

Economics and Ecology Course Research Reflection

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POSITIONALITY AND APPROACH

Upon completion of my *Economics and Ecology* ISP, I have a series of critical reflections I have found are not clear outside of my own sense of knowing. While the course included a left-leaning yet still conventional textbook, *The Core's The Economy*, the way the concept of "economics" has been approached by me (and several authors read for this course) stems from an entirely different way of understanding the term.

I approached conventional Economic thought (capitalized here to indicate the established discipline) to understand why it is so critiqued by emerging thought leaders. I attempted to use a clear lens while initially studying *The Core's* content, having an open mind to the reasoning behind this discipline. I later revisited this content after completing the additional readings. I observe that Economics is a system that is agreed upon to organize the world in certain ways for certain outcomes to serve certain ways of being. It is inherently growth-based and only works if the use of the Economic construct is agreed upon. It is not in accord with how natural systems or many other ways of organizing self and society are constructed. Additionally, when Western-style development and Economic policy has been rejected or opposed, it has been historically forced on people – often through explicit violence or coercion as demonstrated by prolific events of settlercolonialism throughout the globe.

The new economic thought I am presenting in conversation with Economic "science" is not Environmental Economics either, a domain which is still a component of neoclassical Economic theory and only works in a capitalistic system based in continued exponential growth, exploitation of people and the planet, and isolating parts of natural systems in order to quantify them – parts that should be considered as interconnected pieces of a whole living system. As Norberg-Hodge argues in her book *Ancient Futures*, we in the West have forgotten our values and need to remember them.

My purpose in reading *The Core's The Economy* was to understand a perspective I do not hold any longer but am shaped by – and to give it fair consideration. Conventional Economics molds the world I am a product of and the way I assign value to things and even myself. It is also evident that modern Economics has contributed to increased living standards in many ways. I will not forget or ignore this. I have studied the nature of human experience throughout my life via the lenses of Anthropology, Psychology, Philosophy, Religious Studies, the Humanities, Critical Social Theory, and recently an extensive foray into the world of Marketing, Business Innovation, and Consumer Behavior with a focus on sustainability and new markets. I've found patterns in all these spaces which work together to create an image of human experience emphasizing our need to belong, have meaning, and feel secure. I do not view humanity as an altruistic species, though many of us do have altruistic tendencies sometimes. I believe these things can be cultivated and enculturated. I have also found that our deep history indicates some events of localized extinction near early human settlements, an indicator that

we may have exploitative behaviors deeply ingrained in our patterns of interacting with the world. As a young child, I first came into conflict with my family's religious views on the grounds of the right to exploit nature. (My father is a Baptist preacher and church-founder.) I later found new ways to understand specific parts of the Genesis story as a call to humans to steward the world. Considering our immense power over how the planet is literally shaped, I hope we can align with this concept of stewardship quickly and wholly. The survival of ours and many other remaining species depends on this.

The new economic thought I have been engaging through these additional readings, conversation with thought leaders and changemakers, activities such as the coproduction of the Revival Gathering on Vashon Island in 2018 and the Imagine Convergence on Orcas Island in 2019, and the way I approach my life's path are outside the confines of current Economic constructs. Because Economic constructs are embedded and enforce current systems of global power, it is necessary to understand them. Though David Korten argues in *Change the Story* that money should be eliminated as an imagined value system which has no real value to life, I disagree. Through my anthropological studies, I've come to understand the basic behavior of humans to engage in trade and commerce. The earliest writing discovered are accounts records. Framing money in an ecological mindset, perhaps it is a way to quantify and identify energy flows through systems. However, I agree with Korten, Raworth and Norberg-Hodge, that money holds far too high a position in the hierarchy of our values systems, skewing our ability to see true values that cultivate and nourish a living planet and people. As Raworth and Norberg-Hodge argue, rather than the dominating system, money-based Economic tools ought to be a part of a greater ecological understanding where money is not the unit of measurement of success.

Humans use stories to make sense of our world and experience. Every person has a narrative which defines who they are as a character in their story and their behaviors follow the logic of that character, avoiding cognitive dissonance. Cultures are defined by the way narratives are constructed. These can be called metanarratives as they are overarching shared stories which characterize and teach the way people in a certain society live. Through globalization and increased connectivity, a global metanarrative has emerged, highly influenced by Economic thought and policy. *The Core's The Economy* presents the following story at the end of their first chapter, The Capitalist Revolution.

