Can ecological economists stop the mainstreamers before it's too late?

Contributed by John Feeney
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Editor's note: There is a whole, sinister cultural context for growth and economics. Western industrial culture must reward -- and defend with deadly force -- exploitation for private gain. This has been institutionalized and codified, with economists as high-level priests and lackeys. If the system's inevitable crash does not result in a universal, cooperative and nature-loving lifestyle -- retiring ivory-tower economics as a specialty -- we may not achieve sustainability. For now we can enjoy the following insight on the thinking of conventional economists who piously eat at the corporate/academic/government trough. The author's website project, Growth is Madness!, is the basis of this special report for Culture Change. - JL

Mainstream economists are trying to kill us. They don't think of it that way, but they should. The standard policies promoting endless economic growth of the conventional sort are destroying the ecosystem. Converging and interacting with other threats such as population growth, peak oil, and excessive per capita consumption, such policies and the economic growth they promote are hastening a looming global ecological collapse. And when influential economists push ecocidal policies when they could instead play a central role in protecting the ecosystem, how is that not homicide?

Cue the white hats

A ray of hope, though, comes from that transdisciplinary group of economists, ecologists, and others whose work falls under the heading, "ecological economics." Those concerned with the environment today need to understand how this group compares to their mainstream counterparts. Herman Daly, one time economist for the World Bank and now one of the most influential ecological economists, has argued persuasively that the mainstream or neoclassical model sees the economy as "everything," with the ecosystem being merely one element within it. Because this acknowledges no physical limits, it allows for the irrational notion of endless growth.

The ecological economics camp pushes for a fundamental revamp of economic theory to account for the limits of the ecosystem and the economy's being a part of it, as dependent upon it as any other aspect of human culture. They want an acknowledgment that economic growth, as it's typically understood, cannot continue indefinitely on a finite earth. They want it understood that such growth is unsustainable and destructive to our natural life support system. [1]

In a confusing twist, a subset of neoclassical economics is known as "environmental economics." Its practitioners are often pitted in theoretical debates against ecological economists. Environmental economists retain the fundamentals of neoclassical theory, including its failure to acknowledge the limits of the ecosystem. They attempt, however, to apply minor tweaks to the theory in an effort to account for environmental impacts, ultimately trusting the market to wield its "invisible hand" to make everything right. Most other neoclassical economists do little at all to to account realistically for the ecosystem.

Ecological economists thus find themselves at odds with a range of neoclassical economists ranging from traditionalists who see no need for any special considerations for the environment, to the "environmental" group which acknowledges it may be wise to include environment considerations in calculations and measurements, but insists the traditional model is up to the task. [2]

Entrenched thinking

Ecological economics has so far found only minimal acceptance among

mainstream economists. Most mainstream economists will say they simply disagree with the ideas of ecological economics to such an extent that they refuse to incorporate them. But what do they disagree with? The fundamental differences between the two camps seem to boil down to a few issues on which the ecological economics camp's arguments are essentially irrefutable or, at worst, eminently more reasonable than those of the mainstreamers: The ecosystem is finite. All human activities and cultural entities, including our economy, are a part of it, dependent on it, and subject to its limits. And the physical throughput associated with ongoing economic growth is degrading it.

The concerns of ecological economists reflect those of of natural scientists who point to the risks we face in allowing our actions to degrade our planet's biodiversity. Our actions have damaged the web of life, that system of millions of interdependent species on which all life, including our own, depends. The extraction of oil, burning of fossil fuels, and resulting climate change has teamed, for example with the use of land as a resource for activities such as ranching to drive deforestation, a major driver of species loss. As a result, extinctions are now occurring at 100 to 1000 times the normal background rate. Scientists such as E.O Wilson and Richard Leaky are calling it a "mass extinction event," the sixth such event and the the heaviest loss of species since the disappearance of the dinosaurs.

Do we, as one species, as dependent on the web of life as any other, think we are exempt from the risk of extinction as a result of the loss of ecosystem services provided by other species? It's a question paralleling the ecological economists' question, "Does our species really believe our economy, one of our cultural creations, sits apart from or is greater than the ecosystem which supports us?"

