Adrienne Buller

Andrew: Hello and welcome to Bristol Ideas. I'm Andrew Kelly. I'm joined today by Adrienne Buller, Senior Research Fellow at Commonwealth. Adrienne has written for *The Guardian*, *Jacobin*, *The New Statesman*, *New Left Review* and *Financial Times*, among many others. She is the author of *The Value of a Whale: On the Illusions of Green Capitalism*, and co-author with Matthew Lawrence of *Owning the Future: Power and Property in an Age of Crisis*. Thank you, Adrienne, for joining me today.

Adrienne: Thank you so much for having me. It's a pleasure.

Andrew: For nearly 20 years now we've been in a period of intersecting and systemic crises. And there's worse to come, especially when you consider the impact of climate change. Your two books cover these crises, but also contain many ideas about solutions to these. And I want to talk about some of these today, but could we start with vision, the kind of society that you'd like to see and the kind of society Commonwealth would like to see?

Adrienne: I'll start with Commonwealth and build from there. We are a not for profit think tank. And what we focus on is the question of democracy as it pertains to economic life. So thinking about democracy as it extends beyond participating in maybe a national government ballot box style vote once every few years, thinking about how systems of democratic governance could extend into many more parts of our lives, whether that's having more participation and voice and empowerment in the workplace, for example, where most of us spend the majority of our time and often have relations that are defined by hierarchy or domination. So thinking about ways to change that and also extending it to governance and the organisation of all the systems that provide the fundamentals that we all need to survive and to thrive in society. Thinking about how ownership and democracy could feed into water systems, energy, food systems, transport, all of these very fundamental areas of life that right now are organised in quite an undemocratic way, organised around private sector interests. And thinking about how we could change that.

Vision wise, I would definitely want to see a much more democratic economy, where all of those fundamental systems are owned and organised around meeting human and social and environmental needs and the extension of democratic principles into many more facets of our life than it currently is.

And of course, lastly the book *Value of a Whale* is really about climate and biodiversity, thinking about how we could organise the phenomenal wealth that we have and that we produce in the world and the incredible resources we have available to us to give everyone a thriving existence, and thinking about how we can distribute that and organise that in a way that both serves people much better than it currently does, and also does so within the limits of not contributing to biodiversity loss or an accelerating climate crisis. That's the grand vision.

Andrew: We face many obstacles to this vision. One of them is about the ownership of assets, which is the other book we're talking about today. Tell us about that as a problem.

Adrienne: Our work at Commonwealth and *Owning the Future* really focuses on this. It looks at how ownership and the nature of the rights and privileges granted to specific forms of property and ownership…organises production and structures the economy according to certain imperatives and in service of certain interests. In the UK, as well as in many other peer countries like the US or Canada (where I'm from), we have economies organised predominantly around a single form of ownership, which is private corporate ownership, private individual ownership of assets. And that might be financial assets or it could be land or it could be, as I mentioned before, the companies that provide basic services.

As a product of that, all of those assets are used for one very narrow set of interests which is to maximise returns for whoever happens to be fortunate enough to be the owner of certain assets. And so, in every sense, ownership and the distribution of it and the nature of rights and privileges attached to that, whether that's limited liability in the case of corporations - so shareholders having limits on how much they're on the hook if a company fails, for example - all of these privileges organise our economy in a very specific way.

I think the outcomes of that are often very clear, whether it's crumbling public services in many respects, from energy to water to transit, whether it's escalating inequalities in wealth and therefore voice in the economy. All of these things, I think, are intimately related to questions of property and asset ownership.

One of the things that I talk about in both books is, over the past couple of decades, there's been a significant shift in how ownership is defined and how it's distributed. In the 1980s, the neoliberal, if we can use that word, revolution through privatisation and the opening up of financial markets accelerated a shift to this private ownership. But then in the wake of the financial crisis, there's been what I would articulate as another interesting shift in ownership and its role in our economy. And that's the rise of big asset management firms, which is an industry that does what it says on the tin. It manages assets on behalf of those who have them, could be a rich individual, it's often a pension fund or a university endowment. And over the past 10, 15 years, there's been an explosion of that industry, but also massive concentration within it, so that we now have just a handful of firms, three, maybe four, probably US based, who dominate ownership, not just of financial assets like stocks or bonds, but also increasingly of real estate, of commodities. And that's the case across the globe, across every kind of economy.

That's having real implications for how economies are organised and what purposes companies might pursue etc. I would say that asset ownership is really a vital structuring force, particularly in economies like the UK which have been so privatised over the past 40 or so years.

