

# Collaborative Coexistence of Globalised Communities supported by the Circular Economy

Sharam A. Yalda. © BlacktoGreen, 2015

## Introduction

Here at **BlacktoGreen** we are firm about our commitment to explore, catalyse, drive and implement solutions in the light of the opportunities that the current crisis provides.

One area of enormous opportunity to do business, grow, and bring about positive change is in the emerging activities related to the **collaborative and circular economies**. In fact we see this new realm of activity not merely as an opportunity to do business, but as an imperative responsibility as global citizens. We see it as the first step towards the tipping point shifting towards a relationship of coexistence with each other as one **global community**.

As it is widely documented, the economic aspect of the current crisis is merely a symptomatic manifestation of the **deeper social and environmental crisis**, and perhaps an even deeper crisis of 'meaning' for humanity.

Economic, social, political and environmental ills are intrinsically interconnected. If we are to head towards sustainable coexistence, we need to address these at the root of the problem. Naomi Klein's book expresses a deep assessment of the challenges we now face. In the assessment of her book, [John J. Berger](#) provides a succinct summary: "Klein's argument is that we must make a revolutionary shift from an unsustainable economic model based on resource extraction and the exploitation of people to a relationship of interconnection and reciprocity with the natural world."

**BlacktoGreen** is not simply our brand name; it represents the passage that has become the existential challenge of our times.

To name only one of these globally significant challenges, perhaps the most significant, Climate Change, Ban Ki Moon, UN Secretary General, recently said:

*"We are the last generation that can fight climate change. We have a duty to act."*

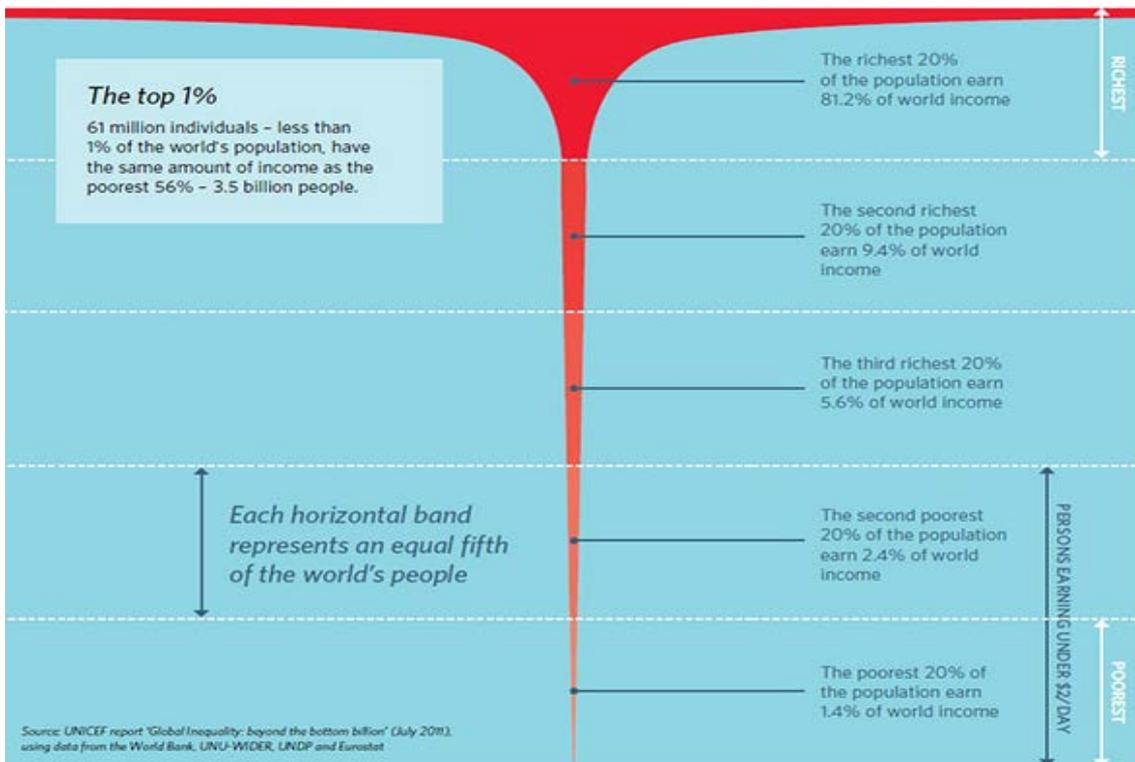
Below is a list of several key existential challenges we face, all interrelated and all urgently important:

