

A **Gower** Book

The Economics of Abundance

A Political Economy of Freedom,
Equity, and Sustainability

Wolfgang Hoeschele

ROUTLEDGE

The Economics of Abundance

The Green Economics and Sustainable Growth Series

Series Editor: Miriam Kennet

The series provides business decision makers, policy makers and academics with realistic and dispassionate guides to the implications of green economics; embracing the four pillars of green economics: Policy; Academia; Business; and Civil Society, the series presents cutting edge applied research and draws on the experience of businesses around the world. Here is a credible, detailed and commercially realistic agenda to engage leading businesses, regulators and policy makers, facing uncertainty and transformation in environmental, social and financial systems bearing on the future competitiveness and even the survival of business operations.

About the Editor

Miriam Kennet is the Founder and Editor of the *International Journal of Green Economics*, which is published by Inderscience and can be seen on www.inderscience.com/ijge, and on the Editorial Review Board of several other journals including *International Journal of Ecological Economics and Statistics*, and the *International Journal of Industrial Ecology*.

Miriam is Co-founder and Director of the Green Economics Institute.

Titles currently in the Series include:

Developing a Plan for the Planet
A Business Plan for Sustainable Living
Ian Chambers and John Humble

The Economics of Abundance
A Political Economy of Freedom, Equity, and Sustainability
Wolfgang Hoeschele

Green Outcomes in a Real World
Global Forces, Local Circumstances, and Selfish Determination
Peter McManners

The Economics of Abundance

A Political Economy of Freedom,
Equity, and Sustainability

WOLFGANG HOESCHELE

First published 2010 by Gower Publishing

Published 2016 by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN
711 Third Avenue, New York, NY 10017, USA

Routledge is an imprint of the Taylor & Francis Group, an informa business

Copyright © Wolfgang Hoeschele 2010

Wolfgang Hoeschele has asserted his moral right under the Copyright, Designs and Patents Act, 1988, to be identified as the author of this work.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Notice:

Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing in Publication Data

Hoeschele, Wolfgang.

The economics of abundance : a political economy of freedom, equity, and sustainability. -- (Gower green economics and sustainable growth series)

1. Demand (Economic theory) 2. Production (Economic theory)

3. Environmental economics.

I. Title II. Series

338'.01-dc22

Library of Congress Cataloging-in-Publication Data

Hoeschele, Wolfgang.

The economics of abundance : a political economy of freedom, equity, and sustainability / by Wolfgang Hoeschele.

p. cm. -- (Gower green economics and sustainable growth series)

Includes bibliographical references and index.

ISBN 978-0-566-08940-4 (hbk.)

1. Scarcity. 2. Supply and demand. 3. Environmental economics. 4. Sustainable development.

I. Title.

HB801.H554 2010

338.5'21--dc22

2009052391

ISBN 9780566089404 (hbk)

Contents

<i>List of Figures</i>		<i>vii</i>
<i>List of Tables</i>		<i>ix</i>
<i>Preface</i>		<i>xi</i>
1	The Paradox of Our Times	1
	Human Needs and Wants	2
	Creating Addiction	9
	Depletion and Degradation of Natural Resources	12
	Is There an Alternative?	14
PART I	THE PRODUCTION OF SCARCITY	
2	Oppressive Scarcities	19
	Religion and Ideology	20
	Privilege and Subordination	22
	Violence	28
3	Exploitative Scarcities	31
	Property	31
	Monopolies and Oligopolies	41
	Exchange Systems	50
4	The Creation of Needs	61
	Transportation	64
	Healthcare	66
	Education	69
	Time	70
5	A Global Geography of Scarcity	73
	The International Division of Labor	74
	Commodity Networks	77
	Population	102

6	Systems of Control	111
	The State	111
	Finance	114
	Knowledge Control	120
	The Military	124
	Frenzy	127
PART II	PATHS TOWARD ABUNDANCE	
7	The Art of Living	131
	Wholeness and the Art of Living	132
	Civil Rights and Liberties	144
8	Resource-Use Rights	147
	Contributory Resource Uses	150
	Neutral Resource Uses	157
	Rivalrous Resource Uses	159
	Managing the Commons	166
	Undermining Monopolies	176
9	Reclaiming Self-Reliance and Cooperation	181
	Self-Reliance and Cooperation in Productive Activities	182
	Equitable Exchange Relationships	195
	Strategies for Change	201
	<i>Bibliography</i>	209
	<i>Index</i>	233

List of Figures

Figure 8.1	Resource use and property rights to minimize scarcity	149
------------	---	-----

This page has been left blank intentionally

List of Tables

Table 5.1	Country categories in the international division of labor (2000)	76
Table 9.1	Coalitions for change: scarcity-generating institutions and the groups who may support their change	203

This page has been left blank intentionally

Preface

The original idea for this book came to me in the middle of a hot, sleepless and thirsty night in New Delhi in the summer of 2002. I needed to drink, but could get no water. It wasn't that there was any lack of water. A bathroom was right next to the room where I was sleeping, but what middle-class person would drink the tap water, considering the fear of infection? The kitchen, where my hosts kept bottled water, was separated by only one other room—the problem was, this was the bedroom of my hosts (colleagues from the United States who were doing research in India), whom I didn't want to disturb. Neither I nor my hosts had thought of keeping a water bottle next to my bed. As I thought about how I was needlessly suffering from thirst, I also pondered the artificiality of so many scarcities that we suffer. It was then that I was struck with the idea of “scarcity-generating institutions.” After I had ruminated on this idea long enough to ensure I would no longer forget it, I arrived at a solution to my immediate problem: I drenched my pajama in water, which cooled me through the rest of the night, and even reduced the severity of my thirst so that I could sleep!

