

# Eco'-nomics

*We look to economics for maps to guide us in structuring and managing the economy to secure our means of living. Focused on individual financial return rather than community well-being, the maps of contemporary **ego'**-nomics guide the exploitation of people and nature to maximize individual private financial return. To achieve the living economy of an Ecological Civilization, we need dynamic living maps from an **eco'**-nomics that affirm our nature, needs, and responsibilities as members of a living Earth community and guide us in addressing the defining challenges of our time.*

Life is conscious, self-organizing matter that captures, stores, and applies energy through its labor to create and maintain the conditions of life's existence. Each living being relies on genetically inherited maps modified through learning to respond successfully to the ever-changing circumstances of the territory it inhabits.

The maps are never complete nor final. The territory is always changing, and life is forever learning and evolving.

This paper builds upon themes of [Ecological Civilization](#), [Great Turning](#), and [Living Economy](#). We recommend reading these three papers for background and context. See <http://davidkorten.org> for descriptions and links.

Humans are Earth's most sophisticated map makers. Indeed, our extraordinary drive to understand ourselves and our relationship to one another, Earth, and the cosmos is part of what makes us distinctively human. The maps that guide our choice-making as individuals, families, communities, and societies find expression in distinctive cultures, traditions, religions, ideologies, and scientific disciplines. We are continually correcting, updating, and elaborating both our individual and our shared maps.

Many of the social and environmental failures of the global economy trace to the flawed and outdated maps of the **ego'**-nomics currently taught in our most prestigious universities as scientific truth and echoed daily in the media. Those failures are so significant that they pose an existential threat to the survival of the human species.

According to estimates of the Global Footprint Network, it would take 1.7 Earths to sustain current levels of human consumption (2020). We have only one Earth. Yet we continue to threaten the viability of Earth's community of life by pursuing further growth in human numbers and consumption to grow GDP as humanity's defining priority.

Little if any benefit from current GDP growth accrues to the billions of Earth's people who face a daily struggle to fulfill their needs for food, water, shelter, and other essentials of wellbeing. Their struggles lead to high rates of suicide, mental illness, and violence—including in so called "developed countries" that present themselves as models of economic success.

An initial step toward getting our maps right is to acknowledge how and why the maps of *ego'-nomics*, by which we organize as a global society, diverge so far from the reality of our needs and nature.

## Misdirections of **Ego'**-nomics

Major responsibility for humanity's current monumental errors traces to a group of 19<sup>th</sup> century economists suffering from a bad case of physics envy. Seeking stature for themselves comparable to that of the physicists of their day, they sought to mimic physics. They abandoned the sprawling and powerfully relevant treatises of Adam Smith, David Ricardo, Karl Marx, and other founders of their discipline in favor of reducing economic analysis to mathematical models.

Their models required quantification. Money became their favored metric and measure of wealth. In that choice, they lost contact with reality.

We cannot eat, drink, or breathe money. It will not warm us on a cold night. Nor stabilize the climate. Money can buy only that which is for sale. That includes promises. But we cannot eat either money or promises. And money will be worthless on a dead Earth.

The real economy, the one on which our wellbeing depends, is about relationships between choice-making living beings engaged through their labor in creating and maintaining the conditions essential to their individual and collective wellbeing.

Money has no existence outside the human mind. Having more of it will not increase the productivity of the labor of humans and other living beings. Growing money only increases the power of those who create and use it to claim the products of the labor of those who do productive work.

The more money an individual has, the more easily he or she can outbid others in the marketplace. This transfers the benefit of the labor of those who produce what is required for our wellbeing to those whose labor is devoted to gaming the financial system to grow and claim money without need of producing anything of actual value.

Some gain control of banks that create money by issuing debt that must be repaid with interest. Others concentrate on gaming financial markets by creating and selling fictitious assets known as derivatives and crypto currencies. Money grows as the numbers move around between competing accounts on computer hard drives without the slightest pretense of producing actual value.

The maps produced by the ego-driven misadventure of 19<sup>th</sup> century economists lead us to see ourselves as a collection of independent ego-centric individuals, embrace money as the defining measure of value, and pursue the making of money as our defining purpose and moral responsibility. Known as neoliberal or standard economics, it bears less resemblance to a science than to a cult dedicated to the worship of money and dismissive of legitimate challenges to its established beliefs.