Andrew: Would you say one of the starkest examples of that is the housing crisis? We simply aren't building enough houses. The wrong people are building houses. Not very far from me is a big development which is going to be not just funded by, but owned and rented out by Lloyds Bank, for example. This is growing, this ownership of property by big corporations for rental.

Adrienne: One of the things that we all talk about at Commonwealth is one of the most subtly transformative policies of our lifetime in the UK was right to buy. The Thatcherite policy of the ability to purchase social housing [has] been utterly transformative, both in a practical sense in this mass selloff of social housing and its transfer to private ownership and those markets, but also in gradually the attachment of individual's economic outcomes and their economic security and dignity, that tethering to home ownership as a fundamental indicator of, if you will, have a comfortable and dignified retirement, whether your children will be better off than you.

All these questions have become fundamentally tied to the ownership of a house as an asset, rather than thinking of housing first and foremost as a safe, secure place to live and inhabit. And the impacts of that definitely in the UK are quite evidenced. And as you're pointing out that's been more recently started to be accelerated by interest from financial investors in housing as an asset.

In the US, this is much more pronounced. There's a few big private equity investment giants that are buying up properties. It began again in the wake of the 2008 financial crisis when there was all sorts of foreclosures across the country, buying up those homes, building new developments and becoming professionalised financialised landlords. And that is gradually coming to the UK as well. It's just a more extreme version of what was set in motion several decades ago that was fundamentally seeing housing not as first and foremost a basic need, but as an economic and a financial asset.

Andrew: We did a big project in 2019 looking at the centenary of the council estate, and Bristol was one of the first parts of the country to have a completed council estate. And this gave us a chance to reflect with many people their own experience of housing, particularly those of us, including myself, who grew up in council property. I often think how my life might have worked out differently if my father and my mother hadn't had that council house to live in, which gave them decent rent, security of tenure, and then they could go on and do all the other things that they did in life, whether work, or my mother predominantly bringing up a family and doing huge amounts of voluntary work. The major problem we'll have, I think, is those people who are continuing to rent through their life, who spend so much on rent, who can't afford to invest in a pension, and they get to the age of 65, 68, whatever, and paying huge rent without any income to back that up.

Adrienne: And have no security whatsoever. What's interesting as well from the political perspective is that there is, at least for progressives who often want to see a different kind of housing policy or policy around pensions, around wealth and income taxes etc, there is this incredibly entrenched and quite probably cleverly designed block of homeowners where any policy that infringes on homeownership as a fundamental right - or as the correct way to organise housing and our economy more broadly - is incredibly politically toxic and borderline non-viable, whether you are the Conservatives or whether you're Labour.

It's a real quagmire for Labour to get out of thinking about alternative housing policies. You've often been hemmed in by the fact that economic security is now so profoundly tied to ownership on an individual private level of housing that it's really difficult to untether. I think what you've pointed out there will be interesting to watch in so far as the increasingly extreme insecurity of the system for many might end up becoming that system's own grave digger. If you have, as you pointed out there, an increasing situation where my generation, people slightly older or younger than me, never being able to get on the housing ladder per se, not having access to pension security, not having access to any of these basic fundamental sources of dignity, may finally put some cracks in what has been a watertight system and political base for several decades now.

Andrew: I want to come on to *The Value of Whale*. Just before that, you talk about three tests for solutions put forward. Does it work? Does it work in a way that is durable? And does it create a future that is actually worth living in for the vast majority of people around the world? when you have those three tests, you can apply them to all the kind of ideas that you put forward, not just in the *Value of a Whale* book, but also in *Owning the Future* as well.

Adrienne: It sounds obvious now to say that I should apply it in both senses, but I've never really considered it. It was something that came for me out of looking at climate policy, which I guess we'll get into through *The Value of a Whale* and feeling as though our adherence to the norms and ideas that tend to predominate in economic and political circles in most policymaking tended not to actually engage with those three questions. A lot of the time, setting aside the question of 'Does this policy actually set out or accomplish what it sets out to do?' what I found perhaps surprising, perhaps unsurprising, is just how infrequently that first barrier is met in a lot of policymaking, because we tend to have to wedge everything through the prism of the dominant economic thinking that we operate within. So 'Is this viable in terms of functioning in a market based sense? Can this generate returns? And is this something that won't increase public debt?' All these questions tend to restrict the solutions that we even consider viable and that often compromises that very basic hurdle of 'Will this actually give more people access to safe housing? Will this actually cut emissions? Will this actually preserve biodiversity?' All these questions.

