

This article appeared in The National on December 16, 2008. Read it on-line here:
<http://www.thenational.ae/article/20081216/OPINION/804770548/1080>

How to save the planet? It's the economy, stupid

Peter G. Brown and Geoffrey Garver

As governments grapple with the global economic crisis, there has been a sudden shift away from the mantra of the need to balance budgets to a view that deficits are necessary to provide sufficient stimulus for economies staggered by plunging stock markets. But a more essential budget also deserves urgent attention, and the two are not mutually exclusive.

The ecological budget – on which all life, and consequently the human economy, depends – is already in dramatic deficit, and balancing it should be a high priority for nations around the world, even as the financial meltdown seizes headlines.

Why is this budget just as pressing as the fiscal budget? September 23, 2008, was Earth Overshoot Day: when the human species used up what the Earth, fuelled by the sun, will make available in 2008 to provide for and clean up after us and the Earth's millions of other species.

The period after that date represents the time in which the human population causes an ecological deficit, using up the Earth faster than it can regenerate. We have run this deficit since at least the 1980s, and every year Earth Overshoot Day comes earlier.

The story behind this moving date is one of a global environment that is rapidly losing its ability to support life: accelerating climate change, greater numbers of species and habitats in peril, fisheries in decline, the proliferation of ocean dead zones, declining fresh-water resources and more. Ecological overshoot is climate change on steroids. It is happening right now, and it is worse than we have imagined.

What should be done? Here are five steps we can take to move towards a truly balanced budget:

1. Recognise that the economy is part of the biosphere. A comprehensive economic plan for human activity must be based on the scientific fact that the global economy is a subsidiary of the natural order. Economic policies should be attuned to the limited capacity of Earth's biosphere to provide for humans and other life and to assimilate their waste.

Photosynthesis and sunlight, not the laws of supply and demand, should provide the framework for economic budgets and expenditures. Money should be recognised only as a social licence to take a piece of a limited ecological pie, not as the vehicle for an endless cycle of credit-fuelled bubbles designed to sustain growth.

2. Acknowledge that we need new institutions. An economic renewal tailored to the realities of the 21st century would establish institutions committed to fitting the human

economy to Earth's limited life-support capacity. We need something like the central reserve banks, but which look after shares of the Earth's ecological capacity, not just interest rates and the money supply. Some functions of governance will have to operate at a global level, through a federation with enforceable laws designed to ensure that individual nations don't overrun Earth's limits. The rules for the developed countries that are responsible for the current financial and ecological crisis should be different from those for developing ones.

If an overhaul of the present economy revisits the Bretton Woods institutions – and it must – these are the kinds of institutions to work for.

3. Acknowledge that unlimited growth on a finite planet makes no sense. Most people take as a given that unlimited growth and wealth accumulation are the “natural laws” of the economy – inviolable, even though together they undermine the Earth's ecological and social systems.

What we really face is a moral challenge: bring the global economy into a right relationship with the planet and its human and non-human inhabitants, or suffer the increasing destruction of Earth's finite life support systems and social structures. A “right” human-Earth relationship would recognise humans as part of an interdependent web of life and acknowledge that destroying the ecological basis of the economy is an affront to life itself.

4. Fairness matters: the economy must recognise the rights of the human poor and of millions of other species to their place in the sun. In a world awash in money, addressing poverty only with growth reflects a lack of moral imagination. The Earth's biophysical systems are already in sharp decline: growth in consumption is a nonsensical response to problems caused by over-consumption. This new reality demands new ways to live within the means of the Earth.

5. Expand the discussion. The new knowledge that will forever mark this period in human history is the overwhelming scientific evidence that we are over-consuming the planet and accelerating toward ecological catastrophe. The idea that ministers of finance and professional economists can figure the way out of the present mess is dangerous. Their short-term approaches don't account for how the planet works, or even that the economy exists on a finite planet.

The current financial crisis presents us with a significant, valuable opportunity to rethink the way we do business and, by extension, the way we relate to the Earth. It would be folly to waste it.

*Peter G. Brown is a Professor at McGill University in Montreal. Geoffrey Garver is an environmental consultant and lectures in law at Université de Montréal and Université Laval. They are co-authors of **Right Relationship: Building a Whole Earth Economy**.*