Throughout most of history, living standards were similar around the world and changed little from century to century. Since 1700 they have risen rapidly in some countries. This upturn coincided with rapid technological progress, and with the advent of a new economic system, capitalism, in which private property, markets and firms play a major role. The capitalist economy provided incentives and opportunities for technological innovation, and gains from specialization.

Many of us working in the area of cultural activism engage with the craft of new narratives, seeking essential truths and a story which creates peace and thriving on our planet. It is idealistic in nature and by necessity. We are not viewing capitalism as a permanent fixture, but as a development in the overarching storyline of humankind. We seek to write what is next, what is to come. There are many

strategies being employed from grassroots organization to Raworth's Doughnut diagram which influenced the creation of the UN's Sustainable Development Goals (SDGs). The policies, tools, and new perspectives in Raworth, Korten, and Norberg-Hodge's books all work to this end. It has been argued that I have not been critical enough of these authors. However, I am seeking ideas and collaborators. While I may have fine points I disagree with in each author's offerings, overall, these three books give me many tools to synthesize and ground abstract ways of thinking about very big global issues – and even give people like me paths to action and new ways to ideate. Korten provides a new story stemming from his long and dynamic life's work, Raworth offers an explicit framework for designing ecologically-informed economics and a fine critique of Economic history, and Norberg-Hodge offers a counternarrative to homogenized development and ideas for decentralized, community-driven development which is appropriate to place. If a critique is appropriate for any of these authors, it is that their ideas are simply unrealistic and too imaginative to be dreamed into existence – a familiar story for someone like myself to encounter. I simply cannot entertain this critique despite an acute awareness of the seemingly impossible task we in the new story movements have taken on. I must choose hope and to keep imagining future possibilities, working toward their realization. Change is inevitable, whether it is by catastrophe or by radical choice. Perhaps change has arrived, and this is a beginning. I hope my work will be contributive to its collaborative development and success.

CRITIQUE OF ECONOMIC THEORY

Gross inequality and environmental pressures demand humanity to reassess Economic strategies within the confines of Earth's living systems. While conventional Economic tools and perspectives are adept to the analysis and management of money systems and can play a role in the betterment of people's lives, Economics as a whole is fundamentally shortsighted. We must understand the complexities of growth in the context of ecosystems and people's lives and cosmologies. Economists should not be allowed to fantasize that their field does not impact these things or categorize them as abstract "externalities". Rather, Economic policy impacts intricate and important parts of the systems we are embedded into. We must move past a mechanistic understanding of the world and its resources into a holistic and ecological understanding which stewards the resources and systems we rely on to survive. Emergent ecological economic theory seeks to bring this into reality.

Conventional Economics is geared toward sustained growth. This is what creates wealth and grows the "size of the pie" so that resources are not wasted by fighting over shares of a slice. Because there is a clear connection to low employment and low demand for goods, the answer to unemployment and hence people's ability to sustain their livelihoods is consumption, a growth contributor. Inequality is typically less severe with GDP expansion – again, meaning growth. Economies rely on growth to be sustained in the way they are designed now. The issue with this idea is that there aren't enough resources on the planet to support exponential growth. Norberg-Hodge observes that already one-third of the planet's population are using approximately two-thirds of planetary resources. The pie just can't get any larger than what our planet can sustain.

When David Korten asked his friend Sixto Roxas, an Economist and former international bank executive, why Economists come up with the wrong answers so often, his friend quickly replied,

“Because they chose the firm rather than the household as the basic unit of analysis. Economists view the economy as an aggregation of profit-seeking firms rather than an aggregation of living households.” This hyperfocus on the performance of firms instead of the health of households and people – which we know are linked to the health of and integration with local ecosystems – creates a favoring of profiteering and encourages greed and competition which have become clear causes of inequality and stressful lifestyles. In *Ancient Futures*, Norberg-Hodge describes the people of Ladakhi as they struggle with the importation of competitive tensions transforming a close-knit and happy society as people strive to survive in capitalistic terms rather than the cooperative, place-based lives they previously enjoyed without a GDP of any notable proportions. In her real-life accounting, she describes a clear fracture between how capitalism quantifies “living standards” and the actual experience of people living traditional lives. While she acknowledges ways certain developments like access to education have garnered living standard increases, she draws attention to the inexperience of the community regarding the physical and cultural perils of many imported practices. People use DDT cans for salt and pepper shakers, the youth are obsessed with symbols of material wealth and power, fighting between religious groups has kindled, jersey cows traded for high-altitude dzo now compete for the only habitable land, and the famous Ladakhi happiness has greatly deteriorated. In her book, Norberg-Hodge offers an array of community-driven development efforts appropriate for the area and Ladakhi lifestyles, arguing that living standards can be improved with better effect if they are driven by the community and informed by the resources and ecology of the place.