Andrew: Let's start with *The Value of a Whale*. This came from the IMF, the International Monetary Fund, assigning a value to whales in terms of tourism and also carbon sequestration. I've been campaigning for a long time about the natural world, and constantly looking for rationales to make the case. One of the things that's disturbed me most in recent years is this development of natural capital and the idea that you can put a value on something which should be valued simply for itself. You contrast the IMF putting the value on the whale, with you seeing a whale when you were seven.

Adrienne: It's a very striking study which has now become not credited to my book but blew up. A lot of organisations have subsequently covered this story. In 2019 the IMF published this study trying to make the case for whale conservation. What I try to get across and maybe fail to in the book is the idea that I think in this instance, as in many of these instances, the intentions of the study and of the undertaking were good. In good faith, these researchers set out to try to evaluate what a whale is worth economically with the idea that this is necessary in order to save them and to see them as participating in our economic system. And that, to me, perfectly captured the difficulty I have with so much climate policymaking.

This could apply, as you pointed out, to housing, to the way that we produce food or pharmaceuticals etc, there's this idea that everything needs to be evaluated through the prism of its role in supporting a capitalist economy and therefore, by extension, supporting financial returns, profits, GDP growth, without which capitalism ceases to function. As someone who grew up - and was lucky enough to grow up - on the west coast of Canada, in British Columbia, where I was very fortunate to be embedded in pretty exquisite nature for a lot of my childhood, it just immediately registered as a shock that a sentient, feeling being like a whale could be distilled down to a single price tag. The rest of the book develops from there, which is this question of 'Why do we feel the need to funnel all policymaking through this prism of economic returns?'

Andrew: I want to talk about three areas in *The Value of a Whale*, because there is this view that capitalism is the only solution. You point out it's put forward by Bill Gates and Mike Bloomberg and Mark Carney and others. And I hear it talked about here as well in Bristol, although Bristol has many more radical areas of activity as well. Take, for example, carbon pricing. This is one of the green illusions that you talk about.

Adrienne: This was, maybe, the most controversial argument in the book. And it's a difficulty that I had in writing the book - and that I still have in discussing it two years on, and that will probably never go away - which is this tension between the fact that many of the policies and solutions that we pursue that are market based and that are integrated with capitalist logics, are not delivering on their promise and probably are unable to. On the other hand, is the fact that time is short and dear and political revolution and a total shift of the economic system is difficult, to put it gently. Trying to understand what can we reasonably expect and pursue that sits between those two facts is really difficult.

Those three tests that you set out a few minutes ago are the starting point for me. So the first question, and we'll look at carbon pricing in this respect, is 'Does it work?' And then the second, 'Does it work in a way that is durable?' And then thirdly, 'Does it create a future that's worth living in as opposed to just habitable?' And woven through all of those three is this question of justice. So does it create injustice for many, which is often the case with many of these policies? I think that is something that, particularly when it comes to the climate and ecological crises, is not just a nice to have, as many people think it is, but absolutely a need to have insofar as climate and ecological crises are so intertwined with the profound inequalities in wealth, income, consumption, waste etc, that we see both within and between countries.

I'll set that out as the framework for which I approach this question. People may contest it, but that's the way I rationalise problems.

Carbon pricing is the default position of economists engaging on climate. Bill Nordhaus, William Nordhaus, is probably the most prominent climate economist in the world. He talks about the carbon price as the single most elegant inevitable resolution. Other economists talk about it as the breathtakingly simple answer to all of our problems, which raises the questions, 'Why have carbon prices not been universally applied? Why are they not being done in a way that is effective at cutting emissions at the pace that we need? And why are they so politically contested?'

I think carbon pricing is something that is theoretically very elegant but very quickly comes up against a lot of pragmatic issues. So the idea of the carbon price or of putting a value on a whale is that, right now - because we don't price these things - the market as a system can't engage with them because within the market, price, dollar, exchange, or pounds, is the only language with which actors can speak to each other, can interact. Unless something has a price, the market can't properly engage with that and therefore you get what economists call externalities. We don't price carbon emissions, therefore we overproduce them because the people producing them don't have to pay for the consequences and impacts of those emissions. A carbon price says if we put a price on carbon, we'll bring it into the market, internalise it to the market, and then actors in the market will just brilliantly resolve the problem, find ways to cut that cost out of their operations. So again, very elegant as a concept.

There are many difficulties in enacting carbon prices from the very basic political resistance. If they're done crudely or designed poorly, you can end up raising the basic cost of living for people at the lower end of the income spectrum. That's created a lot of resistance in countries like Canada. You can think of the gilets jaunes, the reaction to the fuel taxes as a version of that.

