

Creating a New Economic Story

By Jim Tarbell

It is time to turn around centuries of human behavior. Our economic story must be rewritten before the final chapter ends it all. We must have a new vision for a restoration economy of the future, if there is going to be a future for our children, grandchildren and all the world we know.

Wise thinkers have been working on this "great turning" for over a century. But it was not until the 1980s that sustainable economics became defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs . . . and environmental needs of present and future generations."

But a sustainable economy will only leave the planet and our culture at the level of degradation caused by thousands of years of the extraction economy. We need to create a restoration economy that restores our ecology, human community and economic vitality to levels of maximum potential.

Many visionaries have wrestled with this problem over the past 130 years. The ideas of three economists, Henry George, E. F. Schumacher and Herman Daly, have helped lay the groundwork for a Restoration Economy.

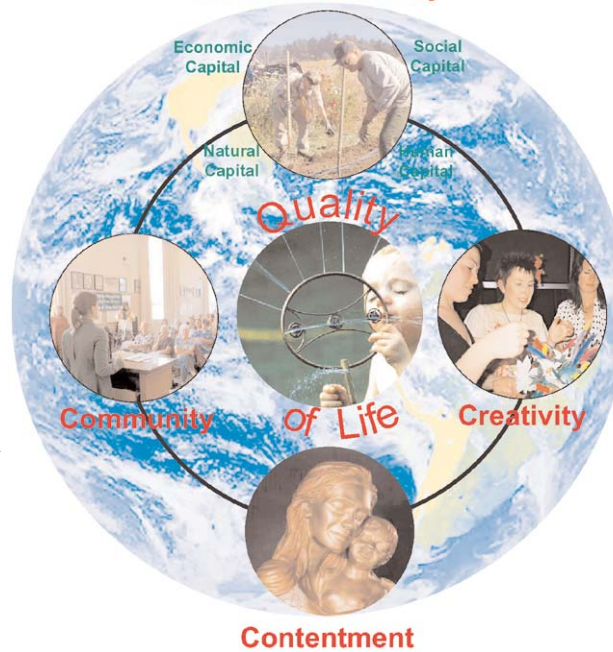
In the 1870s Henry George dedicated his first book "to those who, seeing the vice and misery that spring from the unequal distribution of wealth and privilege, feel the possibility of a higher social state and would strive for its attainment." He challenged the assumptions of the classical economists in the late 1800s. He saw land and natural systems as a birthright for all of humanity. He made economic justice a focal point of his concerns.

In reorienting economics to concentrate on the value of land and natural systems, he created a firestorm of dissent among established economists who worked feverishly to discredit his views. These mathematically-based professors, working in the finest academies of the British Empire, created a neo-classical economics that re-emphasized their self-centered economic man, the virtue of free trade and posited that natural capital could simply be replaced by manufactured capital.

In the mid-twentieth century E. F. Schumacher began to develop what has become known as humanistic or Buddhist economics, which puts human needs ahead of financial gain. He laid out his vision in his seminal book *Small is Beautiful*. He challenged the neo-classical paradigm with thoughts like:

• "The aim should be to obtain the maximum of well-being with the minimum of consumption . . .

Restoration Economy Economic Activity



The less toil there is, the more time and strength is left for artistic creativity."

• "Ever bigger machines, entailing ever bigger concentrations of economic power and exerting ever greater violence against the environment, do not represent progress: they are a denial of wisdom.

Wisdom demands a new orientation of science and technology towards the organic, the gentle, the non-violent, the elegant and beautiful."

Herman Daly, beginning in the latter decades of the twentieth century, helped create a new economic vision called ecological economics. This growing field of academicians challenges the neo-classical claim that land and natural systems can be replaced by manufactured capital. They concentrate on the finite scale of our planet and the inevitable depletion of our fossil fuel energy resources. They emphasize that quality is far more important than quantity.

A restoration economy recognizes that economic activity exists within a larger sphere of natural systems, Natural systems are not just a component of the economic system. The restoration economy will be a partner with community, creativity and that which brings contentment to maximize a high quality of life. This new economic vision will nurture and strengthen both natural capital and human capital. It will utilize social capital to create economic institutions that promote economic democracy and fairness. It will invest our economic capital in an appropriate and efficient manner. In this framework nature is valued, community is strengthened and people are secure, comfortable and happy.

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