- Climate Change and Climate disruption.
- Freshwater quality and availability.
- Land availability and soil degradation.
- Dangerous concentration of synthetic chemicals, toxins and dioxins disrupting biological organism, including humans.
- Mass species extinction and biodiversity loss.
- Disrupted rural communities and overpopulation of cities.
- Global population growth.
- Social fragmentation.

There are critical social challenges and injustices that cause much disharmony and human suffering; avoidable poverty, hunger, income inequality and social exclusion. These are also cause of much of the environmental destruction we face.

There are many more challenges that are related to the same root causes and this is the reason why discussing the challenges is crucial. Although this appears to be negative, it is in fact the most realistic way we can understand to work to create the alternative.

At the same time understanding the status-quo provides a baseline. This baseline will provide the perspective required to appreciate the motivation and enablers that are leading us to build **collaborative and circular economies**.



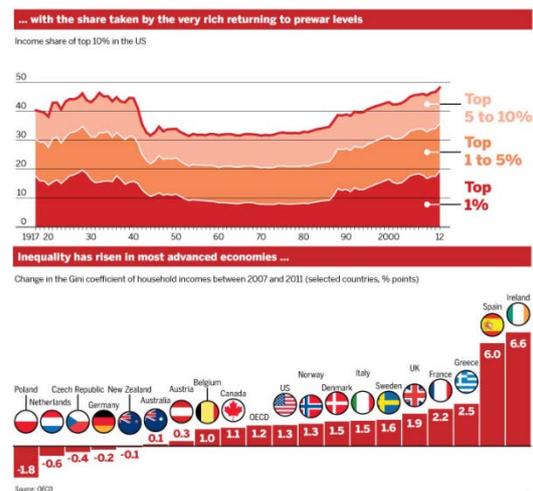
Source: [www.una.org](http://www.una.org)

## Social and Institutional Crisis

The chart below shows global income distribution by population quintiles: The top 1% earn the income equivalent to the total income of the poorest 56%, 3.5 billion people.

The U.S. income inequality is shocking, however it is indicative of what extreme neoliberal and free-market policies drive (as these have been the predominant economic policies implemented in in all 'advanced' economies and later implemented in emerging markets through international institutions such as the IMF and the World Bank). Since the 1980's when these policies began to take effect, income inequality, already alarming, began to rise to pre World War 2 levels (see charts). Even during the financial crisis (or better named economic system collapse), when the poor were hit worst by the financial instability, in most advanced economies income inequality worsened dramatically between 2007 and 2011 when the study was concluded.

This shows that the economic system is heavily geared towards the wealthiest and most influential, where in times of economic difficulty instead of income being distributed more widely, it is being concentrated in the hands of the few richest (the below chart demonstrates this through the change in the Gini index, an indicator of income inequality).

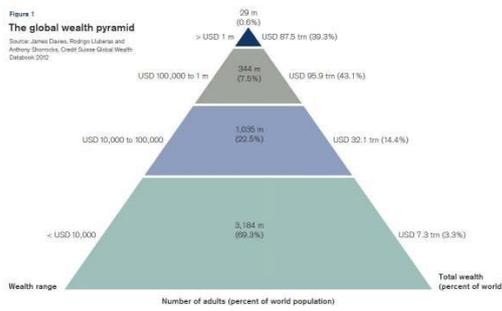


Source: [www.ibtimes.com](http://www.ibtimes.com)

The above information is looking at annual incomes not wealth (or net worth). When looking at how global wealth is distributed and how this worsened during the period of financial upheaval the findings are far more disconcerting. Considering the importance of wealth in our current economic system, wealth can be summarised as the control of the entire economy in terms of the control of resources, and the cycle of extraction, production, disposal and consumption.