Then the more fundamental questions for me are about what a carbon price would actually deliver. The idea is that putting a price on carbon will gradually have people eliminate that from the market. But there's a brilliant paper that I cite from an academic called Cedric Durand, who outlines this much more articulately than I can on this video. He asks for me the very basic question, which is why should we prioritise what markets do well, which is efficiently solving a problem from the perspective of cost benefits versus effectively and justly and strategically resolving that problem over the long term with strategic public planning. And in the question of carbon, I think this is so fundamental because as those of us living in the UK will have experienced this year, carbon and fossil fuels by extension, are so embedded in every aspect of our lives, from access to energy, to food, where food prices are intimately related to rising costs of gas. And so if you just had a uniform carbon price, which is the dream of the economist, you would by default be treating emissions from food, from heating your home, from transport, as equivalent to more spurious sources of carbon emissions, maybe you drive an SUV or you fly a lot.

I think that is really critical from the perspective of getting to a net zero state, not only because we need political buy-in, we need this to feel and be fair and to have political support, also, because that's the right thing to do.

Thirdly, because I think we need strategic infrastructural transformation of the systems that are very fundamental to our economic model, from transit to food to energy in a way that needs to be carefully planned so that we don't create major harms for many people, often the poorest, in the process of that transition. And so, I think on those tests, carbon pricing doesn't succeed.

And then lastly, the actual empirical evidence on carbon pricing doesn't necessarily stack up in its favour. There's a brilliant meta-analysis of actual existing carbon pricing schemes that I cite in the book as well, which broadly finds that their impact is on average between zero and 2% emissions cuts per year, which is not exactly ideal given the timeline we're facing and is often in disagreement with some of the statements of celebration around carbon pricing that say carbon pricing is effective without having that empirical basis of evidence. And I think that's really important.

Even in some of the more successful examples, the most salient being the European Union's emissions trading scheme, they celebrate 40% reductions, I think, since its inception over the past 15, 16 years. But broadly those drops in emissions are very specific to a small number of industries that they could get politically into this game. The analysis finds that a lot of that is a transition not to clean energy, not durable, permanent overhaul of our fundamental industrial and energy systems, but instead small tweaks to energy efficiency that are inherently limited, or the shift from coal to gas sources of power. Which makes sense if you think about the perspective of market actors, right? They don't care about a term like justice or a permanent renewable energy system. If your concern is a new cost has been added to my operations, I need to eliminate that cost. Those short term impermanent fixes make a lot of sense. And that again, is one of the inherent flaws of the carbon price, is that it's concerned with eliminating that cost, which may or may not be done in a way that is strategic, durable, just, fair etc.

Andrew: The second area I want to ask you about is carbon offsetting, which I've always been suspicious of. Your book confirmed many of my suspicions, particularly how offsetting money is used.

Adrienne: Thank you for reminding me. That's the last bit of the carbon pricing answer, which is, again because a lot of the time, solutions, to use that word, aren't necessarily available. If you're an airline, for example, and there's a carbon price applied or some kind of tax, the ability to just switch to zero carbon air travel obviously doesn't yet exist. Their way to cut costs has to be some other form of participating in what have become carbon markets. So instead of just applying a tax to all these activities, broadly what we tend to see is carbon trading systems, which like the emissions trading scheme in the EU, voluntary carbon markets have absolutely exploded where companies can trade emissions permits for carbon offsets, which effectively say you've paid money for someone in this other country to plant some trees that will offset the carbon that you've created. And these are now essential oil to grease the wheels of carbon pricing as a scheme.

There are many issues that arise from that system a lot of the time. These are policies that involve creating significant injustices for often indigenous or subsistence farming communities in the global South. Really brilliant work from ActionAid, which is a not for profit, tracks land grabs from these communities or conversions of regenerative subsistence farming into monoculture plantations of trees to service the demand for carbon offsets of broadly the comparatively global affluent living in countries like the UK or Canada or the US, who rather than try to actually eliminate carbon emissions from our economic processes, from our infrastructures, from our lives, it's much easier to simply purchase a credit to avoid needing to do that hard work of actually cutting carbon. And carbon offsets come from a legitimate basis. So, there's no real state of true zero when it comes to global carbon.

The idea of net zero comes from that, which is there will need to be some forms of carbon drawdown, whether that is reforestation or other solutions. The difficulty is what is a scientific necessity out of the IPCC papers which say we need to reserve a certain amount of offsets for these remaining residual emissions that we simply can't cut from our systems. And that has been turned into a voluntary system that has completely sprawled and is broadly supporting preventing actually doing the hard work of decarbonising rather than being set aside for residual emissions that we simply can't get around otherwise.

