

**ARE
YOU
HAPPY?**

DO GOOD LIVES HAVE TO COST THE EARTH?

It's the biggest question facing humanity.

**A new type of economics is the answer:
economics as if people and the
planet mattered.**

WE ARE LIVING BEYOND OUR MEANS



**For the whole world to share the
UK's lifestyle we would need over
three planets.**

And it's not making us any happier...

**But we can consume less and have
greater well-being.**

The background of the entire image is composed of intricate, overlapping blue line art. These lines form dense, swirling patterns that resemble stylized human profiles or complex neural networks. The lines vary in thickness and density, creating a textured, almost three-dimensional effect. The overall color palette is a range of blues, from light sky blue to deep navy blue.

**GLOBAL ECONOMIC
GROWTH IS
FAILING THE
WORLD'S POOREST
PEOPLE AND
DRIVING
CLIMATE CHANGE.**

So how can policy-makers argue that economic growth, based on ever-greater consumption, is the answer to global poverty?

New economics shows we can get rid of poverty and lead long and happy lives without ruining the environment.



NEARLY HALF OF UK TOWNS ARE CLONE TOWNS

Loss of diversity drains local economies of money, erodes choice, and destroys the social glue that holds communities together.

But we can win back where we live by nurturing local economic diversity.

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if it were a business in liquidation.”
Herman E Daly

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A DIFFERENT KIND OF FUTURE



“WE ARE CAPABLE OF SHUTTING OFF
THE SUN AND THE STARS BECAUSE THEY
DO NOT PAY A DIVIDEND.”

John Maynard Keynes, 1933

A man, laden with 200 pounds of gold, on his way home from the great Gold Rush in California in the 1850s, was loathe to abandon his hard-won wealth when the ship he was on floundered on the Pacific. Lost at sea, he became the subject of a cautionary tale by the great Victorian critic, [John Ruskin](#). He strapped as much gold as he could to himself, and jumped over the side. Once in the sea, the gold dragged him down to the bottom.

“NOW, AS HE WAS SINKING,” ASKED RUSKIN RHETORICALLY,
HAD HE THE GOLD, OR HAD THE GOLD HIM?”

For Ruskin, it was an economic parable as much as a spiritual one. Quite deliberately, he put it at the heart of his controversial 1860 essay series on economics in the *Pall Mall Gazette*, commissioned by the editor, novelist [William Makepeace Thackeray](#).

Ruskin launched this polemic with an attack on the people who were supposed to be experts – in this case, the economists who believed that scarcity was the basis of humanity. No, says Ruskin to Malthus and Ricardo: “*The real science of political economy, which has yet to be distinguished from the bastard science, as medicine from witchcraft, and astronomy from astrology,*” he wrote, “*is that which teaches nations to desire and labour for the things that lead to life: and which teaches them to scorn and destroy the things that lead to destruction.*”

Ruskin was never invited to write about economics again. But when the essays were collected and published as *Unto This Last*, it had the most enormous influence on the next two generations. Gandhi read it from cover to cover on his journey from London to South Africa and it inspired his political struggle.

It also inspired [E F Schumacher](#), a postwar economist working for the National Coal Board, to develop his concept of Buddhist economics. That tradition – economics as if people mattered, economics that recognises that money can also be a hindrance – is the basis of what has become ‘new economics’.

It is an economics that has E. F. Schumacher as its father, and John Ruskin as its grandfather. It has a broader remit than conventional economics, and draws inspiration from the spirituality of [William Blake](#), the radical self-sufficiency of [William Cobbett](#), and the localism of [G. K. Chesterton and Jane Jacobs](#). It draws from the Toryism of Ruskin (or so he put it), the socialism of [Morris](#), the liberalism of [Jefferson](#), and the visions of peaceful co-existence of [Gandhi and Kropotkin](#).

What all these thinkers have in common is an approach to economics which is sceptical about money for money's sake; which understands that human happiness and well-being are not measured very well in terms of money wealth; and that just as money is subservient to morality, spirituality and humanity, so economics is part of a wholly owned subsidiary of a wider ecosystem that explains, limits, and makes it real. It is an economics that broadens our definitions of wealth, rather than narrows them down to an abstraction that may or may not relate to human fulfilment.

It is an economic tradition that has a long history, but until recently lay outside the mainstream.

When [John Maynard Keynes](#) made his famous distinction between art and ideas, which should be international, and goods, which should be largely local, he was setting out a truth which new economists have been developing ever since.

