



Don't fix the economy - change it

Sticking with the model that is driving us toward ecological catastrophe will eventually kill us

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Amid the discordant clash of solutions being served up to address the global financial crisis, a common refrain can be heard: Most global leaders and their economic advisers key their policy prescriptions to "sustained economic growth." The prevailing debate is how to get there most quickly. In Canada, how this debate plays out could bring down the government in a matter of weeks.

Unfortunately, it is the wrong debate. Neither the Conservative minority nor the opposition has proposed anything that will set Canada on a long-term path toward the kind of economy that

will both provide for the well-being of Canadians and enhance and preserve the ecological community of which people are but one dependent part.

All eyes may now be on the kind of fiscal budget the Conservatives might produce next year, but a more essential budget also demands urgent attention: the global ecological budget. The financial crisis has brought into sharp focus the need to fundamentally change, not merely repair or rebuild, our economy. Because, quite simply, sticking with an economic model that is driving toward ecological catastrophe will kill us. So, it is essential to address the financial and ecological crises together.

The ecological budget, on which all life and, consequently, the human economy depends, is already in dramatic deficit. Why is this budget ultimately more important than the fiscal budget? Sept. 23, 2008, was Earth Overshoot Day. The period after Sept. 23 represents the time the human population causes an ecological deficit, using up the Earth faster than it can regenerate.

Every year, Earth Overshoot Day comes earlier. This moving date tells the story of a global environment rapidly losing its ability to support life: accelerating climate change; the loss of species and habitats; declining fisheries; the proliferation of ocean dead zones; diminishing freshwater resources; and more. Ecological overshoot is climate change on steroids.

Here are six steps we can take toward a truly balanced budget that will allow Canadians, and all people on Earth, to live fulfilling, healthy, yet more ecologically compatible, lives.

- Recognize that the economy is part of the biosphere. A comprehensive economic plan must be based on the scientific fact that the global economy is a subsidiary of the natural order. Economic policies should be attuned to the limited capacity of Earth's biosphere to provide for humans and other life and to assimilate their waste. Photosynthesis and sunlight are as essential to the

framework for economic budgets and expenditures as the laws of supply and demand.

- Acknowledge that we need new institutions. An economic renewal tailored to the 21st century would establish institutions committed to fitting the human economy to Earth's limited life-support capacity. Canada, with its token efforts to address climate change, is far off the track. We need something like the central reserve banks, but which look after shares of the Earth's ecological capacity, not just interest rates and the money supply. Money should be recognized as a social licence to use part of Earth's life-support capacity. Some functions of governance would have to operate at a global level, through a federation modelled perhaps on the European Union, with enforceable laws designed to assure that individual nations don't overrun Earth's limits. The rules for the developed countries that are responsible for the current ecological crisis should be different from those for developing ones.
- Acknowledge that unlimited growth on a finite planet makes no sense. Most people wrongly believe that unlimited growth and wealth accumulation are the "natural laws" of the economy – inviolable, even though together they undermine the Earth's ecological and social systems. We face a moral challenge: bring the global economy into a right relationship with the planet and its human and non-human inhabitants or suffer the increasing destruction of Earth's finite life-support systems and social structures. Growth in consumption is a nonsensical response to the sharp decline in Earth's biophysical systems that is caused by overconsumption. Our new ecological and climate reality demands new ways to live within the means of the Earth.
- Fairness matters. A "right" human-Earth relationship would recognize humans as part of an interdependent web of life on a finite planet. The economy must recognize the rights of the human poor and of millions of other species to their place in the sun. In a world awash in money, addressing poverty only with growth reflects a tragic lack of moral imagination. Indeed, in pushing for more "free"

trade as it is currently understood, Canada would entrench an ongoing addiction to consumption, pursued in a manner that often ravages the bio-productivity of developing countries.

- Expand the discussion. The new knowledge that will forever mark this period in human history is the overwhelming scientific evidence that we are overconsuming the planet and accelerating toward ecological catastrophe. The short-term approaches of most ministers of finance and professional economists don't account for how the planet works, or even that the economy exists on a finite planet. Scientists morally committed to protecting the global commons and researching ecological limits to the global economy need much more funding and influence in policy-making.
- Look beyond technological fixes. Bold new leadership is needed that will focus on all four policy "theatres" relevant to human ecological impact and provide the moral footing that will lead people, individually and collectively, to choose lifestyles with radically lower impact. The four policy variables are: technology; population; wealth and consumption; and morals and customs. These factors should together shape Parliament's rethinking of the current economic system. Technology can increase efficiency of energy and resources use, yet it is overemphasized as a solution. Pushing technological solutions like hydrogen cars and genetically modified agriculture is much easier politically than asking people to consume less or have fewer children. Unfortunately, technology alone cannot solve the ecological crisis. For one thing, efficiency gains often lead to greater, not lower, consumption. An example is the squandering of Quebec's underpriced hydroelectric power.

Investments in new "green" technology need to be coupled to a regulatory structure that ensures that efficiency does not result in more impact, along with massive investment in creating or restoring natural systems that build bioproductivity. Economic policy must promote not more affluence as currently defined, but more sufficiency for all Canadians – so that all may live with

self-respect, without overconsumption.

Perhaps most difficult to come to grips with is that Canada is an overpopulated country – if you compare the individual impact of each Canadian with what the Earth can withstand. We should escape from the current treadmill that considers more people necessary for more growth.

Lastly, we must greatly increase investment in educational and civic institutions that teach that we are not "consumers," but citizens of the Earth, and guardians of life's prospect on a small, beautiful and finite planet.

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