

## COMOX VALLEY CLIMATE CHANGE CHRONICLE (13)

### Why We Need a New Economy

When we get sick and go to the doctor with a problem, we expect the doctor to deal with the symptoms and to at least give us temporary relief. But what we really want is for the doctor to diagnose and deal with the source of the problem. You don't want a band aid for a cancer.

It is the same thing when we are dealing with climate change. We know that climate change is not the cause of the problem. It is a symptom and there can't be real healing until we get down to the systemic problems. That is where the cancer is to be found.

The cause of the climate change problem is twofold. It emerges from the economic system that we have created and bought into, and it is made worse by the absence of alternative models we can turn to.

For many years our current economy has served us well. But in the middle of the last century scientists began to recognize the symptoms of a failing Earth: species were disappearing more rapidly, oceans were becoming polluted, cities were struggle with air pollution, it was getting much warmer, and on and on. It didn't take a great deal of insight to recognize that humans were the cause of the problem and the tool they were using to create it was our economic system. Let's examine that system.

First, guided by the so-called "invisible hand" it assumes that in freely responding to each other's needs individuals will create a balance between solutions (supply) and needs (demand.) Further, this system gets wrapped up in its own culture. It argues that a free market system is the only kind of economy that does not threaten personal freedom.

Second, our economy has a single way of determining success or failure —the Gross Domestic Product (GDP). Success depends upon its ability to develop a steady annual increase in businesses and in the country as a whole.

Third, the free market economy benefits the wealthier members of the nation and discriminates against the less fortunate. It is all about power. In terms of the "Golden Rule" those who have the gold make the rules and benefit from them.

Fourth, focusing on the GDP takes attention away from the health and viability of the essential resource—Earth itself. In practical terms it assumes that Earth's resources are unlimited and should be accessible to whoever needs them to develop their economy.

Over time, this free market economy was transferred to, and imported into, the so-called Third World countries. And, in time, many of their economies improved—at least in terms of their GDP. But they inherited the same problems the developed countries were experiencing: exploitation and depletion of their natural resources. The major benefits were accruing to the wealthy members of society and widening the gap between the wealthy and the poor who are being left behind. Further, unlike us many of these countries have experienced the full brunt of climate change—floods, desertification, soil erosion, destruction of fisheries, loss of essential natural resources like water. Without putting too fine a point on it, we have given them our economic model and they have given us refugees.

So what can we do?

One of the things we have to learn is how to think in systems. Donella Meadows, the lead author of the 1972 *Limits To Growth* was a prominent systems thinker. She noted:

*“Growth is one of the stupidest purposes ever invented by any culture...we have to have ‘an enough’. We should always ask: ‘growth of what, and why, and for whom, and who pays the cost, and how long can it last, and what’s the cost to the planet, and how much is enough.”*

<https://www.youtube.com/watch?v=HMmChiLZZHg>

A second thing we have to do is come up with a different kind of economy.

In previous chronicles we have stressed the point that we are earthlings and part of a living Earth. Marjorie Kelly, a prominent American speaker and consultant to businesses, tells the story about attending a course at Schumacher College in England and hearing a professor ask a question that changed her life. He asked “What kind of economy is consistent with living inside a living being?”

There are many economists, scientists and writers who are asking this same question. New models are beginning to emerge. One of the most recent and comprehensive is in Kate Raworth’s book, *Doughnut Economics: 7 Ways to think like a 21<sup>st</sup> Century Economist*. She is a self-described “renegade economist” who teaches at both Oxford and Cambridge. We will discuss her economic model in our next chronicle.

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