When [Sir William Beveridge](#) urged that voluntary action was a vital ingredient of the new welfare state, he was providing a glimpse of the ideas about social capital that would be central to new economics.

But it was Schumacher's ground-breaking *Small is Beautiful* in 1973, at the height of the oil crisis, that was the most important articulation of new economics. It was followed by other pioneering books like [James Robertson's](#) *The Sane Alternative*, [George McRobie's](#) *Small is Possible* and [Herman Daly and John Cobb's](#) *For the Common Good*.

Later, [Marilyn Waring](#) highlighted the unacknowledged dependence of the economy on the unpaid work of women in *If Women Counted*.

When the G7 summit came to London in 1984, Robertson, McRobie and other new economists launched a parallel summit called TOES (the Other Economic Summit) which challenged the right of the leaders of seven countries to dictate the economic future of the planet and kick-started a global movement. TOES meetings shadowed the G7 and then the G8 wherever it met around the world. The message was simple: conventional economics was in crisis, and a new economics was emerging that could take its place. **nef** (the new economics foundation) was set-up to develop this in 1986.

Since then, the early new economic solutions proposed by TOES – green taxation, ethical investment, social auditing, parallel currencies, community banking, and alternative economic indicators of success – have become mainstream. **nef** has been joined across the world by a range of similar new economic organisations.

New economics has also been informed by a range of successful initiatives that put the ideas into practice – like the pioneering Grameen Bank micro-credit operation, or the massive Seikatsu consumer co-op in Japan. There are now also a sizeable and growing number of people who act along new economic lines in their everyday lives, and a sector to support them, providing green energy, ethical investment, community-supported agriculture and organic food.

New economics recognises that although the present system is far from fair, it will ultimately have to become so because only a fair economy works sustainably. There are hidden resources among people to be revealed and in impoverished communities that can provide solutions. The old, discredited idea that wealth trickles down to the poor is extraordinarily inefficient and can never put people and planet first in the way that new economics does.

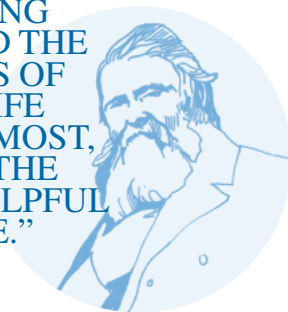
Setting out these principles a century and a half ago, Ruskin distinguished between wealth and what he called ‘illth’ – ruined, dehumanised lives. Now we understand that real wealth means well-being.



“THERE IS NO WEALTH BUT LIFE,”
HE WROTE, SETTING DOWN THE CENTRAL
IDEA OF NEW ECONOMICS:

“LIFE, INCLUDING ALL ITS POWERS OF LOVE,
OF JOY, AND OF ADMIRATION. THAT COUNTRY
IS THE RICHEST WHICH NOURISHES THE GREATEST
NUMBER OF NOBLE AND HAPPY HUMAN BEINGS;

THAT MAN IS RICHEST
WHO, HAVING
PERFECTED THE
FUNCTIONS OF
HIS OWN LIFE
TO THE UTMOST,
HAS ALSO THE
WIDEST HELPFUL
INFLUENCE.”



John Ruskin
1819 –1900

CENTRE FOR GLOBAL INTERDEPENDENCE

“Man talks of a battle with nature, forgetting that if he won the battle, he would find himself on the losing side.”

E. F. Schumacher, *Small is Beautiful*

Globally, the world's 16,000 commercial jet aircraft generate more than 700 million tonnes of carbon dioxide (CO₂), the world's major greenhouse gas, per year.

A GLOBAL PROBLEM

One glance at the extraordinary and widening inequalities in the world is enough to show that economics is not working.

The global economy is rigged against the world's poorest people. One-sided relationships, subsidised international corporations, and a debt burden they had no control over, are all part of the problem. And the extraordinary growth in money – US \$2 trillion circulates through the world's computers every day – has made the mega-rich even richer.

The looming economic and environmental crisis is already beginning to strike some of the poorest people on earth. Pacific islanders, those living in sub-Saharan Africa, or low-lying areas of Bangladesh. Orthodox economics says that growth should lead to increasing income equality in and between countries. In fact, globalisation cannot achieve its objectives. It is a short-sighted system: it values some aspects of the world, such as oil or banks, but is almost completely blind to others such as children or coral reefs. Using this value system, life-giving forests are important only when they are chopped down.

The global economy just doesn't stack up.

