

# A Global Acupuncturist Active in the World

An Interview HAZEL HENDERSON

By Alexander M. Dake

*Hazel Henderson is an activist for sustainable human development, a futurist, consultant and writer of articles and books read throughout the world. Henderson is by all accounts America's most prominent alternative economic thinker, who is actively involved in many organizations. Among them, she is a fellow of the [World Business Academy](#) and she sits on the boards of the [WorldwatchInstitute](#), the [Calvert Social Investment Fund](#), [WETV](#), and the [New Economics Foundation](#). She is also an active member of the [Social Venture Network](#), the [World Futures Society](#) and the [Commission on Globalization](#).*

*Alexander Dake spoke with Hazel Henderson about her views on a sustainable global society during the conference "The Century of the Environment" organized jointly by [Resurgencemagazine](#) and the [Omega Institute](#) in 2001.*

**AD:** Though you are not trained as an academic, you are considered an expert in economics, systems theories, and other areas, as your wide range of advisory roles attests. How did you build up such expertise?

**HH:** I started at quite a young age, being fascinated by my environment living in the English countryside. Later on in the 1960s, when I moved to New York as a young mother, I became concerned about the pollution of the city and started a group, *Citizens for Clean Air*. That was the fastest PhD you could imagine: learning about biology and the environment, how to organize campaigns, about how multinational companies were operating and about how to deal with the local government. Later on I expanded this experiential and intuitive learning by writing about corporate social responsibility. This led people to start inviting me to speak or even join their organizations, and it became a virtuous circle. I learned even more from the official experts in the field, even though I always kept my generalist perspective. With hindsight, it has been an incredible journey for me.

**AD:** You are famous for your call for an Accounting Revolution that would take social and environmental costs into account, as well as including public sector "expenses" as investments. You state that traditional economic yardsticks, such as macro-economic and GDP figures, do not truly measure quality of life and you recently developed the Calvert-Henderson Quality of Life Indicators. What are they and how do they work?

**HH:** It's a picture of the well being of the U.S. economy, based on 12 indicators: education, employment, energy, environment, health, human rights, income, infrastructure, national security, public safety, and recreation. It gives a sophisticated view on how the economy, or better, how society is really doing,

not just using simplistic macro-economic indicators, which can be easily manipulated. My quality of life indicators incorporate the fact that economies are living systems, and each system (i.e. each country) is different. For example, most societies value certain jobs as more important than others. Traditional GDP measurement ignores the environment, social cohesion, healthy citizens, and cultural values and just measures the money-economy. But money is not wealth.

**AD:** You have a controversial view on the economic situation of Japan. You state that the quality of life in Japan is in many ways superior to that in the US and even the European Union, even though mainstream economists proclaim that Japan is showing the worst performance of any of the developed economies measured over the last 10 years. Can you explain that?

**HH:** Japan is a country that values wisdom, frugality, civility, and common sense. Japan's high per-capita savings rate, huge trade surplus, and currency reserves contrast favorably with the US. Japan is not stagnating, as many economists claim. Japan is moving from being a society driven by economic growth irrespective of environmental and social costs to a more balanced society. The latter is reflected in its high quality public sector: its well-educated population; its schools and hospitals; its public transportation system. Japan's economy is twice as energy efficient as that of the US. Whether you are an economist or not, anyone would have to admit that this seems like a very well run society. Yes, its public debt is high, but so are its public assets, even though they are not included in Japan's budget. It just takes a different approach to its GDP calculations to make the accounts reflect that Japan has a high quality of life. Even the US has made a similar accounting change under Clinton's administration, which contributed to the US budget surplus of the 90s.

**AD:** Another fundamental principle of traditional economics is the principle that economic choices are based upon scarcity. When goods, services, resources are scarce, the higher their price. You disagree with this traditional view. Why?