A lot of the time they're also plagued by very basic questions around legitimacy, materiality. So are they actually doing the things they say they're doing? Permanence? You might see, and this happens a lot, a plantation or zone of trees designated for offsets, that then ironically go up in flames in a forest fire and therefore nullify the concept of the offset in first place.

All these questions plague the system. And this is what happens when, again, we decide to hand over authority over how we pursue the incredibly difficult task of decarbonising the global economy to the functioning of markets. Markets are good at some things, but my contention would be delivering rapid and just and permanent decarbonisation in a strategic way doesn't seem to be one of them.

Andrew: The third area is ESG. Here you've got major investment companies who control staggeringly large amounts of money, BlackRock, Vanguard and State Street, involved. What's behind ESG and does that deliver anything with the power that these companies have?

Adrienne: ESG stands for Environmental, Social and Governance Investing, for those who don't know, although many of us will now have been offered, through our pension fund, an ESG option or a climate friendly option. It's becoming increasingly mainstream as a concept. But it broadly speaks again to this idea that we need to massively shift investment because right now we're funnelling it to the wrong things, like expanding fossil fuels or to arms and cluster bombs or the tobacco industry, whatever you might consider to be a negative destination for finance. And if we just establish this set of agreed criteria, then investors can be relied on to shift allocation into these better areas, whether we imagine that might be clean energy or other socially beneficial companies.

Again, sounds nice as an idea, but very quickly the proof is in the pudding. And so ESG broadly is dominated by funds that are investing in stocks and bonds. That's what most of us have access to. And it's a system that is, I think a lot of the time, criticised for greenwash. So, you might see funds that claim to be climate friendly, but they're investing in fossil fuels, for example.

That to me is absolutely a problem, but it's actually not the core issue at hand. This comes down to a question of how we actually think about what we're doing with ESG. ESG is designated or based in the idea of reducing financial risks. And what I mean by that is: I'm an investor, I can see that climate regulation is coming down the line. I can see that human rights violations might create massive losses for the companies in my portfolio. And so to minimise my exposure to those risks, I will invest according to ESG criteria because I think it's going to be better in the long run for financial returns. So, this whole idea of doing well by doing good for the world, minimising your exposure to these risks, a fundamentally different question than minimising those, like the genesis of those risks and actually contributing to alternatives, to eliminating those issues from the economy.

An example of this is flagship funds from the big managers that you name, whether it's BlackRock or Vanguard, they're top ESG funds, you might expect very reasonably to see big renewable energy firms or social purpose companies dominating those portfolios. But instead they tend to be just versions of mainstream economic or financial indices. Those are baskets of companies that funds might invest in. And they just cut out a couple of the bad companies and then broadly are filled with your generic S&P 500s, the big 500 corporates. So the Vanguard Fund, last time I checked, its top holdings were what you'd expect: Facebook, Amazon, Google, big financial firms, big pharma. That is not unique to Vanguard. That is a feature rather than a bug of the logic. Because if what you're saying is I want to reduce my exposure to the risks of the fossil fuel industry, that's not the same as saying I want to invest in this transition to a green energy system. And that is a fundamental flaw in the ESG system.

We've done work at Commonwealth looking at all the climate funds that are offered in the UK. And again, they're chock a block full of financials, big pharma, big tech, energy actually came out as like the smallest exposure in those portfolios. And that's the product of this logic. And I think despite that, the idea that the financial system can green itself and everyone can do well by doing good remains quite dominant and is something that we need to contest, again because effectively we do need massive shifts in capital allocation. And if we leave it to a system that is fundamentally just interested in what we're actually trying to achieve, that is cutting emissions and improving human rights and labour rights throughout the economy, it's just not going to achieve that. And so definitely try to raise the alarm on that a lot, although what's been interesting, recently there's been a backlash from the further right wing in the US against woke capital, attacking ESG from a right perspective. It'll be interesting to see what happens to the dominance of the industry as they come under fire - from BlackRock in particular, the biggest managers, really coming under fire from republican state lawmakers - for example. We'll see how it goes.

Andrew: One of the things that I find it so difficult to understand, these companies have immense power. They control a lot of money.

But you have Vanguard, for example, last December pulling out of a net zero 2050 agreement. That's an abdication of responsibility, surely.