“In the current system, the only way for poor people to get a little less poor is for rich people to get very much richer, wrecking the environment on which everything else depends.” David Woodward, head of new global economies at **nef**

THE BARE FACTS

- For every dollar spent on aid by OECD countries, US \$10 is sent back by poor countries in debt repayments.
- Ninety six per cent of deaths from natural disasters are in poor countries.
- If everybody was to consume at the same rate as we do in the UK, we would need three planets to live on.
- The world as a whole is now living beyond its ecosystems' capacity to regenerate and goes into ecological debt around 23 October.
- At 22 weeks old, the average UK citizen will be responsible for equivalent emissions of the greenhouse gas, carbon dioxide, generated by someone in Tanzania in their whole lifetime.
- Species of life on earth are becoming extinct at anywhere between 1,500 and 40,000 times the natural background rate.
- The world's 200 biggest corporations account for twenty eight per cent of the world's economic activity but employ less than 0.25 per cent of the global workforce.
- The poorest twenty per cent of countries now have less than one per cent of world trade – a quarter of what it was a generation ago.

OUR VISION

At **nef**, we believe that the global economy should be designed to benefit people and to protect the planet. Economic and social rights, individual well-being and environmental sustainability must be at the core of economic policies and structures. From its beginning, **nef** has challenged the way the global economy is organised – the unfairness and the blindness at the heart of its measurements of success, the brutal treatment meted out to its victims. What began with a challenge to the G7 summits in the mid-1980s, and their assumed right to speak for the economic future of the whole planet, has continued as a systematic attempt to track the emergence of a new kind of global economics.

nef chaired the Jubilee 2000 coalition, and continues to host Jubilee Research. We put forward proposals for letting nations declare themselves bankrupt to escape crippling debt repayments and published the *Real World Economic Outlook*. **nef** played a leading role in the debate on climate change as part of the *Up in Smoke Coalition*, explaining to policy-makers around the world the catastrophic implications of climate change for economics and development. **nef** has helped to get the concept of ecological debt firmly on the international agenda.

“When the capital development of a country becomes a by-product of a casino, the job is likely to be ill-done.” John Maynard Keynes

WHAT WE'RE DOING

We are living in an interdependent world. But some nations, including the UK, are abusing it by exporting the cost of their high-consuming lifestyles around the globe.

We cannot ‘solve’ global poverty without simultaneously addressing global warming. **nef**'s Global Interdependence programme is addressing the inseparable challenges of poverty and a rapidly warming global climate in order to find global answers by building coalitions, publishing ground breaking research, winning change and giving hope.

Finding solutions to the interdependent problems of climate change, peak oil, ecological degradation, growing inequality, persistent poverty and in many countries, static or declining levels of well-being will mean building a new global system that is designed to benefit people and protect the planet.

“The way we view economic success in the UK has become a fossil-fuelled fantasy. No accounting system with a hint of common sense would view profiting from the liquidation of a never-to-be-repeated natural asset as a good thing – even less so when it leads to climate chaos.” Andrew Simms, **nef** policy director

- **Re-thinking the global economy**

Laying the foundation for a coherent and concrete alternative to the current global economic model backed by a broad and inclusive coalition of global civil society. This new global economic system will start from what we want to achieve – health, education and well-being – and work within our environmental limits.

Radically re-defining poverty based on people having their social and economic needs met and showing just how bad the global economy is at delivering poverty reduction.

- **Safe-guarding the environment**

Working with environmental advocates, anti-poverty campaigners, leading scientists and policy analysts to develop a new architecture for protecting the world's atmosphere and delivering a more equitable system for meeting human development needs.

Working out what human development looks like in a carbon-constrained world and re-thinking development models so that they are climate proof and climate friendly.

- **Changing food systems**

Proposing a new global food system that ends the environmentally wasteful and damaging way we trade what we eat – lifting local food out of the margins to maximise its contribution to increasing well-being, social justice and environmental sustainability.

Publications

Up in Smoke? Latin America and the Caribbean: The threat from climate change to the environment and human development

The UK Interdependence report: How the world sustains the nation's lifestyles and the price it pays

Growth isn't working: The uneven distribution of the benefits and costs from economic growth

Mirage and Oasis: Energy choices in an age of global warming

Africa – Up in smoke? The second report from the Working Group on Climate Change and Development

Up in Smoke? Threats from, and responses to, the impact of climate change on human development

To find out more, contact globalinterdependence@neweconomics.org

CENTRE FOR THRIVING COMMUNITIES

**“Sidewalk contacts are the small change from which a city’s
wealth of public life may grow.”** Jane Jacobs

A man in Dorset can expect to live an average of 11 years longer than in Glasgow, the area with the lowest life expectancy in the UK. The gap in life expectancy between the most affluent and the most disadvantaged communities in the UK is growing, and at its greatest since Victorian times.

