

SUSTAINABLE ECONOMY VI: SUMMARY

Introduction

I have reviewed information on a number of concepts to demonstrate the short-comings of our current economic system, the limitations of the capitalist system as we know it today, and the challenges of replacing a deeply entrenched (but flawed) economic system. I have also tried to identify and assess the threats facing the natural environment, society as a whole, and us as individuals. The goal of these reviews and assessments is to derive an enduring, sustainable approach to a new economy based on human values and human well-being, not the economic bottom line.

The concepts reviewed included: sustainability; sustainable economies; characteristics of sustainable living; North American capitalism; threats from Wall Street; social ecology; deep ecology; natural capitalism; industrial ecology; the circular economy; the service economy, the knowledge-based economy; and sustainable agriculture.

Summary of the Key Messages

There are a number of key messages which emerged from the extensive review and synthesis. Many of the key messages were common to more than one of the concepts/topics – these messages were among the most important:

(1) The mind-set of our current capitalist system tells us:

- Economic progress can best occur in a free-market system of production and distribution where reinvested profits make labour and capital increasingly productive.
- Competitive advantage is gained when bigger, more efficient plants manufacture (at the lowest cost possible) more products for sale to expanding markets.
- Growth in total output (GDP) maximizes human well-being.
- Any resource shortages which do occur will elicit the development of substitutes.
- Concerns for a healthy environment are important but must be balanced against the requirements of economic growth if a high standard of living is to be maintained.
- Free enterprise and market forces will allocate people and resources to their highest and best uses.

(2) A review of the current version of capitalism tells us:

- Corporations, as the most important institutions and agents of modern capitalism, have become very large and very powerful.
- Several multi-national corporations are larger than the economies of many nations, including First World nations.
- Corporations are required by law and driven by self-interest to increase their monetary value for the benefit of their owners (the shareholders), and pressures to show quick profits have grown as well.
- The corporate sector wields tremendous economic and political power and has routinely utilized that power to restrain mitigative government action.

- The corporate sector has also driven the rise of trans-national capital as the basis for economic globalization. What we have seen over the past 24 months is the globalization of market failure.
 - Society's values today are highly materialistic, anthropocentric, and contempocentric. Today's consumerism has placed high priority on meeting human needs through ever-growing purchases of material goods and services.
 - The view that nature belongs to humankind rather than the opposite allows us to ignore the ever-increasing exploitation of the natural world.
 - The habit of concentrating on the present and completely discounting the future generations had led us away from a thoughtful assessment of long-term consequences and the world we are making and leaving for our descendants.
 - Growth serves the interest of government by boosting approval ratings, keeping difficult social justice and other issues on the back burners, and generating larger revenues without raising tax rates.
 - Capitalist governments do not own the economy, even if some do own a sizable state sector. So governments must feed growth habits by providing what corporations need to keep growing.
 - Today's nations are motivated to varying extents by economic nationalism (the nation seeks to enhance and project its power in part through economic growth), and economic imperialism (the nation seeks to secure investments overseas, especially in energy-rich countries, many of whom are Second and Third World countries).
 - These consequences are all features of modern-day capitalism – they are linked, mutually supportive, and mutually reinforcing. Capitalism as we know it today is largely out of control and is very destructive – thus, incapable of sustaining stocks of natural capital.
- (3) From my observations and readings on sustainability, I have come to the conclusion that our economy is not sustainable because it:
- is dependent upon high rates of consumption of our natural resources (depletion of our natural capital);
 - overloads the natural ecological sinks with the bi-products (wastes, pollution) of our development and production processes;
 - undervalues (or disconnects with) the ecological services provided by our environment;
 - is based on seemingly unlimited consumer spending, which is so highly dependent upon consumers using their access to credit;
 - promotes suburbanization and extensive residential areas (depletion of social and cultural capital);
 - promotes the use of private transportation (depletion of natural capital);
 - marginalizes agricultural land (depletion of natural and social capital);
 - overvalues property and undervalues human and social capital; and
 - promotes the concentration of power and wealth in the hands of a few.
- (4) The concept of social ecology tells us:
- Social ecology tells us that we should replace our mentality of domination (over nature and people) with an *ethics of complementarity*. Such an ethics reflects our true role which is to learn to 'live and let live' in a fuller, richer world for all beings.
 - Social ecology also tells us that we should live in a society based on ecological principles: an organic unity in diversity, free of hierarchy, and based on mutual

respect for the interrelationship of all aspects of life. If we change human society then our relationship with the rest of nature will become transformed.

(5) The philosophy of deep ecology tells us:

- The well-being and flourishing of human and nonhuman life on Earth have intrinsic values. These values are independent of the usefulness of the nonhuman world for human purposes.
- Richness and diversity of life forms contribute to the realization of these values and are also values in themselves.
- Present human interference with the nonhuman world is excessive, and the situation is rapidly worsening.
- Policies must therefore be changed. These policies affect basic economic, technological, and ideological structures. The resulting state of affairs will be deeply different from the present.
- The ideological change is mainly that of appreciating life quality (dwelling in situations of inherent value) rather than adhering to an increasingly higher standard of living.