As shown in the chart below, the top 8.1% of the world population hold over 80% of the global wealth while 70% of the world population hold 3% of global wealth. This poses a major question on how democratic our states can be, considering the immense lobbying power of influential interest groups.

Meanwhile transnational corporations, controlled through institutional investment funds and a complex web of associations and secrecy using financial safe havens, control a large part of this wealth. 29 of the world's 100 largest economies are companies. The value of capital assets owned by the world's 50 largest corporations increased by an astonishing 686% between 1983 and 2001 [B. Roach, 2007].



Source: [www.ase.tufts.edu](http://www.ase.tufts.edu)

As industrialisation climaxed in post-war consumerism and neo-liberal economic policies ensured the uninhibited funnelling of the riches to the influential Superclass, this economic model we inherited was already showing signs of either consuming itself or the planet - in either case would go down with it.

Why is this model explosively self-destructive? Well, firstly because what we know already doesn't work is being adopted as the "example of modern prosperity" by emerging economies who are expanding their consumption capacity.

Secondly the growing world population is increasing the demand on the inputs into this avaricious system.

Finally this is coming to collision with what we now understand to be the planetary boundaries of our planet Earth, as a working system.

So instead of our advancing civilisation being one with an optimistic vision of prosperity, it is heading towards "game over", the unwinnable fight, between Us or the Ecosystem that supports our life.

## Planetary boundaries and the ecosystem in crisis

It has ultimately needed planetary boundaries along with extreme social tension to come together in shedding light on the insanity of our civilisation. The 'collective pathology' that has led here has become the "global norm" in human 'advancement', whereby the concept of has taken a very narrow and disjointed perspective, compared to one that would facilitate sustainable coexistence.

The recent article in the Guardian newspaper captures the urgency of the time we live in, summing up the accumulated knowledge on our ecosystem in crisis:

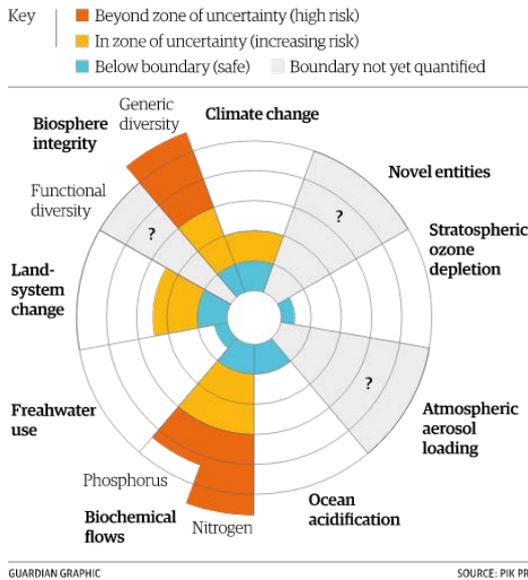
### "Rate of environmental degradation puts life on Earth at risk, say scientists"

Source: The Guardian

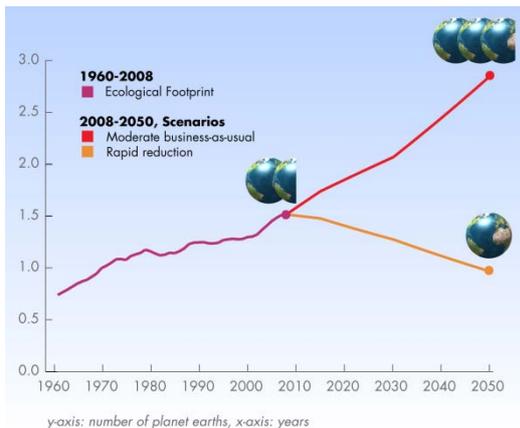
The article highlights that we are in a danger zone in respect to several critical ecosystem services and have even gone beyond in some cases.

