

The Club of Rome

Annual Conference in Buenos Aires

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A Report by Ran Ide

Ran Ide is a Member of the Club of Rome who was deeply involved in the C of R project which resulted in the book "Microelectronics and Society – For Better or Worse" (Schaff and Friedrichs, Pergamon 1982). He is well known in broadcasting circles because of his association at various times with TV Ontario and the CBC.

The Argentina Chapter of The Club of Rome took responsibility for the organization of the meeting with support from the Government of Argentina. Co-sponsors included Gas Natural, Compania Telefonica and Aerolineas Argentinas.

The theme of this year's conference was *"The Fight Against Poverty and Underdevelopment"*. In addition to the theme, which was effectively introduced by Bertrand Schneider during the first working session, an afternoon and morning were devoted to presentations by Yehezkel Dror on 'Governance' and by Orio Giarini on 'The Future of Work'. I was asked to present a paper prepared by Arthur Cordell and myself titled *The New Wealth of Nations*.

The official opening included an address by President Menem of the Argentine Republic who not only welcomed the members of the Club and a number of distinguished guests but also showed in his comments a remarkable sensitivity to the issues of poverty, unemployment, population and threats to the environment.

In his opening remarks Ricardo Diez Hochleitner spoke with passion and stressed that our goal should not only be to attain progress without continuously endangering the biosphere but also to ensure that human dignity for every individual should prevail within their respective cultural roots and values. He criticized those who see economic disparities as an opportunity for the expansion of markets and stressed that the new technologies should be put at the service of all human beings in order to overcome the problems that beset the disadvantaged. He called for an effort on the part of all people and their leaders to re-examine their life-

styles in order to provide a meaning for a life that is so often empty and loaded with frustration.

Ricardo touched on many problems including: sustainable cultural, educational and social development; the capacity to govern, and structural crises in the world of work. His final point struck a responsive note with the membership. He referred to the real global revolution in systems of communication, entertainment and work as well as social and economic organization. The new multimedia, he maintained, have inevitable and profound implications for human development and world order.

Alex King and Bertrand Schneider spoke about The Club of Rome today. Alex's presentation was particularly fascinating. As one of the two founders of the Club he challenged the group to be daring, to take risks and not worry over much if they were eventually proven wrong. He reflected on the storm of protests raised when *Limits To Growth* was first published and yet today its predictions were, if anything, on the conservative side. He felt that 'The Predicament of Mankind' was still the governing motif for the Club and the 'Problematique' its process. It was wonderful to see him there after suffering a severe stroke, speaking with such vigour and logic.

In opening the discussion on poverty, which he called a shame and a scandal, Bertrand Schneider declared we must look to a new concept of development, one that is coherent, open ended, with the ability to adapt to changes and to put people first. The North and South, he said, must work together as partners. It is imperative for the poorer nations to have a stronger voice in world affairs. Education, he believed, is the cornerstone on which to build if we are to eradicate

poverty in the under developed nations and it is essential to prevent the majority of funds being directed to the education of a small elite rather than to supporting programs for those who need them the most. Land reform he saw as an essential component in the process since ownership by the many leads to a sense of security and the development of an outlook that is long range rather than merely expedient. Schneider felt it was time to take a critical look at the work of the World Bank in the light of changing conditions. With an annual profit of a billion dollars a common vision on the part of the governors was imperative for the Bank to reach out to the billions of disadvantaged that inhabit our world.

Dror provided the members with a clear, sharply drawn picture of the sorry state of governance today, both at the national and international levels. His report is still only available in Spanish but an English translation is expected to be out in the near future. He pointed to corruption in politics and the apparent lack of leaders in the world today. This, he believed, was partly a result of the way leaders are treated by the media and the public. To help correct this he felt that a president or a prime minister ought to be paid between \$1 and \$5 million dollars per year and guaranteed an annual pension upon retirement of \$1 million. If the trust given them is betrayed the leaders should be dismissed without recompense. He also argued for the support of public broadcasting as the only way to ensure an enlightened electorate.

Giarini's presentation on *'The Future of Work'* brought interesting concepts to the problem of the structural unemployment we are facing today. The present problem, he felt, although an economist himself, is to a large degree a result of thinking that is no longer relevant that characterizes the economic literature of the day. He believes it necessary to re-define what is 'productive' work. The key point, he said, is to understand and evaluate how wealth is produced and that we are far beyond the classical industrial revolution in the way that wealth is actually produced. It is therefore essential to reconsider the types of work that are productive in terms of wealth production.