Mainstream economists' failure to incorporate the fundamental observations of ecological economics has the look of entrenched thinking, closed even to clearly superior alternatives. What might be the mainstreamers' motives in holding fast to what seems an unsupportable position? It could be they simply feel most comfortable with economic theory as they've learned it, that change is unsettling. Most likely, there's more.

Having witnessed a few other theoretical turf wars, this writer suspects some economists, having invested their professional lives in neoclassical theory, have come to appreciate its power and logic, and see ecological economics as damaging to the theory and thus their identities. Do they fear fundamental changes to their theory will threaten their abilities to function as the economists they are? They may envision little role for themselves in a radically changed system. Mark Montgomery, economics professor at Grinell College seems to express such fear when he writes on American.com, "There is plenty of evidence that environmentalists under the ecology banner want to get rid of us economists." Are mainstream economists simply working, then, to preserve their professional identity?

Resisting their own rescuers?

The irony is that if mainstream economists have their way, and economic policy continues on its present course, the outcome will be exactly what they likely fear -- the crumbling of their profession (as well as many others). Conventional economic growth is destroying the ecosystem. If allowed to go too far, then without a viable ecosystem what sort of economy will there be? And how will conventional economists function? In an apocalyptic future they're history. In the context of a more intact but still highly eroded ecosystem and human society, their role will at best be radically altered.

The irony only increases as we recognize that the ecological

economists the mainstreamers resist are fighting to preserve the ecosystem, which includes the very profession the mainstreamers fear losing. Ecological economists are, in effect, trying to save their mainstream counterparts from their own professional (and possibly biological) self-destruction. But the mainstreamers can't see it.

And it may be worse than that. An increasing number of analysts maintain the policies driving economic activity to date have already done too much damage to prevent societal collapse in the coming decades. The convergence of our population's continuing overshoot of the earth's carrying capacity, the peaking of oil production, biodiversity loss, and a laundry list of other ecological problems may be too much for any late stage corrective efforts to overcome. Peak oil activist, Paul Chefurka, who constructs well researched analyses of the state of our ecological crisis, minces no words in writing, "My conclusion is that humanity is facing an imminent, inevitable and irrevocable collapse, incorporating both a severe population dieoff and the loss of most of our technological civilization." If such predictions prove true, mainstream economists will at some point realize their work contributed heavily to their own, and nearly everyone else's, demise.

Other analysts do hold out hope that humanity will find a way to transition, with great difficulty, to a sustainable society, averting unthinkable cataclysm. At the least, they push for actions which would soften the landing in the event of some degree of societal collapse. Such scenarios will take courageous, committed policy, unprecedented international cooperation, and a willingness on the part of many leaders to put aside the corporate and self-interests to which they cling. Ecological economics offers a key vision for such an undertaking.

So this is a plea to mainstream economists: Please consider putting the state of the earth and human society ahead of your professional status. Surely you recognize that your "ecological" counterparts are right about the relationship between the ecosystem and the economy. Quibble over theoretic minutiae if you will, but gather your courage and embrace at least that crucial point. In so doing you'll be in a position to engender hope at a turning point in human history.

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[1] Ecological economics overlaps closely with "green economics," and can be seen as a part of the "Post-Autistic Economics" movement.

[2] To avoid oversimplification, note that the ecological economics and environmental economics camps are not always warring. There is, from time to time, constructive discussion between them. Still, let's hope the latter group gives up its homicidal tendencies.

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References and further reading:

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forestpolicy.typepad.com

"Mainstream economics can't handle sustainability" -- By Ken Stokes at Sustainability in Hawaii

kauaian.net

"Two World Views" -- Simple, clarifying chart at the Post-Autistic Economics Network.

paecon.net

"How do They Face Their Children?" -- More brief introductory material on ecological economics as contrasted with mainstream economics, by John Feeney at Growth is Madness!

growthmadness.org

"What's in a Name?" -- By Mark Montgomery

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"The Sixth Extinction" -- By Niles Eldredge for ActionBioscience.org

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"Nature's Place - Human Population and the Future of Biological Diversity" -- By Richard P. Cincotta and Robert Engelman for Population Action International

populationaction.org/

"Population Decline - Red Herrings and Hope" -- By Paul Chefurka, this piece brings in to focus the relationship between peak oil and world population.

paulchefurka.ca