As the Global Footprint Network latest report found: Today humanity uses the equivalent of 1.5 planets to provide the resources we use and absorb our waste. This means it now takes the Earth one year and six months to regenerate what we use in a year. This excludes the cost of recuperating some of the chronic damage we are causing to the earth system itself, which is undermining the very system's ability to recover.

## Planetary boundaries



Annie Leonard (in her 2007 [video](#) The Story of Stuff) said: If we all adopted lifestyles like North Americans today, we would need between 3-5 planets to sustain it.



Thankfully, experts and scientists are explaining to us that we are in trouble and we must change course urgently - and in response people are increasingly joining forces to create an alternative.

Although the chilling realisation of the depth and breadth of global crisis is also being heard at influential levels, across institutions and political circles, and is to some extent being translated into policy, it is proving to be a struggle to implement top-down, mainly because the alternatives required pose a direct challenge to the status quo.

The mainstream idea of globalisation has been largely dominated by the perspective of the established power base and institu-

tions. This has been shaped on the wonders of free trade, global finance and a globalised labour force. This perspective on globalisation is not geared to address our common problems.

Despite the resistance, established institutions are a source of a great deal of valuable information, know-how, and also funding.

The European Commission video for the Horizon 2020 programme, promising the better future, provides funding for what they refer to as **bottom up** and **collaborative** innovation, focused on the circular economy:



[\(Watch video\)](#)

## The response

**We know that humankind is responsible for the causes of the many challenges** described above. We also now see that a combination of technological advancement and the coming together of people on a global level is creating an alternative to what we inherited.

We must also give credit and value to the many positive aspects of our heritage, accepting that this same system has provided prosperity and education for many, and enabled the technological advancement that is now driving the collaborative globalised communities. In parallel to the top-down globalisation, technological leaps together with advancements in knowledge have enabled a different kind of globalisation; one that is sprouting at all levels of society, at grass root level, but also across all organisations and institutions. This globalisation is leading to what we could refer to as the transversal global community.

The emerging **collaborative and circular economies, supported by transversal globalised communities** are the key building blocks towards the ultimate solution for these challenges.

This is a response to the current crisis which is unique in human history in the way it takes an inclusive and global perspective in tackling what are common problems - yet the solutions are often applicable locally at community level.

What is also promising is that solutions and applications that are emerging are severely disruptive to the conventional established systems, changing the way society is organised, the distribution of political power and wealth, and the workings of the entire economic system. This is the radical change we need if we want to change course as quickly as we need to.

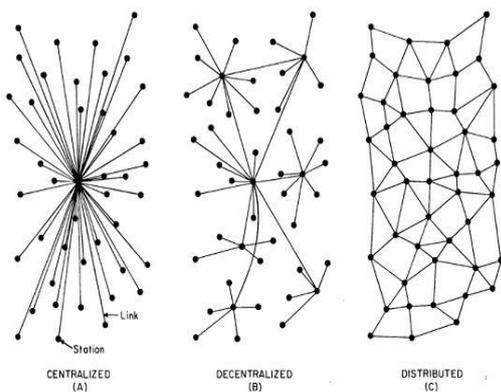
There is also much hope in that many new lines businesses and areas of economic activity are emerging at the corporate level that are prospering from the emerging economy. This is providing impetus for growing the "green economy".

At the grassroots level, access to information and knowledge, is helping provide a general level of awareness that is inspiring and motivating change across societies on a global scale.

So, the disruptive changes we see emerging can be defined in 3 key dimensions:

1. Transition from silo hierarchical organisation towards transversal mesh organisation.
2. Collaboration in social, economic and political activity - a transition from the individualistic perspective to one of community.
3. Circular economy based on the cradle-to-cradle principles and nature mimicry.