Recognizing that *ego'-nomics* shields economic predators from moral responsibility for the harmful social and environmental consequences of their choices, private financial interests use their financial power to relentlessly promote the maps of *ego'-nomics* through media, education, government, and even religion. We have for too long succumbed to this intentional and well-funded misdirection. We can no longer ignore the growing gap between the promise of material self-indulgence for all and the reality of spreading despair and exclusion for the many that dehumanizes us all and diminishes Earth's capacity to sustain life.

*Ego'-nomics* focuses on money and self-enrichment through maximizing financial return. *Eco'-nomics* focuses on life and living relationships grounded in the foundational insight of the Ubuntu Principle that comes to us from the people of Africa, the birthplace of the human species.

## The Ubuntu Principle

For some 200,000 years humans lived in communities in direct relationship with one another and the beings of the living Earth community. There emerged from the African experience a distinctive insight into life's inherent interdependence, an insight now confirmed by the leading edge of the physical, biological, and social sciences.

Africans call it *ubuntu*, commonly translated as "I am because you are." In its fullest meaning, *ubuntu* acknowledges the individual's dependence on the whole of life: "I am because we are." The Ubuntu Principle takes it the next step: "I do best when we all do well."

An authentic 21<sup>st</sup> century *eco'-nomics* will rest on this foundational insight and acknowledge our distinctive responsibilities as Earth's most self-aware and now dominant species.

This same deep sense of interdependence is foundational to family/community-centric cultures throughout Asia. China embraces it in its constitutional commitment to an ecological civilization. The Ubuntu Principle serves as an underlying foundation of the Earth Charter, which in turn sets forth the defining principles of an ecological civilization.

Christians call us to love and care for our neighbors and all that the eternal spirit has created. The Quechua peoples of the Andes refer to it as *sumac asway*, which translates into Spanish as *vivir bien* and into English as *good living*. Bolivia and Ecuador have written the concept into their respective constitutions.

The frontiers of science now give us an ever-deepening understanding of the interdependence of life. Quantum physics tells us that relationships, not particles, are the foundation of what we experience as material reality. Biology is finding that intelligent life exists only in diverse communities of choice-making organisms that together maintain the conditions essential to their individual and collective existence. The social

sciences find that humans get their greatest satisfaction from mutually caring relationships with other living beings. These ideas are all foundational to the insight that evolutionary biologist David Sloan Wilson calls Prosocial, a recognition that we do better together than alone.

The human body provides a profound and intimately familiar application of the Ubuntu Principle. Observations made possible by advanced scientific technologies now reveal that each human body is a community of tens of trillions of interdependent, decision-making, regenerating cells and microorganisms engaged in a continuous exchange of nutrients, water, energy, and information mediated by the body's heart, lungs, liver, brain, and other organs. Together, they create and sustain the vessel of my consciousness and the instrument of my agency. I am because they are.

We know that not all our body's cells and organisms recognize and fulfill their responsibility to and for the whole. COVID-19 and cancer cells are well-known examples. Seeking only their own reproduction and competing to control and consume the body's available energy and nutrients, they act as if seduced by the teachings of *ego'-nomics*.

We also know that a functioning body is not self-contained. I depend on my body's continuing exchange with the community of life to which I belong and on which I depend for companionship, food, water, air, a stable climate, and recycling my wastes. I am because of the bees that pollinate, the trees that produce oxygen, the beetles that replenish the soil by aiding the decomposition of dead plants, the microbes that digest the food in my gut and recycle my wastes, and the people who love and care for me as I love and care for them.

Without these many, diverse beings, Earth would be just another dead rock floating in space. And I would not be experiencing the miracle of life. If any aspect of this internal and external interdependence suffers serious disruption, I die. It is the same for every living being, including the living Earth.

## Living Earth

Earth is vastly larger and more complex than an individual human body. Yet like any multi-celled organism, Earth survives as a living being only so long as its countless individual organisms self-organize to create and maintain together the conditions of climate, pure water and air, fertile soil, and all else on which life depends.

Nowhere in these constant and incredibly complex exchanges do we find equivalents of the human institutions of money, government, or business. This reality is both humbling and reassuring. It is humbling to acknowledge what life accomplishes without such props. Until relatively recently, humans did as well.

It is reassuring to know that we have distinctive capabilities unavailable to other species to make intentional collective choices to shape our collective behavior. We can choose at

any time to make different choices. We have not yet learned, however, to use these capabilities wisely and responsibly as an interconnected global species. It is now time to take that step.

The evolution of life on Earth is a slow process involving billions of years. The species *homo sapiens* has achieved an extraordinary global transformation in just some 200,000 years. We began moving out of Africa to populate the Earth some 70,000 to 100,000 years ago. We began to develop our extraordinary capacity for language about 50,000 years ago. We transitioned to settled agriculture some 10,000 years ago. We developed the institutions of city states and then nation states only some 5,000 years ago.