Like growth, “scarcity” is a key characteristic of Economic systems. While it is true there is only so much time or so much iron or so much land, it is also true that we live on a planet with highly regenerative and abundant qualities. Much of our scarcity mindset comes from the confines of the constructs we exist in rather than natural ways of being in the world. I don’t choose to live in circumstances below my preferences but am required to live within my means and have a narrow scope of options my means encompass. Many single parents in low socioeconomic class don’t choose to work long hours, often at multiple jobs, and leave their children for long periods of time, but must do so to provide necessities of life – even if it is at great personal expense.

Casting people’s time as a conflict of interest instead of a necessary part of wellbeing creates a situation where there will always be a power conflict between workers and employers. Defining profit-maximization as the primary outcome goal of firms instead of cultivating a thriving component (business) of a larger whole (society as an ecology) creates a situation where workers are exploited as much as possible by owners. I know the feeling of having my work devalued so that employers can avoid paying me as much as I need right after they’ve gotten done applauding me for excellent performance. The Core offers a series of scenarios between two characters. One, the farmer Angela and the other the landholder Bruno. The simplified example walks the reader through Angela working a certain number of hours to survive and builds the concept of indifference curves – at which points on a plotted curve are choices between costs or benefits (work or personal time, respectively) equal to the chooser so that they are indifferent. The scenario becomes more complex, introducing Bruno with a gun so that Angela is coerced to work at a rate just above starvation. She becomes protected by a legal system so that work is her choice and is to be rather inconveniently compensated through

Economic rents to show up and work hard. The models walk the reader through a variety of feasible data sets and thresholds and the logic of finding the least amount to pay a worker in order to achieve the maximum profit. As a student of narrative, I understand the power of language to determine outcomes. Framing worker and firm interests as oppositions existing in a zero-sum game guarantees a conflict. I believe we can design worker and firm relationships differently and still have productivity – especially with the types of technological innovations we currently have access to. This doesn't mean that conflicts won't arise, or folks won't be lazy sometimes, and we need systems and strategies to address this. But, as Raworth points out, we conform to the stories told about us. If we tell a different cultural story, we'll have different relationship conditions and outcomes. If we value people full-stop, rather than flatten them to production functions or profit opportunities, they are considered differently in our planning and behavior. I understand that people desire meaningful lives, to share experience, and to feel they are doing good work. How can these human attributes be incorporated into a model that encourages both wellbeing and productivity?

Norberg-Hodge describes a radically different way of producing work in traditional Ladakhi society where money wasn't a daily need for livelihood – cooperation was. Historically, the people of Ladakh would work alongside their neighbors harvesting crops or building homes. There was no pay and the work was part of cultivating close ties, to the point that people would rotate work even if it wasn't necessary just so they could work together. This cooperation is an example of a different way of organizing work, though I don't know how scalable it is. I do know that there is a wealth of systems embedded in different cultures and histories around the world that, if not lost to the homogenizing effects of development, may hold keys to more holistic systems of productivity and labor. I also believe nature itself is a brilliant source of creativity and innovation. How can we learn from a forest community or the work of bees?

When I look at Economic models of perfect competition or unemployment equilibrium or methods to target inflation by adjusting interest rates through privatized entities, I see a discipline set on momentary ideal circumstances that aren't necessarily encompassing shocks and fluctuations. There is no real consideration of the health of living things as a precursor to using these tools. Analyzing and responding to shocks and fluctuations is one thing – but perhaps we need to design our systems to encompass these dynamic states of change in better, more fluid ways that don't leave the most vulnerable among us in dire circumstances. In *Doughnut Economics* Raworth explains the perils of equilibrium-based practices and the part they played in the 2008 financial crash. Viewing equilibrium as the natural state of Economies rather than recognizing the dynamic movements of the whole inhibited analysts and policymakers from understanding the nature of connection nodes between actors and the feedback loops resonating throughout the system. It seems that fluctuations are the natural state of Economies. I ask now what ecological principles address shocks and how these attributes of systems can be designed with. Can we move from seeing instability to seeing dynamic flows? There are clues in understanding the interconnectedness of nature and I would encourage future students of economic ecology to look in systems which have extreme variations for ideas on how to utilize resource flows, including scarcity or a severing in a connection element.