LOSS OF LOCAL LIFE

Imagine a nation of ghost towns and clone towns – where all the decisions about how we live are taken in distant government offices, and the real decisions about what we buy are made in boardrooms. Not only would it be a dull world, without choice, serendipity or freedom, it would be a self destructive world. Businesses can't grow forever, and economies of scale have limits. Costs and wages can't go down eternally. And, where decisions are taken far from the places they concern, they are ineffective. Communities and neighbourhoods unravel as a result. Crime rises, social cohesion collapses, and the vital work that we all need to do – looking after old people, guiding young people, or just keeping healthy – gets ignored and finally forgotten. Money never did measure what matters very well, and soon it's the only thing left.

Towns and communities across the UK urgently need to find ways of rebuilding their home-grown local economies.

THE BARE FACTS

- Doorstep lenders in the UK make over £3 billion profit each year from targeting the most financially vulnerable.
- At supermarkets, one new local job is created for every £250,000 spent. A local independent convenience store needs to take just £50,000 to support one local job.
- Ninety per cent of the money spent at supermarkets leaves the local area.
- Between 1995 and 2000, the UK lost 20 per cent of some of its most vital institutions: corner shops, grocers, high street banks, post offices and pubs. Many communities of 3000 people or less could have none by the year 2010.
- Since 2000, six post offices have closed per week. In 2005 alone, more than 1,300 post offices at the heart of communities across the UK pulled down their shutters forever.
- Thirteen per cent of adults in the UK still don't have access to a bank account compared to less than five per cent in most European countries. In 2004, the UK's four largest banks earned profits in excess of £23 billion.

OUR VISION

At **nef**, we believe in community-led regeneration that builds rather than replaces the value and distinctiveness of local economies and communities. Local distinctiveness is wealth in itself, but it also underpins economic success – because, as with ecosystems, a diverse locality is resilient to shocks. People also want to invest or live in places that seem ‘real’. Equally important is the way that resources flow into and through a local economy. Who controls that flow? Who benefits from it?

Even when people are short of money, their ideas and enthusiasm can help lift a neighbourhood out of poverty. **nef**'s practical projects, such as Local Alchemy, BizFizz and Timebanks, give people the support and encouragement to release their potential and connect with the community in a meaningful way. **nef** believes everyone has something to offer their local area. Feeling and being useful – not necessarily in paid employment – is a basic human need.

“At the heart of community-based development is the identification and optimal use of an area’s assets – the skills, culture, environment, buildings, networks and relationships.” Paul Sander-Jackson **nef** thriving communities director

WHAT WE'RE DOING

- **Understanding the factors that make a thriving community**

We are working to identify the complex and interactive elements which create a thriving community, and alongside that to challenge how policy-led regeneration has contributed to (or detracted from) achieving a communities own vision for its future.

- **Expanding our groundbreaking work on community-led regeneration and enterprise creation in some 30 communities across the UK**

Whereas many government initiatives consistently fail because they are too top-down we find ways to harness the energy and creativity in disadvantaged areas of the UK. The Local Alchemy and BizFizz programmes work in over 30 communities, encouraging people to connect with their local economy, and have helped thousands of small enterprises.

“In future the question will not be ‘are people creditworthy’, but rather, ‘are banks people worthy’.” Mohammed Yunus, founder of Grameen Bank

- **Highlighting the decline of local economies and lobbying for legislative change to promote vibrancy and diversity in Britain's towns and cities**

Our *Ghost Town* and *Clone Town* series of reports charting the loss of local independent shops and services contributed to the latest Competition Commission inquiry into the power of supermarkets. Now we need to ensure that effective remedies are implemented.

- **Rethinking local economic development**

nef's work on street markets and post offices demonstrated that they are important anchors for local communities. Our research has shown markets can generate millions of pounds for a local economy each year, incubate and grow small, independent businesses and create twice as many jobs per square metre as supermarkets.

- **Access to Finance**

nef's call for a universal service obligation for our biggest banks continues to gain momentum, and our innovative work developing new partnerships and methods to address financial exclusion creates real alternatives for those who need it most.

"The argument that big retail is good because it provides us with choice is ironic because in the end it leaves us with no choice at all." Andrew Simms, **nef** policy director

- **Building social networks**

Time banks, which **nef** helped introduce to the UK, offer mutual support systems for rebuilding communities and encourage reciprocal engagement between local people. **nef** co-ordinates the London Time Bank Network. Over 200,000 hours have been banked in the UK alone.