**HH:** Scarcity is not so much based upon scarcity of these goods, but is created by relying on a money economy. Financial and monetary institutions monopolize the creation of money: they keep money scarce and consequently the goods and services that are expensive in monetary terms are difficult to acquire by most consumers. However, there is a trend weakening the monopoly of money: barter over electronic trading systems. Companies and individuals already trade billions of dollars of services and goods over the Internet without exchanging money. A successful example on the consumer level is San Francisco based e-Bay. But there are opportunities on many levels: among financial traders, government institutions, small businesses etc. This competition from money-free exchange will decrease the reliance on money and therefore will reduce the power of perceived scarcity in our economy. Information will become as important as money, with one big difference: information is abundant.

**AD:** You are also a proponent of local currencies, as opposed to national currencies. (Local currencies are currencies developed and used for and by people only in their local communities). These local currencies don't seem to be very successful anywhere in the world. Do you still believe in their value?

**HH:** Yes, I do. Not because they should replace national currencies: in Europe we even see the opposite. National currencies are replaced by a supranational currency. The value of local currencies is that just like with barter they enable people in local communities to create their own economy and make a living without being dependent on the scarcity of their national currency. Throughout history people always knew how to trade. However when money was introduced, although useful in many respects, it also created the monopoly of the power of money creation. Local currencies make people aware they can be self-sufficient and independent from what is going on elsewhere in the economy.

**AD:** You believe information is the currency of the future. In trade matters you also believe more in the importance of information as opposed to the actual goods traded. You are famous for saying that we should trade recipes and not cakes. That would be easier, more efficient and energy--and environmentally--friendly. How is that view received in the ongoing trade discussions in the [WTO](#)?

**HH:** Unfortunately I have to say that the WTO is like many other international financial institutions. Instead of looking at the future and opportunities to use new technologies to make the world a better place, they are still representing the old paradigm of trade and business, and actually represent the established powers. Sending goods back and forth around the world does not make sense. It only seems to make economic sense because prices do not reflect the full cost of energy and transportation and environmental damage. Sending know-how around the world is cheap and effective.

**AD:** Another favorite topic of yours is the "care economy," which is the economy of volunteers, care workers and housewives working for non-profits, in their community or at home. The [UNDP](#) estimates this hidden economy to be valued at \$ 16 trillion worldwide vs. \$ 24 trillion for global GDP. You are in favor of rewarding these care workers by replacing part of the government spending such as for defense and allocating that to the care economy. How would this take place?

**HH:** First of all you need the political will to reduce defense expenditures. Then for Keynesian reasons you need to redeploy these funds somewhere else in the economy. One of my proposals is called the UN Security Insurance Agency. In essence any country could decide to reduce or even abolish its own army, and buy an insurance policy from private sector insurance companies. This insurance would ensure that in case of crisis that country would be defended by a UN force. The money saved on the defense budget in turn can then be used in other parts of the economy, such as by offering a guaranteed income for care workers. This

proposal will be discussed in 2002 during the UN International Conference on Financing for Development to be held at Monterey, Mexico.

**AD:** In your book *Beyond Globalization* you describe how the global economy can be reshaped at seven levels, from the global to the local to the individual. You mention that an individual's task in this reshaping of society is to learn to live wisely. Can you explain what that means?

**HH:** It's about the education of each individual, so that they understand what is going on and can have a educated view of their world. A PhD is not necessary, but a basic education is not enough either. Each individual needs to be awake, as Buddha said. Everyone needs to be aware of his or her own role as part of the current social, political, and economic order. It is only when everyone understands his own role and responsibility that the different approaches of our social and economic systems can be effective.

**AD:** My final question is about your role as advisor and economist. You write many books and articles on innovative economic approaches, you seem to advise organizations and governments all around the world. Still, it appears that not too many mainstream politicians follow your advice and not too many mainstream economists accept your ideas. Does that bother you?

**HH:** Well, I may have earned quite a few enemies in the economics profession. What I do is try to reach visionary political leaders such as President Havel and former Presidents Oscar Arias and Nelson Mandela, who are open to new approaches. I focus on organizations where I believe I can make a difference. I see myself as a global acupuncturist, relieving the pressure on certain spots around the globe. I hope that sooner or later this will show others what really works and what doesn't.

© 2001, [Alexander M. Dake](#)

Copyright © 2001. All rights reserved. Paraview.com, Inc.  
Website design and hosting by Innovative Software Design