalization is being impacted by « localism » because proximity and territorial identity respond to people's aspirations when the geo-political world shifts beneath their feet.

THE SOCIO-TECHNICAL IMPACT OF THE 4th INDUSTRIAL REVOLUTION

In effect, this revolution now poses a clear question. Do we want a society dominated by the high-tech giants that can compete with nation states, authoritarian as well as democratic? Or do we want a society that controls gigantism, and puts technology at the service of the people? Roberto Unger (see his book on The Knowledge Economy) has launched a social innovation movement based on the fact that the 4th Industrial Revolution, unlike the Industrial Revolution, favours the spatial decentralization of production and responds to the widespread aspiration for a « larger life ». One could argue that this meeting of the OECD Local Development Forum exemplifies this movement.

THE FUTURE OF WORK

Such a social innovation movement could not advance without re-defining work. Work is paid for because it is "leisure foregone", so says the founding doctrine of the existing régime, as in Bertrand Russell's text "In Praise of Idleness". But the ILE/LEED movement that we are celebrating today is founded on a contrary principle: i.e. that life satisfaction can be built on work satisfaction. Arnold Toynbee, who spent his life on the history of civilizations, has summed it up as follows: "The supreme accomplishment is to blur the line between work and play".

As the world seeks a way out of the present crisis, it is clear that the conflict between the democratic bloc led by the United States and the authoritarian bloc led by China is about values. Toynbee goes on to argue that « civilizations die from suicide, not by murder ». So behind the geo-political crisis lies a deeper challenge: how to rise on the tide of new technological revolution without social protest and even revolution. After all alienation engendered by the system of production has made history. According to Yuval Noah Harari (Homo Deus: A brief History of the Future), new forms of alienation are growing, and the choice is now between transhumanism and a new humanism. Elon Musk foresees a world run by robots and artificial intelligence rather than by humans. But George Orwell is back in fashion because his 1984 book predicted not only “Big Brother”, but also the good sense of the common people as the antidote. I vote for Orwell rather than Musk !

THE RISE OF PEOPLE-POWER

Thus neither nation states nor the market can alone rise to the Harari challenge. Ever since the massive OECD study of the technological gap between Europe and the United States, it has been clear that a national technological strategy cannot succeed without an innovative population. And this time round the new technologies can be mastered by the woman and man in the street to create international networks, of which this Cork Forum is a good example. Of course the impending apocalypse foreseen by the philosopher Gunther Anders because of the nuclear threat and transhumanism cannot be ignored. But nor can the civic movements of protest across the world. The case of Ukraine is a shining example, because civic society is already reviving towns and villages, and even before the frontier of war recedes.

People-Power is indeed manifesting itself in numerous ways as people react to geo-political shocks and the Covid-19 pandemic. The rising youth generation is at the front of ecological protest and is seeking more interesting work so as to escape from the rat-race of big companies which give priority to short-term profit. Women, often via feminist movements, are actively pushing to escape from the patriarchal glass ceiling. The aged are reacting to isolation and social exclusion. All this is finding expression in social innovations which are no doubt amply present at this meeting. The reason is that local communities, cities, towns and regions are more apt to respond to the complex interactions between the economy, society and the environment that the new technologies are imposing. We could say that « small is nimble », but more is at stake than that. In the neoliberal régime, flexibility was the central value. Now it is resilience based on entrepreneurship and intra-preneurship, the ability to withstand shocks and to « build back better ». Homo-Sapiens is, according to the neuro-sciences, becoming Homo-Creator, and often a woman !

A NEW PARADIGM OF “POSITIVE ADJUSTMENT”

The result is that People-Centred policies are now centre-stage, as in the OECD Well-being agenda, and in the UN sustainable development goals (SDG's). The phenomenon of people and whole communities being « left behind » is imposing Place as a second leg of the new paradigm. Third, Purpose is said to challenge profit as enterprises, including the SME's, integrate environmental, social and governance constraints (ESG's) into their strategies. And fourth Process, because values cannot be imposed, and change comes best from a democratic process which is bottom-up as well as top-down. This 4P Framework (People, Place, Purpose and Process) will enable ILE/LEED to play a role in the period of policy experimentation that lies ahead. As such the local level could be the arena for successful experiments to be translated to the national level as part of a process of « rolling reform ».

THE OECD's ROLE IN AN INTERDEPENDENT BUT DIVIDED WORLD

All the components of the 4P Framework are to be found in current OECD work programmes. This is not surprising because virtually all the independent , academic reports on OECD history come to the same conclusion: that from the Marshall Plan, to the fall of the Berlin Wall and now to the crisis of globalization , the OEEC/OECD has been a successful innovator of new policy ideas, and capable of translating them into »best practice « via networks which reach into all the corners of the world.

As the 2022 Statement of the OECD Council on the Russian aggression of Ukraine says: "Working with over 100 countries , the OECD is a global policy forum that promotes policies to preserve individual liberty and improve the economic and social well-being of people around the world." This Cork Forum on Local Development knows well that such values are forged and defended at the grass roots of local communities, SME's, towns, cities and regions, not only in the higher reaches of monetary and fiscal policies at the national and international level. The pubs of Cork testify to that, as does James Joyce in his novel The Dubliners ! It is therefore important to note the the OECD Council has agreed to raise the status of the OECD Committee on Entrepreneurship (Anna, please correct the title)and that an agreed framework for the development of the social economy is in the offing. This is important because the Editorial to the 2021 OECD "Going for Growth" report makes it clear that existing economic measures will not fix the underlying structural problems , which left us vulnerable in the first place.

These massive structural problems, such as climate, the Covid-19 pandemic, the energy transition and now the food crisis, cannot be resolved without the involvement of enterprises, the ONG's and indeed the public at large. Macroeconomic models are still needed to provide an overall picture of the effects on growth, employment and income, but complex systems analysis using biological, engineering and social models is needed to make structural progress. As the Director General of IIASA (the International Institute for Applied Systems Analysis) has said: we have all the models and data banks we need, but we do not know what society wants. No doubt humankind will go to the Moon and Mars, but do we want a « winner takes all » economy dominated by the GAFAS or a plural and decentralized socio-economic, and even political, system that enshrines a new humanism?

To answer that question the OECD needs to apply the theory of complex, innovative organizations to itself: that is to say strategic vision of the OECD leadership, combined with intra-preneurial capabilities of the Committee/Directorate structures. Thereby ILE/LEED will find its place.

About Ron Gass

Ron Gass joined the organisation's predecessor, the Organisation for European Economic Co-operation in 1958, and witnessed the transition to the OECD. He was founding director of the OECD Directorate of Social Affairs, Manpower and Education in 1974, and before that, helped launch the Centre for Educational Research and Innovation. He also worked for NATO and is a former consultant to the European Commission and the European Bank for Reconstruction and Development.