Private property along with the legal protection of it and related Economic rents belonging to firms is a fundamental attribute of functioning capitalist economies. While I understand the need to protect against destructive threats to resources and stability, private property has served dubious outcomes in addition to incentives to produce and innovate. If we suspect (or perhaps know) that decentralization and localized commerce leads to more community empowerment, and community empowerment leads to healthier people and ecosystems, cooperative business and community structures that share utility, rents, and other forms of profit may work better overall. What other incentives are there that draw on human nature and needs and how can these be embedded into systems? What does cooperative instead of competitive business look like?

With the introduction of private property, *The Core's The Economy* also introduces the concept of power defined as “the ability to do and get the things we want in opposition to the intentions of others.” This is consistent with dictionary definitions of this word, though I’ve always thought of power as something that can be wielded against others and also something that can serve through responsible consideration and actions. Raworth introduces the concept of power in the context of a play set on the world stage. Referencing the hidden nature of power, she describes it in the current neoliberal story as “irrelevant – so don’t mention it.” She goes on to present Friedman’s stance that “The only economic power to be worried about... is monopoly power granted by the state when it meddles in the market, and the distortionary power of trade unions.” She goes on to flip the script, casting power in a new 21st Century Economics play as “pervasive – so check its abuse.” This feels more honest and holds power accountable instead of assuming it will be used to achieve a means no matter what – even at the expense of others.

Economic theory assumes free choice of individuals to participate in economic actions. However, we all know that you cannot refuse to participate when you live in the context of capitalism. Our ability to survive depends on our participation. I can’t even fish without a purchased license or maintain property without paying fees to continue having rights to the land. The Core team says that, “Economic interactions are governed by institutions, which specify the rules of the game.” While these institutions are supposed to work to protect shareholders such as communities and ecosystems, it is often questionable who these institutions actually support. They typically seem to be all for the firm – which is the driver of Economic growth and therefore prioritized – and not the people or the planet. If institutions served the greater good in holistic ways which maintained the health of our delicate environments, we would already have a dramatically different economic landscape to look upon. Additionally, tools such as Pareto graphs and measures of “fairness” are bound by the definitions and objectives of these powerful firms and institutions.

The first point in the Economics of the Environment chapter of *The Core's The Economy* states, “Production and distribution of goods and services unavoidably alter the biosphere.” They go on to talk about ways to mediate or reduce harm, looking to policies rather than how systems are designed. We cannot save the world on cost/benefit analysis which only considers fiscal impacts. These analysis strategies need to consider planetary costs and benefits before fiscal stakes and gains – and not in a way that simply quantifies and considers ecological resources as goods to exploit for the purpose of

continued GDP growth. Environmental, Social, and Governance policies can absolutely be used as effective tools to mediate people's behaviors – but these things are limited in scope and assume that degradation and exploitation are necessary evils to be managed rather than dysfunctional elements of a system that needs a total overhaul. In *Change the Story*, David Korten recounts an experience at the Rio+20 UN Conference on Sustainable Development. The leaders there “proposed that to save nature we must value her, and to value her we must price her.” This fit Environmental policy neatly into conventional Economic constructs that were familiar to negotiate and regulate. However, he was deeply impacted by the words of then secretary of the Bhutan Gross National Happiness Commission, Karma Tshiteem, “Time is life.” This contrasted with the familiar Western axiom “Time is money.” He realized that the care of the Earth “is a sacred responsibility of all humanity. She is beyond price and not for sale.”

Valuing the health of our planet and the living beings which belong here must come from a place of inherent value rather than something that can be quantified or regulated through policy. Albert Einstein is credited with saying, “We cannot solve our problems with the same level of thinking that created them.” While Environmental Economics and projects toward equanimity are progress and create bridges to new ways of valuing and living in our world, we need much more dramatic change starting at a level of cultural restorying.

I love Science Fiction and innovative business and technologies have been long-standing areas of interest for me. Medicine, sanitation, the harnessing of energy – are all sites of incredible improvements to what humanity has faced as our populations grow. But I argue that innovation is a human drive stemming from our imaginative, critical, and creative nature. We didn't need capitalism to invent in many civilizations throughout the world – a point observed early on in *The Core's The Economy* textbook. Humans invent because we are curious and driven to do so. What other ways can we imagine to spur innovation or realize that what we have is working well? How do we categorize an “improvement” and which stakeholders are considered in these improvements? How can we understand the ecology of a place so that the wisdoms and technologies already there are utilized in the betterment of living standards? How can human creativity and inventiveness include – and be driven by – planetary health goals and outcomes? What changes to our metanarratives must take place for this to happen? And, importantly, what does this new, ecologically-minded future look like and how do we get there?

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