

SUSTAINABLE ECONOMY III: SUSTAINABLE LIVING

3. WANT NAUGHT, WASTE NAUGHT

A Culture of Waste

In the centuries to come, if there is a characteristic for which our North American society will be (in)famous, it is our wasteful lifestyles. We have created a judgmental, disposable society which is addicted to convenience. Extending that further, such an addiction to convenience has fostered an attitude of irresponsibility and disdain for anything or anyone who dares to inconvenience us. We are also addicted to the profligate ways of luxury consumption, measuring out success and status as individuals by the newness of our clothing, our cars, and our electronic communications devices, our houses and their contents, and by the location of where we live. Continual luxury consumption translates into increased volumes of energy, materials, and wastes for the production of these goods, and relatively short residence times of these goods in our possession. Welcome to our disposal society.

Waste Production

Industries consume almost everything: e.g., energy, metals, minerals, water, forests, fish, and farm products. They produce liquid and solid wastes, (variously-degradable or persistent toxic pollutants) and gases (a form of molecular garbage). The solid wastes make their way into landfills, backyards, junkyards, recyclers, and the oceans. The molecular and liquid wastes drift into the atmosphere, oceans, rivers, streams, groundwater, soils, plants, and the bodies of wildlife and people. Most industrial flows of materials and wastes are invisible or only partly visible, and people tend to take them for granted or accept them as a necessary part of doing business. After all, it's just business, right? Some of this flow can be seen in dumpsters, shopping malls, gas stations, truck stops, back alleys, or in shopping containers lined up along docks. The extractive and manufacturing industries are the greatest contributor to the daily flow of wastes: tailings, fly ash, slurry, sludge, slag, flue gases, construction debris, methane, and many other wastes.

Living systems are regulated by such limiting factors as seasons, weather, sun, soil, water, and temperature, all of which are governed by continual feedback loops. Elements such as carbon, sulphur, and nitrogen are continually being recycled. Industrial systems, despite feedback from society in the form of managers, employees, financial markets, and monitoring machines, have continually ignored environmental feedback. The industrial materials cycle takes high-quality natural capital from nature and returns it as waste. Since much of the waste does not recycle naturally, industrial waste is rapidly accumulating, and is rapidly accumulating in nature.

Developing nations all aspire to a North American economy and lifestyle. Many of these nations are growing and undergoing industrialization much faster than we did. It is mind-boggling to realize that our rate of waste production could be quickly overtaken and dwarfed by that of the rest of the world.

Disposable People

One of the visible and often under-stated and under-valued consequences of wasteful industrial processes and lifestyles is the impact on people. About a third of the world's workforce either cannot find employment or have such marginal and menial jobs that they cannot support themselves or their families. For more than twenty-five years, rates of unemployment and dis-employment globally have been rising faster than rates of employment.¹

Most of society assumes that when economies are robust, all is good with the world. This is because most of society relies on the economic indicators which business leaders, economists, and politicians use to justify their decision-making, trumpet their success, or seek re-election. As we are seeing today, positive economic indicators do not necessarily translate into positive indicators of social health and well-being². The rising global unemployment is resulting in increased protests, addicted youth, hard drug usage, drug wars, violence, and rising criminality in many developing countries. In North America, research has shown that when the stock market is high, social health and well-being may not be². The Fordham University index of social health has shown that problems such as child abuse, teen suicide, drug abuse, high-school drop-out rates, child poverty, the gap between the rich and the poor, infant mortality, unemployment, crime, and elder abuse and poverty can be (and are) increasing despite perceived and real improvements in economic performance.

We cannot by any yardstick (monetarily, governmentally, or charitably) create a sense of value and dignity in people's lives when we are simultaneously creating a society which clearly has no need for them. If people do not feel valuable, they will act out society's dismissal of them in ways we do not like to hear or know about. Within industry and government, people are often spoken of as being a 'resource' (e.g., human resources department) but, as a resource, people are under-valued, if valued at all. People and, indeed, life itself are under-valued in society-at-large as well.

