

## GROUNDING ECONOMIC AWARENESS

*economic awareness based on ecological and ethical values*

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The banks, stock markets and all of our financial transactions are supposed to be in the hands of highly educated, intelligent people. Then how have they managed to bring the system so close to the brink of disaster that they have to go to the government with cap in hand, begging to be bailed out?

The answer is staggeringly simple. They have confused money with wealth; they have failed to follow the fundamental truth that money is not wealth: money is only a measure of wealth and a means to exchange wealth. Real wealth is good land, pristine forests, clean rivers, healthy animals, vibrant communities, nourishing food and human creativity. But the leaders of money markets have turned the land, forests, rivers, animals and human creativity into commodities to be bought and sold, and even the money itself has become a commodity – speculators trade in money to make more money.

Money is a good invention as a means to an end, but now money itself has become an end. We buy and sell houses, forests, foods and land to make money. Almost everything has become a commodity – it is acceptable to engage in any kind of trading as long as it makes money. Eighty to ninety percent of the money whirling around the world, day and night, is unrelated to any goods or services or any kind of real wealth. Money which was a means to trade has been turned into a status symbol, a source of power and prestige. This false philosophy of money is the root cause of the credit crunch and it will lead to what Monbiot (2008) calls the ‘nature crunch’.

The nature crunch is not something in the distant future – melting icecaps and climate chaos are already with us, and that is because of our obsession with making money at all costs. We are over-fishing our oceans to make money, clear-cutting the rainforests, poisoning the land with chemical fertilisers, putting animals in factory farms, manipulating seeds with genetic engineering, the list goes on – and all this is to maximise money. We are prepared to let the natural systems that life depends on suffer, but are not prepared to slow down the pace of money growth. Of course, money has a place within the broad context of sustainability and a harmonious relationship with the natural world, but we have to put it in its place and keep it there, rather than allow it to dominate our lives to such an extent that the human community, as well as the earth community, are endangered.

If learners are to contribute in their future personal and professional lives to a more sustainable society, they will need to gain an awareness of economics that goes beyond considerations of money in isolation, to an awareness of the larger systems which support life – the systems that economies, as well as people, are embedded within. They need to gain what could be called

place-based economic awareness. This chapter explores the relationship between economics and ecology using images which could help plant the seeds of place-based, grounded economic awareness in minds of learners.

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IN THE GREAT botanical garden of Kolkata (formerly Calcutta) there is the one thousand year old Great Banyan Tree. It has one thousand branches. Each branch forks into two branches – one moves upwards and embraces the sky, the other drops down to put roots in the earth, thus creating a new trunk to support the skyward branch.

Looking at this ancient tree it is difficult to distinguish which is the original trunk or the original branch. Each new trunk is grounded in the place by putting down new roots. This is one of the most amazing examples of sustainable growth – while branches spread in the sky looking up to the sun and the stars, the trunks and the roots remain firmly fixed in place.

There is another great tree which is in England. It is a yew tree in a churchyard in Dartington, Devon. Botanists believe that this yew is between eighteen hundred to two thousand years old. In other words, almost as old as Christianity itself, and the tree was there long before the church.

‘What is the secret of the sustainability of this great yew?’ I asked Dartington’s Head Gardener.

‘The roots of this tree are as broadly and deeply embedded in the place as the branches are spread wide and high in the sky. Of course, you don’t see the roots, but they take as much space as the trunk and the branches you can see’, the gardener answered.

‘Is this true of most trees?’ I enquired.

‘Yes it is. The great oak, the birch, the beech, the Lebanese cedar you see here in the garden are all embedded in their place. They have extensive networks of roots underground. If the trees did not have a sense of place, they would not survive’.

What a perfect illustration of balance, harmony and wholeness. Outward growth complemented with inward growth. If only the globalisers of the economy learned from the trees; if only the bankers, hedge-fund holders, stock market managers, financial experts and economists could see this relationship between inner growth and outer growth; if only manufacturers and retailers could realise that the economics of the planet has to be built on the economics of place. Economics without a sense of place has no place in a sustainable society. The breadth of the economy has to be in balance with its depth.

We cannot save the planet and destroy the place. We cannot serve the interest of the global community and undermine the interest of the local community. Large is lovely only if it is balanced by the beauty of the small; if we allow the small to diminish then one day the large, too, will perish. Large banks are facing a sorry state of affairs because they have swallowed the small savings banks and mutual societies; we sowed the seeds of the credit crunch when we abolished

the credit unions; we laid the foundation of the economic downturn when we blindly pursued the path of unlimited economic growth. What goes up comes down.

Economy and ecology are made of three Greek words: oikos, logos, nomos. 'Oikos' means home, a place of relationships where all of life shares and participates in the evolution of the earth community. 'Logos' means knowledge of our planet home. And 'nomos' means management of our home. Together with knowledge of ecology and economics, learners need skills in reflecting on a third 'e', ethics. If they gain these skills, then they can help contribute to building 'oikos', our planet home, on the firm foundation of ethical and spiritual values without which it will be unstable and unsustainable. They need to help the economy stay within the parameters of ecology, ethics and equity.

But day and night we chant the mantra of 'economy', while our ecology is in ruins, our ethics have been shelved, our principles of justice and equity are put on the back burner. We blindly follow the religion of materialism, we worship the god of money, and we sacrifice everything at the altar of the economy. We indulge in consumerism as if there was no tomorrow. As a result, in the short term, banks are running out of money, consumers are short of cash, house prices are tumbling and unemployment is rising. In the longer term, we face global warming, global terrorism, global poverty and population explosion.