Development of the technological capabilities that now unite the world in instant communications began with the telegraph less than 200 years ago. The dramatic transformation wrought by computer audio-visual assisted communications has come within the past 40 years. Now, current scientific consensus gives us less than 10 years to use these capabilities to achieve the transformational changes in culture, institutions, technology, and infrastructure essential to avoid harms from which Earth could take millions or even billions of years to recover.

It is our ability to organize around ideas that makes us distinctively human. The cultural beliefs and values we communicate in our stories serve as maps that shape our institutional, technological, and infrastructure choices. Those choices, as we are seeing, can have extraordinary impacts on how we live and how we affect the living Earth community.

Concerned only with financial exchange, *ego'-nomics* lacks the relevant tools even to recognize the problems created by our current choices. It cannot help us address problems it does not recognize.

Our future depends on an *eco'-nomics* that begins with life and builds from the *Ubuntu Principle* to guide us to a global economy appropriate to a species with distinctive responsibilities and an urgent need to get our Purpose, Power, and Procreation right.

## Ubuntu Corollaries

Three defining corollaries follow from the *Ubuntu Principle*.

### **1. Purpose: A high performing economy will provide all people with material sufficiency and spiritual abundance while supporting the wellbeing, beauty, and creative unfolding of Earth's community of life.**

*Ego'-nomics* makes GDP growth the economy's defining purpose. It assumes that the wellbeing of people and Earth will follow. Occasionally it might. Usually, it does not.

GDP measures the market value of that which is exchanged in the market. It ignores exchanges based solely on our caring for one another. It takes no account of what the market exchange involves, who benefits, or what may be its impact on the

community's social and environmental health. In our current context the most certain beneficiaries of most market exchanges are those who claim the profits of the corporations that control the exchange.

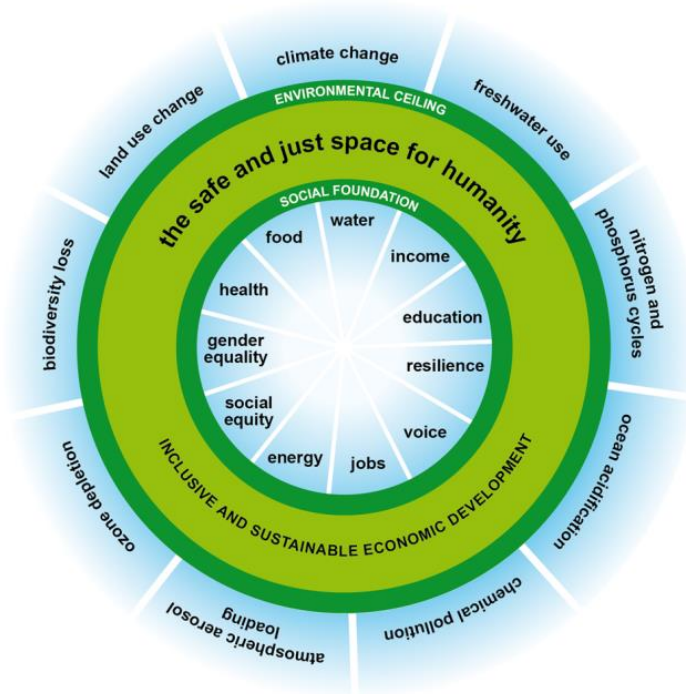
A major portion of GDP growth comes from growing human numbers, monetizing relationships once based on mutual caring, frivolous extravagance, dysfunctional infrastructure such as automobile dependent cities and suburbs, and preparations for and the conduct of wars in our competition for control of the remaining resources of a dying Earth. GDP growth serves us as a defining indicator of economic performance only if our purpose is to grow short-term corporate profits and the fortunes of billionaires in disregard of the long-term social and environmental consequences.

Living beings grow physically, but only within life's continuing cycles of birth and death. If our human body continues to grow past adolescence, it generally means we need to change our diet and get more exercise.

Let us imagine a mature economy as one that secures comfortable material sufficiency and satisfying relationships for all people while securing the health of Earth's regenerative systems. GDP may grow in the process of society's maturing, but that does not make growing GDP a legitimate purpose. Once the desirable maturity is reached, further GDP growth is likely an indicator of economic dysfunctions that need immediate correction.