"Our experience has shown that in any community, however disadvantaged, there are passionate people who have ideas for enterprises that develop their local economy; what has been missing is a way to effectively support them." Elizabeth Cox, **nef** head of connected economies

Publications

The world on a plate: Queens Market. The economic and social value of London's most ethnically diverse street market
Trading places: The local economic impact of street produce and farmers markets
Clone town Britain, the survey results on the bland state of the nation
Public spending for public benefit: How the public sector can use its purchasing power to deliver local economic development
Community banking partnership: A national demonstration project
Clone town Britain: The loss of local identity on the nation's high streets
Ghost town Britain II: Death on the high street

To find out more, contact thrivingcommunities@neweconomics.org

CENTRE FOR WELL-BEING

“There is no wealth but life.” John Ruskin

The UK economy, as measured by GDP, has doubled since the 1970s, but people’s satisfaction with their lives has remained stagnant.

AN (UN)HAPPY PLANET

Those of us in the developed world are getting richer but not any happier and we're damaging the only planet we have in the process.

The vast majority of governments across the world measure success in terms of economic growth, without questioning whether the relentless pursuit of ever greater GDP is sustainable, or if it encourages individuals and communities to flourish and enjoy truly meaningful and happy lives.

Quite simply, by defining progress in terms of material wealth and targets met, we often neglect to measure the things that really make us happy – and what gets measured, matters.

“Every society clings to a myth by which it lives; ours is the myth of economic progress.” Nic Marks, **nef** Centre for Well-being.

THE BARE FACTS

- People who place a high value on material goods and income are more dissatisfied with their lives, have poorer relationships and lower well-being. 87 per cent of Britons think that society today is “too materialistic, with too much emphasis on money and not enough on the things that really matter”.
- **nef's Happy Planet Index** shows that the UK is hugely inefficient at converting planetary resources into well-being. Costa Ricans, for example, live just as long as people in the UK, report greater satisfaction with their lives, yet have less than half the ecological footprint.
- Sixty two per cent of people in the UK have jobs that they find too stressful or uninteresting.
- In Britain, levels of trust in other people halved since the 1950s.
- Mental illnesses, particularly anxiety disorders and depression, cause around 40 per cent of all Incapacity Benefit claims in the UK.
- Happy people live longer and healthier lives. People who report frequent happy feelings are less likely to suffer from stroke and cardio-vascular disease, and live up to seven years longer than those who are less happy.

OUR VISION

Well-being is about more than individual happiness and satisfaction – it also includes developing as a person, being fulfilled and contributing to society – and achieving this within our environmental limits.

At **nef**, we believe it is possible to lead long and happy lives without costing the earth. The biggest barrier we face in achieving this is the way in which we currently define and measure progress and success, on both a personal and social level. Government policy focuses on growing the economy to enhance people's income, but this has only a small effect on well-being, with often devastating environmental consequences.

nef's vision is of a society where wealth is defined and measured in terms of well-being. This means recognising and supporting what really makes us happy – meaningful work, time with our friends and family, creative education and a real sense of community. Only then can we move towards a truly flourishing society.

nef's *Happy Planet Index* was downloaded 700,000 times in six weeks of its release and over 50,000 people filled out the online life expectancy questionnaire.

WHAT WE'RE DOING

- **Re-thinking 'progress'**

nef is undertaking pioneering research that asks fundamental questions about how we view progress and consequently live our lives. Our *Happy Planet Index* takes a very different look at the wealth and poverty of nations, measuring the ecological efficiency with which countries deliver long and happy lives for their citizens.

- **Developing new ways of measuring**

nef is developing and piloting new ways to measure well-being. Our work in this area includes designing a series of questions on personal and social well-being as part of the European Social Survey. This will enable comprehensive international comparisons of well-being to be made for the first time, across at least 25 countries. We are also working with some of the English Regional Development Agencies to develop measures that better integrate economic, social and environmental aspects of regional development.

"The United States leads the world in mental illness rates, with one in four Americans suffering from a mental disorder." Richard Layard lectures

- **Challenging public policy to focus on well-being**

One of the core questions we aim to answer is 'what would public policy look like if well-being was its aim?' **nef**'s *Well-Being Manifesto for a Flourishing Society* revealed how government policy might change if it focused on improving our well-being rather than simply growing the economy. More recently, we have undertaken work with the Department for Environment, Food, and Rural Affairs to explore the relationships, challenges and policy implications between sustainable development and well-being. We are also working with local authorities to help bring a well-being focus to local-service delivery.