Adrienne: It definitely is. As with all things, I will be cynical about their impact. So yes, ESG is one of them. I do think the explosion of ESG reflects something positive in a political sense, even if materially it's not really shifting capital in the way it needs to insofar as it reflects this outpouring of demand from, for example, people with pensions saying, 'I don't want to put my money in something I consider to be bad for the world'. I think that's a really positive shift. I also think the fact that big investors in financial firms or corporations, even though these statements are often incredibly hollow, I feel that the fact that they feel the need to make them is a reflection again of a groundswell of political pressure, which is interesting in and of itself. Vanguard pulling out of the Financial Alliance for Net Zero that was established at Glasgow, - GFANZ, they love sexy acronyms - is in some ways entirely inconsequential in terms of what it means for what their investment practices will be, but is significant in terms of the message I think it sends. And in signalling that there is increasingly contestation of these ideas from the right, and from the business community itself who previously were really gung ho and on board.

Vanguard's an interesting case because they're primarily what's called a passive investor. They track indexes. So rather than having your Wolf of Wall Street guys picking stocks and trying to do better than the market, index investing, which is really popular now - it's actually, I think, the majority of fund assets in the US now - just try to track a list of companies and they say if that if the S&P 500 goes up 5%, my fund will go up 5%. Vanguard primarily does that. What they argue is that it means that their hands are tied when it comes to shifting their investments. And they say we can't deviate from these indices because our entire product is based around tracking them. So, it makes sense they'd be the ones to leave. They're famous for not wanting to rock the boat. But it will be interesting to see what it means for the other prominent investors, BlackRock, because it's a mix of active and passive and because Larry Fink, the CEO, I think, is a much more political figure, their neck is very exposed compared to others. It will be interesting to see what their moves are because I think a lot of the crowd will follow.

Andrew: There was an interesting article very recently in the online journal *Unherd* attacking Larry Fink for being undemocratic. They concluded that his annual letter should just say 'Dear CEO, I'm sorry'.

https://unherd.com/2023/03/blackrocks-tyrannical-esg-agenda/

Adrienne: This is the great irony of the free market ideology. What you have [here], in a capitalist system, is an incredibly successful firm, the most successful investment firm in the US and globally, acting according to what it thinks is the right decision. And in some way, that's a violation of market principles for those on the right when it's a company acting exactly as they should be, it's just that its actions are deemed inconvenient to those who might be climate deniers or don't want to see fossil fuel companies change their plans etc.

Andrew: Moving on to other forms of changing ownership. We’ve talked a little bit about the stock market, but can we make the stock market work better, do you think? You write about this in democratising production.

Adrienne: Yes, that's a good start. We've talked about the question of capital allocation, which I think people really associate with the stock market. When people buy a share, there's this impression that you are injecting new money into a corporation and therefore you are investing in that company, in the sense that you are giving them money to do more things. The vast majority of what takes place in stock markets is not that, it’s mostly shares trading hands between speculators and investors who want to profit from a rising share price. And so you're not actually putting new money into the company the vast majority of the time. You're just buying it off some other investor.

What you actually get out of owning a share is, one, the right to sell them for a return down the line, and two, there are governance rights attached to share ownership. So, you get to cast votes in corporate annual general meetings, which is where various resolutions might be brought about whether to appoint a director to the board or whether you should have rules around wage ratios, whether you should decarbonise your business plans. All these questions can be brought at AGM, and owning a share gives you the right to vote on them. And right now, because share ownership is absolutely dominated by a shrinking number of very powerful asset management firms, we have an incredibly undemocratic system of corporate governance rights. You've got the board, you've got these mega shareholders and you've got workers or customers or supply chain etc, broadly excluded from the governance of the firm, even though arguably they have the strongest case for governance because they know how the production actually happens, they know what they need, they know what problems on the ground are.

Some of our proposals in *Owning the Future* look at this question around the nexus of power between capital markets or the stock market and the corporation and the fact that stock markets broadly just discipline corporations into serving one purpose, which is to disgorge cash to shareholders through the form of dividends or stock buybacks, whether or not that's to the detriment of any other outcome.

We use the cheeky phrase 'abolish the stock market' in the book. I think what we really mean there is - it's a much less sexy phrase - but abolish the attachment of income and governance rights from the share units in the corporation to liberate it from that discipline and bring in the involvement of other stakeholders like workers and other forms of governance, to ensure that the incredible productive and organising and coordinating power of the corporate form can be organised towards meeting socially and environmentally productive and useful ends rather than its single disciplining purpose right now, which is to maximise shareholder returns.