(6) The concept of natural capitalism tells us:

- The environment is not a minor factor of production but works similar to an envelope by containing, supplying and sustaining the entire economy.
- The limiting factor to future economic development is the availability and functionality of natural capital, especially life-supporting services which have no substitutes and currently have no market value.
- Misconceived or badly designed business systems, population growth, and wasteful patterns of consumption are the primary causes of the loss of natural capital, and all three must be addressed to achieve a sustainable economy.
- Human welfare is best served by improving the quality and flow of desired services delivered, rather than by merely increasing the total dollar flow.
- Economic and environmental sustainability depends on re-dressing global inequities of income and material well-being.
- Future economic progress can best take place in democratic, market-based systems of production and distribution in which all forms of capital are fully valued, including human, manufactured, financial and natural capital, and which are based on the needs of people rather than the needs of business.

(7) The concept of industrial ecology tells us:

- Societal and technological systems are bounded within the biosphere, and do not exist outside of it. Natural systems reuse materials and have largely closed nutrient cycles.
- Industrial ecology examines societal issues and their relationship with both technical systems and the environment.
- Often changes in one part of the overall system can propagate and cause changes in another part. Industrial ecology looks at environmental issues with a systems thinking approach.
- Life cycle thinking is also a very important principle in industrial ecology. It implies that all environmental impacts caused by a product, system, or project during its life cycle are taken into account.
- A final and important principle of industrial ecology is its integrated approach or multidisciplinary. Industrial ecology takes into account three different disciplines: social sciences (including economics), technical sciences, and environmental sciences.

(8) The concept of the circular economy tells us:

- We must reduce demand of our economy upon natural resources as well as the damage it causes to natural environments.
- Very high efficiency in resource flows is a way of sustaining improvement in quality of life within natural and economic constraints.
- The circular economy approach to resource-use efficiency integrates cleaner production and industrial ecology in a broader system encompassing industrial firms, networks or chains of firms, eco-industrial parks, and regional infrastructure to support resource optimization.
- State-owned and private enterprises, government and private infrastructure, and consumers all have a role in achieving the circular economy.

(9) The concept of the service economy tells us:

- Product-life extension is a necessary complement to recycling. Product-life extension implies a fundamental shift from selling products themselves to selling the utilization of products, the customer value they yield.
- This change in the source of economic value to firms depends upon enhancing product life through several key design strategies. These design strategies would significantly help achieve central industrial metabolism objectives of cutting demand on material and energy resources and reducing pollution from manufacturing.

(10) The concept of sustainable agriculture tells us:

- The farmer understands the land as a living system in which s/he acts to support a dynamic balance among the plants, animals, insects, soil, and water.
- Labor and knowledge are the intensive inputs.
- Animal and plant production is integrated and synergistic.
- Farm plant and animal residues and bi-products are recycled on the farm whenever possible.
- Farming maintains biodiversity and soil health through mixed cultures, companion planting, crop rotation, cover crops, and appropriate application of compost and organic fertilizer.
- Diversified cropping, windbreaks, hedgerows, and vegetation at field margins contribute to improved and varied wildlife habitat, including encouragement of beneficial predator insects.
- Pests and weeds are controlled through the whole pattern of farming, with little or no application of chemical pesticides or herbicides. Similarly, animal health is maintained through avoiding large concentrations and with minimal use of antibiotics.
- Energy consumption is much lower at all stages of the production cycle and uses renewable sources wherever possible.
- Farm equipment is relatively lightweight with low energy demand and impact on soils.

Conclusion

There is no doubt that major changes are on the horizon. There appear to be a number of reasons, the most obvious include:

- the triple threats of decreasing fossil fuel availability, climate change, and increasing social inequity are becoming worse each year;
- we know that developing countries are craving a First World lifestyle;

- we know that there is a growing gap between the rich and the poor people of the world;
- the global economic/financial systems are in step with the corporatist agenda but out of step with the principles of sustainability and society's well-being; and
- globalization has evolved into a form of economic imperialism harmful to many millions of people.

So what do we do about it? Some of us are tempted to amass a good selection of single malt scotches and cases of Cuban cigars, and head to the warmest, sandiest beach we can visualize. Others might look for other drugs of choice. Still others will do nothing, confident that some solution (technological or, perhaps, alien) will emerge. And others will throw up their hands in dismay and search for the worry beads. And still others will exert greater efforts to amass wealth and material goods to be able to withstand any calamities which might befall us.

Thinking, sensitive people will not react in any of these ways. Such people have already begun the process of devising the New Economy, albeit on a very limited scale. But the process has begun, at least at the personal and at the community level. The most important need currently is to ensure that community-level decision-makers have access to the necessary tools, advice and analysis to effect change and re-design of the local economies.

As far as leadership is concerned, I have made the point in an earlier discussion paper – the most important leaders with whom we need to deal are those who look back at us when we look into the mirror. We cannot rely on government and big business to provide any semblance of intelligent leadership when it comes to living and working sustainably.

Compiled and synthesized by:

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