"The great breakthrough of the twenty first century will be to begin to assess success and failure in life other than merely through financial indicators. Your happy planet report reads like the first step in a whole new science of measuring what matters and what doesn't." Alain de Botton, author

"Governments the world over have been concentrating on the wrong targets for too long. If you have the wrong map, you are unlikely to reach your destination."

Nic Marks, head of **nef**'s centre for well-being.

- **Helping organisations to develop a well-being approach**

We work directly with organisations, companies and schools to raise awareness of well-being and how it can be applied in the specific context of their work through delivery of seminars, training courses and research activities.

Publications

The Happy Planet Index: An index of human well-being and human development

Spoiled ballot: Why less than three per cent have a fair share of power in Britain

A well-being manifesto: For a flourishing society

The power and potential of well-being indicators: Measuring young people's well-being in Nottingham

Chasing progress: Beyond measuring economic growth

The politics of happiness

To find out more, contact wellbeing@neweconomics.org

CENTRE FOR THE FUTURE ECONOMY

“The economy of the future is based on relationships rather than possession.”

John Perry Barlow

**“Not everything that counts can be counted.
And not everything that can be counted, counts.”**

Albert Einstein

THE OLD ECONOMY ISN'T WORKING

One of the peculiar failures of the current economic system is its limited capacity to capture real human value.

And at the heart of this failure lies the question of measurement. Orthodox economists reduce everything to money, but the result is a fatal blindness at the heart of the system. Money might measure profits, but it is useless when it comes to measuring forests, or human worth, or species, or community, or human happiness and well-being.

We live in a world, as a result, that believes almost any economic activity is a sign of progress. Los Angeles motorists spend US \$800 million a year just on the petrol they use up in traffic jams. Our indicator of growth, Gross Domestic Product, adds this enthusiastically to the national accounts, unable to question whether it is really a sign of progress after all.

“Once we allow ourselves to be disobedient to the test of an accountant's profit, we have begun to change our civilisation.” John Maynard Keynes, 1933

THE BARE FACTS

- Since **nef** introduced the concept of Time Banks to the UK, over 200,000 hours of people giving and receiving time with other people have been 'banked'.
- Government emphasis on full employment threatens to strip neighbourhoods of the people who make the difference between success and failure of public services – like volunteers, care workers and 'co-producers'.
- The Getting Out to Work project in Merseyside, which helps former offenders to find employment, produces a 'social return' of £10.50 for every £1 invested in the project.
- Wealth held in tax havens is costing governments around the world up to US \$255 billion annually in lost tax revenues. If US \$255 billion had been given in aid every year from 2002, by the end of 2015, global poverty would be permanently eradicated, way beyond the goals of the international targets on halving global poverty by 2015, known as the Millennium Development Goals.
- The local and national institutions of democracy are losing power. Citizens and politicians increasingly disengage from each other in what is becoming a vicious cycle.

OUR VISION

New economics challenges the central idea of 'progress' in orthodox economics. It seeks better ways of measuring what is most important, aware that what gets counted really counts in the world – and what doesn't get counted, eventually disappears.

This means measuring human well-being, but it also means measuring the social success of neighbourhoods, the genuine effects of non-profits or social enterprises, or the knock-on benefits of charities. And that is why **nef** has pioneered a succession of new ways of measuring real wealth.

But of all the areas that conventional economics fails to understand, it is most confused by the growing role that ethics and values play in people's economic lives. The future economy must understand that human ambition and endeavour go way beyond simply money.

At **nef**, we are re-thinking the way the economic rule-book works and reassessing economics in its original form, as a branch of moral philosophy. It means re-thinking the role of regulation, tax incentives, market mechanisms and structural and governance innovations. It means looking afresh at the financial system and why its current structures fail to invest actively in social purpose businesses.

“What gets measured gets valued – and in many cases, we're simply measuring the wrong things.” Lisa Sanfilippo, **nef** head of measurement and evaluation

WHAT WE'RE DOING

- **Measuring what matters**

nef's work on measurement and evaluation develops and promotes methods that help us to understand, create and demonstrate social, environmental and economic well-being, as well as determining the true costs and benefits of government policies.

Social auditing, pioneered by **nef**, is now used by around 250 businesses worldwide each year and **nef** was instrumental in the launch of the Social Investment Task Force, the London Rebuilding Society, the Adventure Capital Fund and the Community Development Finance Association. Between them they have leveraged millions of pounds of business support into some of the most disadvantaged areas of the UK.