Andrew: One of the areas you write about in the book is the Lucas plan from all those years ago at Lucas Aerospace. I was thinking back last night and I suddenly realised when I was rereading your book that the first event I ever did, when I was a student, was bringing some of the workers from Lucas Aerospace to come and talk to the students about this wonderful idea they had about turning what they were producing then into something positive. And I've often thought about how you made that durable because it is genuinely transformative. But just tell us about that.

Adrienne: The Lucas plan is a phenomenal moment, an example of what we argue for on a grand scale in *Owning the Future*, which is how can it be justifiable that the governance of a corporation or a company is dominated by a small cohort of executive directors and then shareholders who may never have actually even invested in the company in that material sense that we talked about. So you may have never injected new capital into the company, and yet because you are BlackRock or a speculator on a stock market, you get to control and have a say over or how it operates. And so, in the form of the Lucas plan with workers deciding on drawing up a plan for transforming the production that they do, and then serving socially beneficial ends, they talked about heat pumps and wind turbines. That is I think the quintessential example of what we'd be advocating for and reflects that the workers are much more than some absentee shareholder, really invested in not just disgorging cash to shareholders, but in actually ensuring the success and the productivity and the utility of a company. And who knows better how to do that than they might?

Across the economy, we call for a generalised Lucas plan model, which would see a much more diverse array of stakeholders represented in governing production, which is the fundamental source of everything in our economy. That sounds very obvious to say, but governance of how we produce, what we produce, why and in what quantities is so monopolised by a very small elite cohort of investors or executive directors in a way that I think many of us can see is incredibly destructive and not serving the ends that society needs, whether that's decarbonising our energy system or providing many of the basics that people need to survive at an affordable, secure rate.

Andrew: I remember when we were doing this work, and I'm talking now about the early 1980s, how ahead of the time they were when they were talking about things like wind turbines.

Moving on to the second area, democratisation of provision, what's your view about the burgeoning call for universal basic services as a principle for the way we should operate an economy?

Adrienne: In *Owning the Future* we talk about three principles, one of which is democratising production. The second is de-commodifying all the very basics that all of us need to survive, to live good, decent lives, to participate in society. And that could be anything from health and care, which right now is, as many will know in the UK, utterly in crisis, or education or food or energy, water, all of these fundamentals without which we can't participate in society, but which right now are predominantly organised around profit maximisation for particular shareholders. And so, you see soaring rates of child poverty in the UK, of fuel poverty, a cost of living crisis. Obviously there's a lot of exogenous factors there, but there is nonetheless a critical element of organising on a broad scale the provision of all these fundamentals around the profit motive. Those two things are inherently in conflict much of the time, and we can see the impacts of that. We didn't try to have an exhaustive list of what this might be, but in line with the UBS or Universal Basic Services agenda, really thinking about what the justification is for trying to organise something that none of us can do without, around private ownership, private control and provision and profit maximisation - what could possibly be the justification for that kind of a system? I have yet to see an answer that I find altogether convincing, although there are many people that will make it.

Andrew: This is where things like the arguments for prioritising the foundational economy come in as well, don't they? These very basic things that are provided. During the pandemic, we were all happy to clap for nurses and now they can't secure the pay increase that they're asking for.

Adrienne In addition to that, there are all sorts of elements of that foundational economy that aren't even considered in an economic sense. So much care is currently provided right now unpaid, unwaged, and is provided in a way that means that people might not be able to work as much as they otherwise would, and therefore are made poorer, as a result of our societal failure to create these infrastructures of care, something that we would argue should be de-commodified insofar as without child care, without care for the elderly, it's really a shooting yourself in the foot approach to organising an economy. Even if you are an ultra-capitalist, you end up with a workforce that is strained, that is less able to work, that is tired, that is women and all these kinds of questions. Even from the perspective of your capitalist economy, it makes no sense. And then we would take that argument further by saying, just in principle, these are systems that should be intrinsically valued and made available to all. If we make the claim that we'd like to live in a just and genuinely free society.

Andrew: The final thing I want to ask you about here is you advocate looking seriously at the Commons as a theme.

Adrienne: We think there are many instances where a Commons-based system of governance to steward what are collectively generated or collectively held assets or things that should be collectively held, including data systems, so all the massive systems of data that private companies currently monopolise and use to target ads to us. That's data that we all collectively produce. And its use could therefore be governed in a Commons infrastructure. We also think about the perspective of land and stewardship of nature and natural resources, these things that are the free gifts of the Earth to all of us, and again, which are cordoned off by private actors to be used for private profit. There are many systems we think that Commons governance could be reclaimed.