### 1. From Hierarchy to Mesh- Decentralisation of control



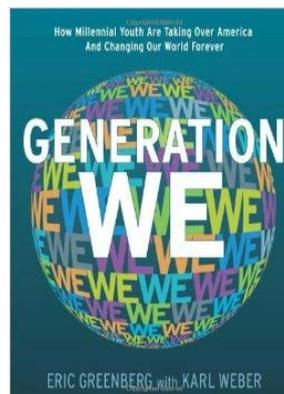
Centralized, Decentralized and Distributed Systems (Paul Baran, 1964). [Source: www2.cffn.ca](http://www2.cffn.ca):

We see that access to information and ability to connect through technological applications is enabling a way of organising activities between people that has never been possible before. This is particularly disrupting the conventional political and social systems and institutions that have been controlled top-down through a hierarchical organisation. The main effect of this change is the transversal distribution of power and the inhibiting of the system that funnels wealth and control to the top of the pyramid.

One very visual example of this decentralisation which has been enabled by technology is related to energy and the off-grid movement. Communities are emerging that generate their own energy (off-grid) and manage their own water supply. These are good examples of how new emerging models are challenging established centralised control. Decentralised solar panels can provide energy to homes and even supply excess energy to the grid to be consumed by others. This is clearly disruptive to established centralised energy generation and reaches as far as influencing the geopolitical landscape of energy dependence.

### 2. From Individualistic-Competitive to the Collective-Collaborative:

This is sometimes referred to as a transition point from the Generation Me, Me, Me (as popularised by Time magazine front page), to the Generation We, We, We.



[Source: www.amazon.com](http://www.amazon.com):

The principles behind these new approaches are one of coexistence, principally in the sense of achieving a symbiotic relationship with the Earth and with one another -

this opposes relationships than have principally been predatory and competitive respectively. There is also the notion that through collective coordinated action, rather than individualistic competitive action, we will be able to achieve coexistence on both the social and environmental levels.

This is something that transnational institutions can foment but have had difficulty implementing through policy alone.

One example of the collaborative approach is the sharing economy. A sharing economy thrives on the idea that an idle good, service, space or even time is one that should be offered and shared, not to be sitting around idle.

The concept has been applied in many areas, such as transportation, logistics, finance, food, goods, services, utilities etc. The concept is also being embraced by governments, municipalities and corporations, in a more institutional rather than social application.

As a result of the collaborative mind-set, there is also a shift from the idea of ownership to that of use. This creates markets for example where a product is offered as a service or a service is offered on a per-use (or licenced) basis, rather than outright ownership. Also, beyond the idea of merely using excess capacity is the notion that collaboration on a communal level enriches lives.



Source:  
[www.slideshare.cdn](http://www.slideshare.cdn)

Another approach of collaborative consumption, which is related to the circular economy, is the principles of 'reduce, reuse, recycle, repair'

methods of dealing with waste from cradle to grave.

Also based on **collective action** and **ethical principles**, new economies are emerging. For example: Crowd financing is providing an alternative to traditional models. Ethical investors are questioning where funds should be invested. Ethical consumers demand transparency throughout the supply chain. Collective action is organised through the internet to demand change and enforce transparency.

Cryptocurrencies and local currencies are emerging to challenge traditional forms of exchange. Cryptocurrencies are offering a

global medium of exchange, eroding away transaction fees and 'middlemen'. Communities are reverting to bartering in some cases, through exchanging goods, services or time (for example through time banks), or creating local currencies based on local ring-fenced economies.

The chart below shows the leading companies in the sharing economy landscape - mainly a North American perspective. There are many other local solutions which are not charted, such as for example the collaborative consumption platform for direct Farm-to-Consumer organic food delivery; "la colmena que dice sí" in Spain, run by "**the food assembly**", first established in France.

