

## 21<sup>st</sup> Century Economics for the People of a Living Earth

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Thank you. In my presentation this morning, I summarized how humanity is reaching the end of a 5,000-year era of Imperial Civilization. China is now positioned to make a defining choice for itself and for humanity. It can be the last great imperial superpower on a dying Earth. Or it can lead humanity in a dramatic change of course to an ecological civilization—a world that works for all people and the whole of life.

Wulong, as a scenic World Heritage site and tourist destination, has the potential to be a powerful center of learning and demonstration for the transition.

My presentation this afternoon is on the foundational principles of the 21<sup>st</sup> century economics needed to guide humanity's path to the values, institutions, technology, and infrastructure of an ecological civilization. These principles shed the consumerist fantasies of 20<sup>th</sup> century economics. They also go beyond human survival in search of a future that secures the essential physical and spiritual needs of every person in ways that simultaneously restore the health of Earth's regenerative systems.

▶ As I noted this morning, our choice between mutual extinction and mutual well-being turns on a fundamental question:

- Are we financial beings, whose well-being depends on growing money?
- Or are we living beings whose well-being depends on the regenerative health and vitality of a living Earth?

If we were primarily financial beings, we might benefit from yielding our power to profit-maximizing transnational corporations. But we are not financial beings. And we cannot eat money.

- ▶ We are living beings whose well-being depends on community. Thus, power must reside with communities of people and nature that self-organize to meet their common needs. Shifting power from profit-seeking transnational corporations to life-serving living communities is therefore a defining priority in the transition from imperial to ecological civilization.

It is also a defining goal of the following eight principles of a 21<sup>st</sup> century economics.

- ▶ ***Principle 1: Indicators. Evaluate economic performance by indicators of the well-being of people and planet; abandon GDP growth as a relevant indicator.***

Making GDP growth our priority indicator of economic performance is appropriate only if our goal is to grow the number and financial assets of billionaires seeking to control an ever-growing share of the natural and human wealth of a dying Earth. Well intentioned advocates of green growth point to progress in reducing the environmental impact of each new unit of GDP and assure us that greening growth will solve our problem.

But greening growth can only slow the rate of increase in the human burden on Earth's regenerative system. It does not reduce it. Thus, it does not, cannot, address the imperative to reduce overall consumption and restore the health of Earth's regenerative systems while meeting the essential needs of all people. We must assess the economy's performance in terms of what we seek to achieve. Whether GDP goes up or down in the process should be irrelevant.

- ▶ ***Principle 2: Beneficial Use. Use resources only for purposes that enhance the well-being of people and Earth; eliminate non-beneficial uses.***

Our world is rife with non-beneficial uses of Earth's bounty: war, preparations for war, and global arms sales; financial speculation; advertising to sell nonessential goods; industrial agriculture that pollutes the soil, air, and water to produce food of questionable nutritional value. These and more waste resources to no beneficial end;

and should be eliminated. We should likewise eliminate the need for most automobiles by upgrading public transit and designing infrastructure to support people living close to where they work, shop, and play. We can eliminate most global movement of people and goods by keeping production and consumption local, using locally recycled materials and substituting electronic communication for global business travel.

The labor and resources thus freed up can be redirected to many beneficial uses: raising and educating our children, caring for the elderly, restoring the health and vitality of Earth's regenerative systems, rebuilding the social infrastructure of community; rebuilding physical infrastructure to reduce dependence on fossil fuels and strengthen connections among people and with nature.

- ▶ ***Principle 3: Rights of Labor.*** Put resource use rights and responsibilities in the hands of people who provide beneficial labor in service to community well-being; not those who expropriate the products of life's labor to live beyond their own means.

Life depends on the labor of nature and people. The current economic system rewards those who claim ownership, often at the expense of those whose labor creates and maintains community well-being.

Much of the current economy's dysfunction can be overcome by eliminating the division between owners and workers—a problem corrected through worker ownership combined with an ethical frame that recognizes our well-being depends on mutual caring; not on financial return. This will also simultaneously achieve a much needed redistribution of wealth to greatly reduce inequality.

- ▶ ***Principle 4: Money.*** Make the creation of society's money supply a transparent publicly accountable process to advance the common good; not a secret process to grow unearned profits for private banks and financiers.

In our modern money-dependent society, those who control the creation and allocation of money control the lives of everyone. It defies reason to assume that society benefits from giving this power to for-profit banks dedicated to maximizing profits for the already richest among us. The institutions of money creation and allocation must be public, transparent, and accountable to the people who depend on them. That means that banks must be owned and managed by democratically accountable governments. Or they must be worker or community owned banks that aggregate local savings to finance local home and business ownership.

- ▶ ***Principle 5: Education. Organize and manage education to support lifetime learning in service to life-serving communities; not to pass standardized tests in preparation for careers in service to profit-maximizing corporations.***

Far too much of modern education is devoted to preparing youth for obedient service to profit-maximizing transnational corporations. Even worse, most university economics courses promote the idea that the best way to serve society is to maximize your own interests—a form of social pathology. We must prepare youth with technical and interpersonal skills based on cooperation combined with a deep sense of moral responsibility for the well-being of others and Earth.

No one knows how to get where we now must go, and education cannot provide our young with answers that do not exist. Education can, however, help us all become lifelong learners, skilled in asking the right questions and working together to find and share the best available answers.

- ▶ ***Principle 6: Technology. Create and apply technology only to serve life; not destroy or displace it.***

Technology must be life's servant. We must avoid technologies that displace or destroy life's natural functions. Our current system of determining how to apply technology based solely on what will produce the greatest short-term financial return is madness.

Humans have the right and the means to assure that technology is used only to advance the well-being of people and Earth and to eliminate use of those that do not.

- ▶ ***Principle 7: Community.* Make self-reliant living communities the defining units of societal organization and assure that all institutions are accountable to the community and serve its well-being.**

Organize society around cooperative, inclusive, self-reliant, regenerative communities that serve life. If we eliminate big business, we eliminate the need for big government to limit the abuse of corporate power and clean up the messes those abuses create. Keep businesses human scale and worker owned. Make government accountable to communities.

Communities that organize to meet their needs through constant cyclical flows of resources were the human norm until less than 100 years ago. We can do it again. Urban and rural dwellers can restore their interdependence. Cities can source food, timber, fiber, pulp, and recreational opportunities from nearby rural areas. Rural areas can regenerate their soils with biowastes from nearby urban areas and enjoy the benefits of urban culture. Suburbs can convert to either urban or rural habitats.

- ▶ ***Principle 8: Population.* Seek a healthy beneficial balance between human populations and finite Earth's other species; not the dominance of humans over all others.**

The health of any natural ecosystem depends on its ability to balance the populations of its varied species within the regenerative limits of their common home. To stabilize or reduce the human population to reduce the human burden on nature, provide free access to fertility control and provide women with full access to education and workplace options.

Communities that need more young people to balance their age pyramids can look to those with a surplus of willing young workers eager for new opportunities.

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The basic frame of 21st century economics contrasts sharply with that of the 20th century economics it must now displace. The new frame is far more complex and nuanced. Yet most people can readily grasp its principles because they are logical, ethical, and reflect the reality that most people are kind, honest, find pleasure in helping others, and recognize that we all depend on the health of our Earth mother.

The premises of 20<sup>th</sup> century economics drive our current crisis. As terrifying as its potential outcome, its failure has created a moment of opportunity. With China's leadership and a 21<sup>st</sup> century economics grounded in principles that reflect our reality as living beings born of and nurtured by a living Earth—we may still have time for a dramatic change of course.

Thank you.