Social wounds cannot be healed nor the environment saved as long as people cling to the outdated assumption of classical industrialism that it is necessary for industry to continue to use more natural capital and fewer people. In all our wheelings and dealings, we need to recognize the true bottom line: a society which wastes its resources wastes its people and vice versa. We must also understand that both kinds of waste are expensive. In a world crying out for environmental restoration, more jobs, universal health care, more educational opportunities, and better/affordable housing, there is no justification for this waste of people and resources.

Waste Management: A Problem or an Opportunity?

Good question! Another good question: Is there any hope for the future? Can we solve the waste production and management challenges? History has shown us that, while societies may act rather dumbly for periods of time, they eventually opt for the path of least economic resistance. The loss of natural capital services is already imposing severe costs on society. Despite our archaic economic theories and accounting systems which are used to persuade ourselves that these costs are not problematic, they have become apparent, undeniable, and unavoidable (e.g., costs of waste).

¹ Hawken, P., A. Lovins and L.H. Lovins. 1999. *Natural capitalism: creating the next industrial revolution*. Little, Brown and Company, New York, NY.

² Fordham Institute for Innovation in Social Policy. 2003. *2003 index of social health: monitoring the social well-being of the nation*. Fordham Graduate Center, Fordham University, Tarrytown, NY.

In addition, if we wish to know if the growth in human-made capital is truly being impacted by the loss of natural capital, we should be using economic and social indicators to illustrate this to policy makers and business people alike. Why do we persist in using Gross Domestic Product (GDP) to represent growth when what it does represent is money spent, not value received? Why do we not rely on concepts such as net growth (growth in the quality of life, in leisure and family time, in higher real wages, in a better infrastructure, and in greater economic security) as the prime indicator of economic growth? There is a substantial difference between how much money is spent and the creation of well-being. As an example, most industrial, environmental and social waste is counted in the GDP. We insist on defining economic growth as all expenditures, regardless of whether society benefits or loses. When accepted economic indicators show a wide divergence from reality, are we seeing the beginnings of the end of an economic belief system? Even in the face of such divergence, we still hear that more growth is needed to overcome our ills; not being heard is that our ills are caused by this type of growth.

Is it time to ditch the GDP? The answer is a resounding, “Yes!” The GDP is a gross measure of market activity, of money changing hands. As Halstead *et al.* (1995) described, the GDP:

“...makes no distinction whatsoever between the desirable and the undesirable, or costs and gain. On top of that, it looks only at the portion of reality that economists chose to acknowledge – the part involved in monetary transactions. The crucial economic functions performed in the household and volunteer sectors go entirely unreckoned. As a result the GDP not only masks the breakdown of the social structure and the natural habitats upon which the economy – and life itself – ultimately depend; worse, it portrays such breakdowns as economic gain.”³

An honest accounting system would subtract decline from revenue to determine if the result is a net credit or debit. By masking impoverishment in society, the GDP sends the wrong signals to commerce. Business may have to become more involved in this debate if it wishes to obtain the type of feedback it needs to plan strategically for a future in which it has a pivotal role to play. Business must recognize that the GDP may represent some illusory gains in income but permanent losses in wealth. The ball is in their court to begin to change course.

We are using statistics such as the GDP to blind ourselves to the fact that we are destroying the most productive systems ever seen on our planet. How can economics function as a reliable guide without natural capital on the balance sheet of companies, countries, and the world? Are we really content to rely on a system, the capitalist system, which is based on accounting principles which would bankrupt any company?

We must begin to value natural and human capital properly, and to not treat natural capital as free, unlimited and inconsequential. Natural capital must be viewed as an integral and indispensable part of the production process. Prices, costs, and how we calculate value must change dramatically. It seems to me that the “waste” problem can be considered as a challenge, and approached with ingenious methods and technologies.

Compiled and synthesized by:

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³ Halstead, T., J. Rowe and C. Cobb. 1995. If the GDP is up, why is America down? *The Atlantic Monthly* 276 (4): 59-78, Oct.