### 3. The Circular economy: From Cradle-to-Grave to Cradle-to-Cradle

The second category relates to an overall shift from defining unused value as waste to creating value from this waste. The other driver is the recognition that the linear production and consumption model of cradle to grave is entirely unsustainable both in energy and resource intensity and in the amount of waste it generates throughout the entire cycle of extraction - production - distribution - consumption - disposal.

### The ecosystem and society rule-not the markets

These ideas of symbiotic and collaborative coexistence are very well enshrined in the ecological schools of thought, such as the principles of ecological economics, however they are entering mainstream conscious through increasing general awareness.

The idea that the earth and its ecosystem are a complex system of interacting and related elements, as a living body, were popularised by James Lovelock in his explanation of the Gaia principles. Also the idea that our linear production systems, cradle-to-grave, go against basic natural principles of the ecosystem, because they produce waste, something that does not exist in nature, were popularised by William McDonough in his work on cradle to cradle principles. In essence we are learning through observing and understanding our natural environment, and through

biomimicry intending to imitate the natural system so that we can reach a symbiotic relationship.

The principles are simple enough to understand. If nature does not produce any waste, considering that all outputs from any system or subsystem is an input to another, then why are we humans producing so much waste that cannot be assimilated by nature (a shocking enough example is the seventh continent, "Great Pacific garbage patch").

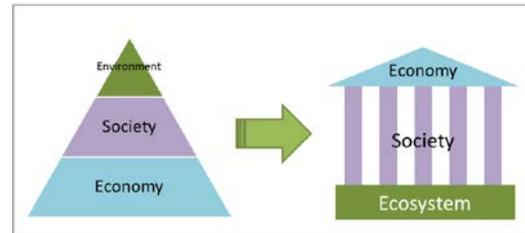
With cradle-to-cradle approach, only two types of waste are permitted: synthetic waste that can be recycled or up/down cycled to be input into further lines of production, (without disrupting biological systems), or 2) bio waste that should be reused or assimilated into existing natural processes.

Looking at Maslow's famous pyramid, the higher aspirations are great, but there is also the basic principles of survival at play. As we see that our entire civilisation and species is being threatened because of the disequilibrium caused to our life support system (by anthropological activity), we realise that we must take urgent corrective action. In addition the social systems we put in place are also either falling short or were never designed to deliver justice.

At the same time a system that overlooks the value of the ecosystem for short term economic gains is denying the intrinsic value of this vital system. Global ecosystem services in 2011 were valued at \$125 trillion per year. Comparatively, GDP was \$46.3 trillion per year in 1997 and \$75.2 trillion per year in 2011. - [See more at BES.](#)

The diagram below pictures the type of transition in the organisation of our societies. In today's world primacy is given to the economy (and as we know this is driven top-down by an established elite). Society and the environment are shown as being supported by the economy. The environment is given relatively minor importance, for example when compared to labour rights and human rights. In this model the primacy of the ecosystem as a whole, as being the life support system that underpins healthy communities is overlooked. It is a primarily industrial perspective designed by industrialists who have viewed people and the environment as resources that have to be managed. In the target model however, the ecosystem is at the foundation, which supports all life. Society

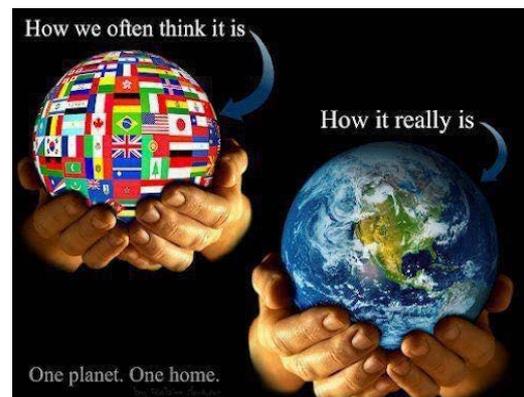
are the collective of people on the planet that act to drive a healthy economic system which evenly pivots over society - ensuring the distribution of resources and wealth to help society manage world affairs.