- **Developing theoretical new economics**

Building on the groundbreaking publication *Behavioural Economics*, **nef** is looking at how non-mainstream economic approaches are crucial to policy-makers, in contrast to the neo-classical economic model.

“A healthy thriving democracy is only possible when people are actively engaged and involved in public life. We take a radical look at democratic participation to see how we can give people back faith in their ability to influence decision-making.” Perry Walker, Democracy and Participation, **nef**

- **Promoting decision making and participation**

nef challenges notions of political apathy by developing new ways to encourage public participation and debate. One example, Democs (deliberate meeting of citizens) is a conversation game that helps people to understand, debate and clarify their thinking on controversial issues, which can then be used to contribute to policy discussions.

- **Putting people back into public services**

Co-production treats people as subjects and actors in public services, not recipients and patients. That means involving people – often those who are regarded as the problem – in reciprocal activity that builds neighborhoods, supports public service professionals and can also be measured and rewarded.

“The only thing money cannot buy is meaning.” Jacob Needleman

- **Future business**

Ethical consumerism has grown massively to a market that **nef** estimates at nearly £27 billion a year in the UK. The future of business must embrace social and environmental values. **nef** helped establish the Ethical Trading Initiative, which ensures that the 30 largest retailers in the UK now monitor the majority of their overseas suppliers against core labour standards.

At **nef**, we are re-thinking the role of regulation, tax incentives, market mechanisms and developing structural and governance innovations.

Publications

Hidden work: Co-production by people outside paid employment
Behavioural economics: seven principles for policy makers
Proving and improving: A quality and impact toolkit for social enterprise
Social return on investment: Valuing what matters
Co-production works: The win-win of involving people in public services

To find out more, contact futureeconomy@neweconomics.org

A full-page background image showing a long, straight path lined with mature trees, leading into the distance under a bright sky. The path is flanked by green grass and the trees create a canopy effect. The image is used as a background for the text overlay.

WHO WE ARE...

nef (the new economics foundation) is an independent ‘think-and-do’ tank.
We believe in economics as if people and the planet mattered.

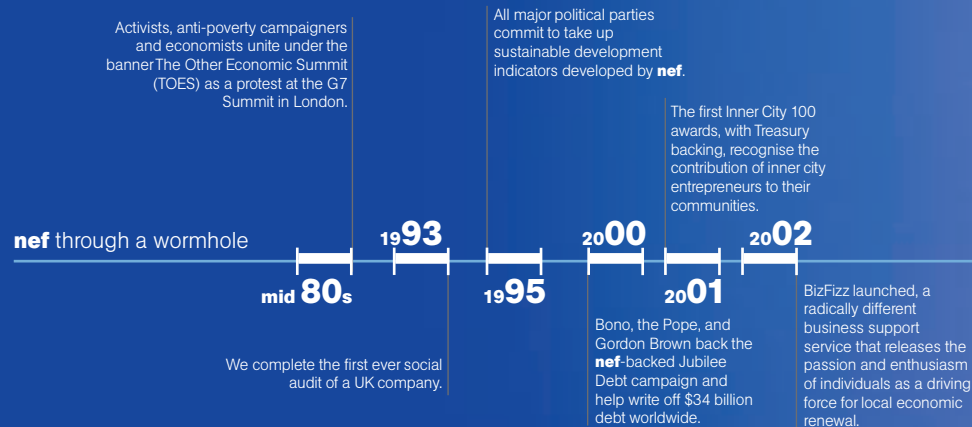
We are focused on the future and are not politically aligned. We look ahead much further than the current political cycle.

Our aim is a new economy based on social justice, environmental sustainability and collective well-being. Other organisations work on one or two of these issues, but we believe we must work on all three simultaneously if we are to address the great issues of our time.

We challenge mainstream thinking on economic, environmental and social issues and ally visionary research with making things work in practice. We start from our values, come up with innovative ideas, research them thoroughly and then test them out in practice.