Kate Raworth, the acclaimed author of *Doughnut Economics*, suggests that managing a modern economy requires boundaries defined by two indicator panels. One panel warns when essential human needs are not being met. The other warns when humans overburden one or more of Earth's critical regenerative systems. Our wellbeing and fulfillment of our purpose and responsibility to the whole depends on our learning to manage the economy within the limits of the two boundaries of the doughnut.

### THE RAWORTH DOUGHNUT





These boundaries circumscribe the space of a healthy, mature economy devoted to supporting us in actualizing the creative and spiritual potentials of our humanity. The doughnut thus provides a foundational frame for the metrics by which *eco'-nomics* appropriately assesses the economy's performance.

As we develop a deeper understanding of what gives us true satisfaction, we realize that success requires that we give up only those things that dehumanize us and threaten us with self-extinction.

## **2. Power: The economy best fulfills its purpose when we organize as communities of place in which people are empowered to fulfill their responsibility to and for themselves, one another, and Earth.**

There is no universal design for local living community economies. The people of each place must adapt to their distinctive and often dramatically different local circumstances. At the same time, their local economies must support the wellbeing both of their own people and of the holarchy of communities by which they connect to one another and the whole of living Earth.

This requires adapting to dramatic differences presented by meadow, mountain, jungle, desert, arctic and other landscapes. The relevant differences extend to variations of water sources, soil quality, and sunlight availability even down to micro differences on small garden plots. Life best thrives through micro-adaptation to these variations. This can be achieved only by localized choice making.

To deal with its distinctive needs and opportunities, each community must be able to control human access to, care for, and live within the limits the resources of its territory. So long as each local community meets its needs through its own labor in self-reliant balance with its local ecosystems, Earth's community of life remains in balance with itself and Earth. In an ecological civilization, securing local communities against predatory colonization by neighbors is a major responsibility of the institutions of national and global government.

We must also accept the limitations of our human ability to control nature. We have ample evidence of the mortal dangers of misjudging the consequences of such efforts. Our current job is to facilitate the healing of the living Earth community by controlling ourselves. Only after we have mastered our responsibility to facilitate such healing might we take on the challenge of finding our role in advancing the continuing evolution of the whole.

In service to the wellbeing of people and Earth, all human institutions—business, government, and civil society—must ultimately serve the wellbeing of and be accountable to the people of deeply democratic bioregional communities of place. We must give special attention to the institutions of business because they have become so devastatingly powerful and so often harmful.

A business must have profits sufficient to remain viable and provide a fair and modest return to investors commensurate with risk. When ownership is local, a major part of the return to owners comes from the contributions of the business to the wellbeing of the community on which the wellbeing of the owners in turn depends. When ownership is delinked from the place in which the business does business, that connection is broken, and the business can become a mortal threat to life.

The charter of the publicly traded, limited-liability, for-profit corporation is a legal instrument that, in its current form, supports the unlimited concentration of economic power delinked from responsibility for and accountability to the communities in which it does business. Such an institution has no legitimate place in the 21<sup>st</sup> century civilization to which humanity must now transition.

More appropriate to our needs are local family businesses and worker/community owned cooperatives. The Mondragon worker coops in the Basque region of Spain are among the most successful currently existing examples.

Equally obsolete is the current system of monopolistic, private, for-profit banks that create money by issuing interest-bearing debt that can be repaid only so long as GDP growth is generating sufficient new debt to pay the interest on outstanding debt. Money creation in a viable human future must be transparent, accountable, and supportive of productive investments that put underutilized regenerative resources to work meeting unmet needs of people and Earth.

Money must serve the community. It must never be allowed to be an instrument of speculation and control by the few to exploit the many, as it now is.

These are issues that a fully developed *eco'-nomics* will provide maps to help us address.

- 3. Procreation:** To fulfill our responsibilities to one another and Earth, it is essential that we manage our human numbers and distribution while continually learning and evolving as individuals, families, and communities.

Life replenishes and renews itself through continuing cycles of conception, birth, maturation, adulthood, death, and rebirth. These cycles are essential to life's resilience, regeneration, and continuing evolution toward ever greater diversity, beauty, awareness, and creative potential.

Life's resilience and creativity depend on maintaining its species diversity. The less its diversity, the less its ability to recover from disruptions like meteors, volcanoes, and rogue species. And the less its potential to evolve. Diversity depends in turn on keeping species numbers in balance. Normally life depends on predators to maintain that balance. As for example, wolves culling deer populations.

Earlier human population growth was checked by larger mammals and hostile microorganisms. As we learned to protect ourselves against such threats, including



through improvements in diet, sanitation, and health care, growth in our human numbers and consumption exploded to such extent that we now pose an existential threat to ourselves and the living Earth. We might think of COVID-19 as an intervention by living Earth to protect herself from humans.

