

Hong Kong Trade Development Council

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Chandran Nair

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Interviewer: Martin Evan-Jones, Editor, Research

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Globalisation and sustainability are major themes of the Asian Financial Forum 2012, and Chandran Nair is certainly looking at both those things. Chandran, thanks indeed for joining us. And really looking at globalisation, that's a big theme, how do you see that?

Yeah, I mean you are right to say that. Globalisation can mean a range of things to a whole host of people. I mean, for us, our key interest is in what is termed the “shift of economic power from the West to the East”, and therefore how this part of world responds to that shift, particularly with regard to what I call, “human progress” and what that will look like in the next 50 years, if we follow certain paths of development or reject other forms.

So in rejecting consumerism, what is it you are really driving at?

I think in simple terms, I think we are at the stage in human progress and development of the 21st century where this part of the world which will be the most populated by 2050 – five to six billion people – will have to reject the orthodoxy of the Western consumption-led economic model which essentially thrives from underpricing resources and seeks to relentlessly promote consumption even over consumption — what I call “buy one get one free.”

But people in Asia also want those consumer goods, what do you have to say to them?

They will want all of those things, like most human beings want a whole host of things. But the reality will be, which what I argue in my book, they can't have it. And the reality will be that unless policy makers come to terms and stop being in denial, that not everyone can have everything and therefore what does equity look like for the majority, we will create a very bleak future. So I argue, for instance, that, you know, car ownership will not be a human right. We need more cars in Asian cities like I need a hole in my head.

And really talking about your book, you address the question of "consumptionomics," but what's really wrong with consumerism as such when people really want goods?

If you look at the population of Asia today, 3.5 billion people, the consuming classes are perhaps about 600-700 million at the most, so the majority of the people in this part of the world are not in the consuming classes. The majority of the people in this part of the world actually don't have access to the most basic rights, which are the ability to consume – if I can call it that way – safe and secure food; the ability to consume water and sanitation – the majority of people in this part of the world do not have access to safe water and toilets and more people today in this part of the world have access to mobile phones than toilets; the ability to consume proper housing – the majority of people don't have proper housing. So I am not against consumption, what I am arguing that we should do to create safe, and therefore more socially secure societies is to create progress – call it development, that caters to the needs of the majority who are disenfranchised. The current economic model suggests that somehow by promoting consumption through the economic model of the West, everything will trickle down. The evidence is very clear, things were not trickled down and the majority were left behind.

If I may say so, from what you say, it sounds as if you are rejecting the whole concept of American consumerism, the idea that you can have a good life, and surely Asians want that same thing?

I would refrain from using words like anti-American or anti-anything. All I am suggesting is – and I think most thinking people would agree with me – that if you look at the American way, it is about consuming as much as you can and essentially incurring debt.

Well here in Asia, China seems to have really taken on board the idea of that American consumerism for the last 30 years, so do they turn the clock back?

Well, I do agree with you that China, it goes back to my point about Asia being intellectually subservient, followed an economic model that was seen to be the only one, and the dominant one, and therefore accepted it and therefore China

signed up to the WTO. But let's also understand that this was essentially the only thing on the menu, and China had to enter that to become part of the developed world. And they can't have it – which is a more important thing. And therefore this will be the challenge in the political system in China but also elsewhere in the world. Not every Chinese or Indian can have a car, this is absolutely not going to be possible. So they are going to have to take action. And therefore I argue in the book – political intervention will be critical. This is the antithesis of everything in the Western economic model which refuses to acknowledge that you need political intervention in deciding what people can and can't have in terms of the levels of consumption.

So Chandran, would I be right in saying you are looking forward to moderating the forum, and say many of the things that you've said today?

Absolutely, I mean this is why one is, you know, flattered to be invited to this sort of forums. And I am delighted that even with my message, I am being invited. Usually one feels like a bit of a pariah when he talks about these things. But I think in this part of the world – places like Hong Kong – there is a great willingness to listen to a new narrative.

Your organisation GIFT is based here in Hong Kong, so how do you marry the idea of Hong Kong with the ideas that you have?

Well, I think we need to be very clear that the notion of sustainability is not about being a "hippy," it's not about living in some remote part of Kalimantan and eating vegetables and granola for breakfast. That is not the world we are talking about. I do acknowledge that it is about changing much of the ideas we have. I choose Hong Kong because you know, with some personal circumstances I am here. But Hong Kong is a very, very important place in terms of an urban area to get some of these ideas across. It's a financial hub, and if you are to influence people, you need to be in places where influential people are.