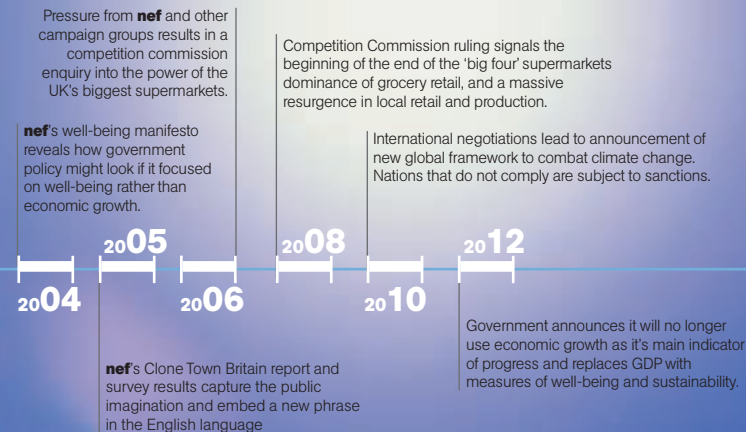
ALL THESE THINGS WE'VE DONE...

nef has a track record of 20 years of positive thinking, insightful answers and real achievement. Despite the dire warnings we believe that there is indisputably a way forward to a world in which people can be happier, where everyone has their basic rights and needs met and in which the threat to our environment is tackled.



Of the practical innovations outlined at **nef**'s first event, The Other Economic Summit in 1984, ethical investment, debt cancellation, alternative economic indicators, green taxation, all once considered impossible, ridiculous or dangerously radical, are now mainstream.

We believe in economics as if people and the planet mattered.



I'D LIKE TO HELP nef...

Please complete form and post it to the address overleaf.

Step 1: your name

Title and Name:.....

Address:.....

..... Post Code:

Tel. No:.....

Email:

Step 2: your monthly gift

I would like to make a monthly gift to help support **nef**'s innovative work of:

☐ £50 ☐ £20 ☐ £8 ☐ £5 ☐ £3 my choice

Please fill out the following direct debit form



To the Manager (your bank name):

Address of your Bank/Building Society:

originator's identification number

..... Post Code:

Name(s) of Account Holder:

Account Number: Sort Code

nef reference Number [For bank use only.]

Signature/s..... Date.....

Instructions to your Bank/Building Society: Please pay **nef** (the new economics foundation) Regd. Charity No. 1055254 Direct Debits from the account detailed on this instruction subject to the safeguards of the direct debit guarantee. I understand that this instruction may remain with **nef** and, if so, details will be passed on electronically to my Bank/Building Society.



Step 3: Gift Aid on monthly or single gifts *giftaid it*

☐ I am a UK tax-payer and, until further notice, wish to treat all donations I have made to **nef** since 6 April 2000 as Gift Aid donations.

Step 4: (optional) single donation

I would like to make a special one-off donation.

Here is my gift of:

£

Monthly or single gifts are eligible for Gift Aid.

For example an exceptional gift of £750 would give **nef** £1,000 and cost a 40 per cent tax-payer only £600. An extraordinary gift of £10,000 would be worth £12,800 to **nef**.

I'm happy to help **nef** create an economy where people and planet matter...

nef

3 Jonathan Street
London SE11 5NH
United Kingdom

PEOPLE WE WORK WITH...

nef would like to thank the following current funders, partners and individuals for their support

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A DIFFERENT KIND OF FUTURE

New economics is not just an alternative to the status quo. Nor is it simply a critique that explains why mainstream economics is failing. It is an outline of the new economic systems that are emerging.

We can assert that the blindness of conventional economics – the way prices fail to recognise or measure the real costs and assets around us – is dangerously wasteful. We can set out the wasteful dependency when whole regions of the world are excluded from the economy. But new economics goes further.

This will be an economics that will measure the difference accurately between what is creative and what is destructive, rather than lumping all economic activity together and calling it progress. And **nef**'s centre for well-being is already at the forefront of measuring real progress.

It will be an economics that will use its waste as raw materials, creating an efficient virtuous circle, rather than assuming that both of these appear and disappear magically and inexhaustibly into the economic system. And **nef**'s centre for thriving communities is already studying the attributes of successful and sustainable local economies.

It will be an economics that re-shapes public service organisations as engines of neighbourhood renewal, instead of silos of exhausted professionals ministering to passive supplicants. And **nef**'s centre for future economies is developing new models for this to happen.

It will also be an economics that puts people and the planet back at its heart, where they belong, and no longer pretends that ethics are an irrelevance to meaningless models of self-interest. And **nef**'s centre for global interdependence is paving the way.

All this sounds utopian, but it is beginning to happen already. These shifts carry with them the same downsides, contradictions and frustrations that change always brings.

That is the way change happens, paradoxically and amidst the most confusing complexity. And change is our business.

Stewart Wallis
executive director

ECONOMICS AS IF PEOPLE AND THE PLANET MATTERED

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