We will prosper as a species only as we get our numbers and relations right with one another and Earth. As Earth's now dominant species, we must assume responsibility for ourselves—our numbers, distribution, consumption, and care for Earth's community of life. The key to balancing our numbers resides in evidence that women will control their fertility if provided with education, attractive alternative career opportunities, and the means of fertility control.

The more daunting challenge is dealing with population redistribution as we render ever more of Earth's places socially and environmentally unlivable. Here the key is knowing that most people prefer to stay in the place they know as home for so long as that is a viable option. We will all benefit from cooperative efforts to restore livability wherever that is possible while achieving an orderly redistribution and resettlement of people from those places such as disappearing islands, where restoring livability within a reasonable time is not an option.

Our future depends on a dramatic transformation in our understanding of ourselves and our relationships with one another and Earth. It begins with taking seriously the care and education of our children and the truth that “It takes a village to raise a child.”

The human family has more than enough abused and neglected children. What we lack is adequate attention to the care and development of all our children to assure that they achieve their full potential as intelligent, responsible contributors to the wellbeing of the whole. Imagine a world in which every child is a wanted child, and all children are loved and supported by a caring community.

We never outgrow our need for learning, nor our need for a village. Our need from birth is to learn how to learn together and to do so throughout our lives. Conventional textbook education is distinguished by its isolation from the experience of living to prepare our young for a world that mostly never was and never will be.

It is not the place of *eco'-nomics* to design education curricula for life-long learning. But it is its place to make clear that meeting this need is an essential requirement for securing the wellbeing of people and Earth.

The issues illuminated by the Ubuntu Principle and its corollaries are ignored or wrongly served by *ego'-nomics* and remain to be fully addressed even at the leading edges of new economic thought. They are foundational to framing the *eco'-nomics* we must together create.

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The disruptions of COVID-19 make this a moment of opportunity to fully engage the transition to the culture, institutions, technology, and infrastructure of the ecological civilization on which a viable human future depends. That transition will succeed only if guided by cognitive maps grounded in valid assumptions regarding life, a living Earth, and the positive potentials of humanity.

Recognition of the inadequacies of *ego'-nomics* is not new. Contributors to ecological and heterodox schools of economics have been advocating alternatives for decades. These efforts commonly challenge GDP as the defining measure of economic performance, acknowledge planetary boundaries, and argue for action to reduce economic inequality. We need to build on their insights as we develop *eco'-nomics*.

Going forward, the teaching of 20<sup>th</sup> century *ego'-nomics* should be covered in respectable universities only to familiarize students with the devastating consequences of its false assumptions and paths to recovery from them.

The time has come to clearly and unambiguously acknowledge the essential wisdom of our ancestors who recognized that our wellbeing is inseparable from the wellbeing of our neighbors and a living Earth. And we must clearly acknowledge that money, which has no existence outside the human mind, is a sometimes-useful *eco'-nomic* tool that can become a deadly threat when pursued as an *ego'-nomic* purpose.

Much work remains to be done to create a 21<sup>st</sup> century *eco'-nomics* grounded in the Ubuntu Principle and its corollaries. The goal of such an *eco'-nomics* will be to prepare us all to be competent map makers and map readers as we find our respective paths to a materially sufficient and spiritually abundant future for all.

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## More on *Eco*'-nomics

### **Democratic Capitalism**

Ownership debates usually center on a choice between capitalism (private ownership) and socialism (government ownership). They largely avoid the foundational question: Is power shared and accountable to We the People—all the people? Similarly, discussions of individual rights, including rights of ownership, rarely note that all rights necessarily come with responsibilities. ...[more](https://davidkorten.org/democratic-capitalism/). <https://davidkorten.org/democratic-capitalism/>

### **Money: Taming the Wild Card**

A wild card, often called a joker, is a playing card that has no value of its own but can be used to represent any other card and thus assumes the value of that card. We might think of money, most of which is nothing but a number on a piece of paper or hidden away in a computer hard drive, as an economic wild card. ...[more](https://davidkorten.org/money-taming-the-wild-card/). <https://davidkorten.org/money-taming-the-wild-card/>

### **How *Ego*'-nomics Misleads Us**

Economists claim their assessments are based on settled science. Yet the assumptions underlying their assessments are contradicted by both logic and real-world observation. ...[more](https://davidkorten.org/how-ego-nomics-misleads-us/). <https://davidkorten.org/how-ego-nomics-misleads-us/>