The cause of all these multiple crises is our disconnection with the place to which we belong. Wherever we live we need to be rooted in our place. If each and every one of us took care of our place, our home, our community, the soil by which we are sustained and the biosphere of which we are an integral part, then the whole planet would be taken care of. Being embedded in a place is a prerequisite for being free to look up at the sky and embrace the world. Love of place and love of planet are two sides of the same coin – when we belong to a place, we belong to the planet. When we lose our place, we lose our planet.

I wish everyone would join the NIMBY (Not In My Back Yard) movement. If every backyard is saved from motorways, airports, industrial estates, business parks and superstores, then the whole country will be saved from them.

Great economists, industrialists, business leaders and politicians, despite their years in education, seem to have forgotten even the true meaning of economy. They only think in terms of profit maximisation and increased money supply; whereas the true economy means good housekeeping, proper management of all aspects of the home. The criterion of good house management is to ensure that all the members of the household are living in harmony with each other and the place. And, of course, home is always a particular place. So in order to address the root causes of both economic turbulence and unsustainability, learners will need to reflect on the foundations of economic theory and revise them.

The present financial crash and market meltdown offer learners an opportunity to look deeply at current systems and consider designs for a new paradigm of sustainability. The economics of debts and derivatives has been exposed as fake and fragile. The bottom-up economics of people

and place, like trees, is clearly resilient and reliable. What booms can only bust; to avoid bust we also have to avoid boom.

Days begin to grow after the equinox until they reach the summer solstice. Then we enjoy the balmy summer mornings and warm evenings – but we cannot have such long summer days forever. After the solstice, days have to decline and we have to accept the dark winter nights. Only near the Equator can we have days and nights in equilibrium. The challenge for learners in the future, when they become politicians, economists and business leaders, is to find an economic equator and market equilibrium for a steady-state economy.

People talk about making poverty history but to do that we also have to make wealth history. The very wealthy are the other side of the very poor; higher mountains are bound to create deep valleys. A culture of equilibrium requires a shift in values towards balance, harmony, proportionality, and a sense of place.

The way that the current economic recession is being dealt with is to bail out the banks and fuel consumerism, put more money in mortgages and hope to get back to business as usual. This shows a great lack of ethical, ecological, and economic awareness among politicians and business leaders. If learners, the leaders of the future, are to contribute to a more sustainable world, then they will need to gain skills in grounded economic awareness. They will then be able to follow a different path, thinking holistically, and investing in land and agriculture, in renewable energy and practical skills. The earth is our true bank. We are at a crossroads. Let us equip learners with a deep awareness of place so that they can choose the right path and build a rooted, resilient economy in equilibrium with its surroundings.

### **Activity**

The following activity is adapted from the *Transition Town Handbook* (Hopkins 2007:60). It is based on a permaculture exercise where participants sit in a circle and model the interconnections between elements of a woodland ecosystem. Participants each have a label such as *chestnut tree*, *owl*, *mouse*, *soil*, *rain*, *bluebell*, *sun*, *bee*, or *nettle* and pass the end of a large ball of string backwards and forwards to illustrate relationships. The bee passes the string to the bluebell, mentioning the relationship of pollination, the bluebell to the rain, and so on until what results is a complex web of interrelationships. This represents a natural, grounded economy, based entirely on entities which have a real existence in the world, and on relationships which support the sustainable continuation of the ecosystem. If disturbed (a participant disappears and the string is cut), then the system shows resilience, reforming in new patterns to let life go on, although the system is also fragile, and loss of a key element such as rain will cause collapse.

In the next stage, Hopkins suggests relabelling the participants using roles from a traditional town (green grocers, carpenters, butchers, clothes makers, teachers, basket weavers, coppicers, etc). Again, the ball is passed around to show relationships, and a complex and resilient web emerges. A traditional town economy is based on individual people trading real goods that are related to sustaining the wellbeing of the community, and can reorganise itself, up to a point, to cope with change. If disturbed too much, however, for example by the encroachment of out-of-town

supermarkets, the community will collapse, leading people to depend on the world of transnational capital for their survival.

A final stage can be added to this activity. In this stage, participants are bankers, hedge-fund managers, money traders, transnational corporations and abstract entities such as debt, liquidity, and capital. Included too can be concrete participants such as forests, exploited workers, the oceans, consumers up to their necks in debt and so on. The relationships revealed in this exercise show how flows of transnational capital emanating from the casino culture of global finance can have huge and unpredictable impacts on people's lives and on natural systems. The exercise can reveal how arbitrary and fragile the relationships are, and hint at the scale of the consequences if key elements of the global web are disturbed (e.g., disruption to interbank lending or the end of cheap oil). Or the exercise could lead to total confusion, as participants realise that they have no idea how the economic system their society is based on influences the lives of the people around them and the ecological systems they depend on for life. Either way, the activity introduces learners to the importance of grounded economic awareness – awareness that is crucial for the task ahead of building an economic system rooted in reality and in place.

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Schumacher, E.F (1993/1973) *Small is beautiful*. London: Vintage [this book, and E.F. Schumacher's well known essay on Buddhist Economics within it should be read again and again. He provides a vision of economics where people and planet matter and where spiritual values underpin economic values.]

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