He provided a useful overview of the stages of economic and social development, work productivity

and valorization and remuneration of work. He criticized social policies based on charity and good will and felt that the state should concentrate its intervention on part-time work linked to a minimum salary. Many jobs in the service sector that are being performed voluntarily ought to be brought into the main stream of economic activity. As one observer pointed out, the approach is sophisticated and 'right on the mark'.

The Cordell/Ide paper also dealt with the problem of work and unemployment. The analysis of the stages of economic and social development in the introductory sections agreed substantially with Giarini's. Giarini would also probably agree with the contention that a new economy is being created based on information and communications technology. The difference in the two papers lies in the proposition by Cordell and Ide that a number of old taxes be dropped and new taxation policies be designed that are appropriate for the new economy. Rather than being seen as a threat to living standards, the new technologies can be a bonanza. We currently have a taxation system in place appropriate to an industrial economy. We need to be creative and to develop new ways to get at the new wealth created by information technologies and distribute it more equitably. Improvements in economic efficiency should be reflected in higher, rather than lower, standards of living for all citizens in this era of the new wealth of nations.

It is for this reason that Cordell and I proposed, what we termed, a 'bit tax' - a bit being the basic unit of the digital systems used by all modern computers and the growing proportion of all electronic transmissions. The justification for such a tax to replace or modify the majority of existing taxes, we believe, is compelling. There is not sufficient space in this publication to present the argument contained in a 50-plus page paper but essentially the idea is to eliminate out-dated forms of taxation and replace them with a taxes on foreign exchange speculation, transactions using automatic tellers, electronic data interchanges etcetera. If substantial agreement to the system could be reached among the industrialized nations, then nation states could eliminate their national debts and funds could be

found to finance environmental clean-ups and other work presently in the volunteer sector.

The idea of a 'bit tax' seemed to find favour, even enthusiasm, among the membership. One member suggested that the concept be studied and 'winners' and 'losers' identified with a view to the preparation of a report to The Club of Rome.

Two closed sessions were reserved for active members of the Club. The first dealt with the activities of the various national associations or chapters. The Argentine Chapter had obviously been heavily involved in the preparations of the annual conference and their President and Secretary General were rightly praised for their efforts. In addition to organizational work, study sessions had been conducted on the various issues that were to form the basis of the conference. Other South American chapters had also been active. A case in point was the formation of the Venezuelan Chapter, after almost three years of deliberations, on June 2 of this year. Already their members had agreed to prepare a report based on a series of activities related to modernization and development. These included the eradication of poverty, self esteem, good citizenship, and one entitled '*The Concrete Utopia*' designed to upgrade the present unsatisfactory health service. A number of other reports were made by representative of various national associations. I spoke about the activities of the Canadian Association (CACOR) and relied heavily on information garnered from the CACOR *Newsletters* and *Proceedings*. The mention of these publications of the Canadian Association evoked numerous compliments from the group - one to the effect that it serves to keep all the

chapters informed not only about Canadian activities but also about those of the Club itself.

In the second session Ricardo and Bertrand described the financial problems the Club is experiencing. Ricardo has personally raised funds to assist in covering the costs of the various meeting of the Executive Committee and the Council as well as those related to the publication of Reports. Bertrand is still providing his services as Secretary General free of charge. His responsibilities are extensive and are in addition to his work for his own company. Ricardo is busy looking for support from one or more major Foundations but in these difficult economic time large sums of money are difficult to find. The members were unanimous in expressing their appreciation of the efforts of our President and Secretary General.

Ricardo also outlined tentative plans for meetings in 1995. Two small sessions were planned for the spring to discuss regional cooperation, one in Moscow and another in Seville. There is also hope for a larger meeting on Governance for October in Toronto. Initial talks have already begun with a potential sponsor. Once these have been concluded details will be provided for the information and potential involvement of the membership of CACOR.

On a personal note, I found the conference excellent. The presentations were thought-provoking and the discussion periods that followed outstanding. Virtually everyone who wanted to intervene was able to do so and, for the most part, the positions taken were thoughtful and to the point. Buenos Aires was one of the finer meetings I have attended during my years as a member.

**See the back page of these Proceedings
for a special message to
National Associations for the Club of Rome
in other countries.**