There's a widespread idea because of the tragedy of the Commons, that thought experiment which basically said that if you have an open piece of land, all the farmers will graze it to death, which is in no way a Common in the actual sense of the word. A commons is not just a free for all where no one involved in it has any connection to each other, where there's no systems of governance. A Commons is a very purposeful set of rules, checks and balances, relationships between people that all decide how resources should be stewarded collectively rather than things being stewarded for a very narrow, private interest. And there's a lot of brilliant examples of these systems working really effectively, particularly when it comes to stewardship of things like nature. And some of those are cited in the book.

Andrew: One of our main areas of work is about the future of cities. Do you see any special role for cities? You write in the book, for example, about rewilding urban spaces but you can't just do that, you've got to rewild everywhere else as well. But is there a special role for cities, particularly in terms of how the world is rapidly urbanising? If we can't get cities right, we may not be able to get anything else right.

Adrienne: Absolutely. I think particularly with respect to your point about the ongoing urbanisation of the world, there's no ignoring the growth and scale of and power invested in cities. I think what's been interesting is, in many instances, whether in the UK or the US, all around Europe, cities with political powers and some degree of autonomy or sovereignty, have been really vital points of contestation against what may be a more regressive national level politics. And I think that's really brilliant as models for how things could be, and to enable people to really see in the here and now. This is how life could be different at a grander scale. But I think the key point is that we can't just rely on islands of hope and green kind spaces from which many around the world, or even domestically, would still be excluded. I think the key is to make sure that those are always seen as prefigurative models that are linked to a much wider and more global understanding of the changes that we need to make to have a more fairer and more sustainable world. So making sure that we don't see them as isolated projects but linked to a much greater effort towards creating a fairer, more sustainable future.

Andrew: What about universal basic income, which is an old idea, but which is now coming back with various pilots. And the four-day week idea? There’s all this work coming out now on the pilots that took place recently. It seems to me that UBI is a hard one, but the four-day week actually seems possible. Do you share that view?

Adrienne: I do. So it's been really interesting to see the scale and the positivity of the response to those trials. I think obviously something like the four-day week is much easier for certain kind of sectors and certain types of economic background. The way I put it is we didn't used to have weekends. And that was a win of the trade union movement. That is something that involves a reorganisation of production. Companies just had to deal and to adapt. Absolutely it is something that is achievable and is desirable.

We should continue on this trajectory of using our productive capacity, using innovation and technology and the resources we have all built collectively to free us to spend more time enjoying our lives and enjoying things that don't involve the wage relationship. I think that's bizarrely become a controversial statement to make, that we should desire to work less. But it's something that isn't a new idea. Human progress has always been... in the Enlightenment, for example, it has been understood as liberating us to do all these other things. These aren't new ideas, but I think they are often denigrated as like soft leftie ideals rather than something that is consistent in the arc of history and of trying to just make all of our lives better.

Andrew: Certainly to make a four-day week fair, you do have to consider those areas where of work where four-day weeks may not be possible and how you compensate for that in time and money. But it struck me that there seems to be, it's probably foolish to say so, momentum developing behind an idea like that compared to some others.

That brings me on to my final question, which is about the point you make about it's easier to imagine the end of the world than the end of capitalism. Do we have the imagination to move forward and how do we make that politically work?

Adrienne: The second part of the question is a tougher one. I think one of the key arguments in *The Value of a Whale* is that it is a tragedy that in many instances we've lost our ability to imagine any solution or policy that doesn't conform to the very narrow frame of a capitalist economic system. And therefore we lose sight of many creative options that might be available to us.

I don't think it's been lost entirely. We're all really out of practice. And I put myself in that camp as well. I work in a think tank that produces policy and we still will publish things that justify policies on the basis of cost savings to be made rather than necessarily on the basis of this will make everyone's lives better and more democratic. I think it requires a conscious effort to actually go back to the real basics, which is what are the principles that many of us share? We want to see an economic and political system that is democratic, in which everyone is guaranteed a basic degree of dignity. I don't think that's a lot to ask, but it feels like it under our current model. I think if you just ask people that question, what is it in your life that you really value? What is it that makes your life better? What is it that you cherish? And use that as a first principle starting point, you can then work back into what are the policies and ways that we get there? And try to think more imaginatively. I think we very often fail to start from those very first principles. So that's the approach I'd take, I guess.

Andrew: These are debates we have in Bristol a lot, and we'll be returning to some of these points in our Festival of the Future City at the end of the year. But thank you so much, Adrienne, for joining us today. *The Value of a Whale* is published by Manchester University Press. And *Owning the Future* is published by Verso. We recommend both books highly. Thank you for joining us.

Adrienne: Thanks so much for having me.