The new frame of thought is at loggerheads with the mindset that has driven most of the industrial period, especially those after the second world war. In the post-war period the 'linear production-consumption model' was 'put on steroids' through the adoption of **planned obsolescence** and **perceived obsolescence**. In the heist of growing the economy (at all costs), consumption became the ideology of prosperity and the vital pivot of the economy. Our minds became consumed by how quickly we could produce, consume and dispose - we lost sight the real world we live in.

## Tragedy of the commons

Apart from the failures of the linear production-consumption systems (and its supporting hierarchical economic and political structures), there is also the failure of this system in the way it deals with what are called social and environmental "exter-



nalities". In this system such collateral effects are considered outside the process (i.e. they are not accounted for), which is precisely the root cause of the serious social injustice issues and the grave environmental degradation.

Considering these collateral effects are built into the system, i.e. faulty by design, we consider them almost an unfortunate necessity. The built in failure of the system is what has led to what is known as “the crisis of the commons”. This means each individual action takes precedence over the collective action, resulting in what we all share to be neglected. Therefore in the end we all lose out - our individualistic actions come back to haunt us.

The emerging ideas and actions of **conscious consumption** and collective consumption aim to account for these externalities.

The circular economy aims to internalise the social and environmental costs into the products and services we use, or even better, to minimise the impact of these costs in the first place.

## Global Awakening

A wider concept that encompasses all these ideas, which is also emerging could be named the “global awakening”. In the political sense we can refer to Zbigniew Brzezinski (former U.S. national security adviser, trustee and counsellor at the Center for Strategic and International Studies (CSIS)) when he said; “global problems are compounded by issues such as climate, health and social inequality. For the first time in history almost all of humanity is politically activated, politically conscious and politically interactive. Global activism is generating a surge in the quest for cultural respect and economic opportunity in a world scarred by memories of colonial or imperial domination. This he referred to as the “the global political awakening”. Outside this specific interpretation, there is also the notion of the wider “global awakening” which is based on an idea that humanity as a whole is reaching a critical mass of awareness that is leading to a fundamental questioning of how we relate to the planet and with each other. This notion also plays in the consciousness of those who embrace the collaborative consumption model, inspired by ideas that we are fulfilling a deeper need of responsibility and community.

Also with regards to shifts in human consciousness and environmental awareness, it is said that the environmental movement began to take mass form and extend glob-

ally because of the photos that were seen of the Earth taken from the Moon.

As the astronauts landing on the moon in 1969 commented:

***“[The Moon] was a sobering sight, but it didn't have the impact on me, at least, as the view of the Earth did.”***

[Frank Borman, Apollo 8, Interview for the PBS TV show Nova, 1999.]

***“It suddenly struck me that that tiny pea, pretty and blue, was the Earth. I put up my thumb and shut one eye, and my thumb blotted out the planet Earth. I didn't feel like a giant. I felt very, very small.”***

[Neil Armstrong]

However, besides this photo many other factors have since enhanced our awareness of the wholeness and finite nature of the planet we live in.

On a social level, it is likely that this awareness of the planet as one whole finite and complex system has played a role in our ideas that the humanity that occupies it is also one humanity with shared problems and aspirations.

These globalised and communal ideas that led to the term coined **“the global village”** are also eroding away the traditional views entrenched on national frontiers, partisan lines and religious ideology (that are in themselves shaped by power-politics and geopolitical interests of the past).

In an optimal peaceful solution to the above challenges, the globalisation of the Elite through well-established institutions will come together with the more subtle globalisation of communities; and appreciate a common understanding that the finite and complex earth system we share is indeed a common responsibility. We shall all work together to preserve it. For this to happen, the organisations defined around exploitation, competition and top-down control need to make way for the transversal collaborative communities to emerge and take action. A truly collaborative approach would be achieved through the democratisation of these institutions to work to serve the planet and people as whole.

There is a huge amount of work to be done and enormous opportunity to work together to bring about these changes.