Eight years have passed since that night, in which time I have developed more ideas based on that night's inspiration, and have written this book. Again and again, this journey of discovery led me to the work of authors I had not known about before, but whose work I found because I had started asking certain questions. For example, my thoughts about property rights to minimize scarcity generation led me to imagine a trust that would institutionalize our common property in air and other natural resources, and to look for any literature that might envision such a thing. Soon, I found writings by Peter Barnes and David Bollier about precisely this topic. In similar ways, I found works by André Gorz, J.-K. Gibson-Graham, Peter Hershock, Lawrence Lessig, Bernard Lietaer, Conrad Lodziak, David Loy, David Korten, and Abraham Maslow, among others. In addition, I have come in direct contact with various people, such as Miriam Kennet and others at the Institute of Green Economics, with Emily Kawano, Julie Mathaei, Nina Gregg, Julie Rice, and others involved in the US Solidarity Economy Network, and Roberto Verzola of the Philippine Greens, who are all exploring paths towards a more environmentally sustainable and socially just economy. These people and many others are

generating a truly vast literature which provides a multitude of answers to the questions of our day! In fact, this literature is so large that one could ask what is new about this book. What I consider new is that it offers an integrative framework that brings together a scattered literature, a literature that includes thinkers from across the social sciences, some of whom may be well known within their own disciplines, but who do not know each other (or at least do not cite each other), and who have not found a large audience outside their own disciplines. In a time when “grand narratives” have been deeply questioned, there is nevertheless a need for a new kind of broad narrative—an inclusive and freedom-promoting rather than a freedom-denying grand narrative—that can help us get out of our current social and ecological predicament. To be truly effective, such a holistic narrative must be able to speak effectively to people in a diverse range of disciplines and walks of life, and I hope that, with this book, I will help create such a narrative.

In many ways, this book is far from complete. There are many authors whose relevant works I have not read. I have only managed to touch on many fields of knowledge that deserve far greater depth of treatment. However, I believe that it is far better if others more qualified than I explore avenues of thought that are only hinted at here, or that I may have covered inexpertly. I bring this book to the public because I consider it reasonably complete in its suggestiveness, meaning that the main theses are elaborated to such a degree that they can stimulate thought, debate, research, and interdisciplinary collaboration in the areas of thought that I believe are the most relevant to understanding the creation of scarcity and of abundance. I also hope that the ideas presented here can offer many activists struggling for civil liberties, social justice and environmental sustainability, as well as independent entrepreneurs who are exploring new business models not solely oriented to the pursuit of greater profits, new perspectives on the issues they face, and that their thoughts will further enrich our knowledge, while their actions will enhance linkages among apparently disparate groups.

Practitioners of one discipline, namely economics and particularly neoclassical economics, may feel attacked by this book. To a certain degree, this is fully intended, because I am convinced that ideas developed within this tradition of thought are at the basis of the paradox of our times that I address in this book. It is their idea of scarcity that I directly oppose. However, I hope that economists will read this book as a challenge rather than an attack. If we conceive of economics broadly as the study of how people fulfill their needs and run their households (the *oikos* of economics), from the most local to the

global scale, then the discipline of economics will always be relevant, no matter how much its theories may change. Numerous economists, some of whom I cite in the book, have questioned fundamental theories that are taken for granted by mainstream economists today, so one can never claim that *all* economists believe in a particular tenet. In fact, I suspect that most economists do not themselves live like the *homo economicus* of economic theory—every person is far more complex than that construct. The challenge before economics, I would say, is to fundamentally reconceive “scarcity” and how it is created, to carefully think through the ends and means of the discipline, and on that basis rework economic theory from the ground up. This formidable challenge deserves the attention of the greatest minds in the discipline, and I hope they will feel stimulated by this book. I trust that numerous economists, ranging from feminist to green to humanist to institutional economists, will be ready to build on my work and challenge it where that is needed.

My own vantage-point is that of a German who grew up in Seoul and Athens, pursued his higher education and professional career as a geographer in the United States, did field research in southern India, and is married to a Bengali Indian. This background, as any other, has its limitations, exemplified in my more intimate familiarity with geographical than with other academic literature, and the perhaps disproportionate use of examples drawn from the countries I know best. I hope, however, that despite the inadequacies in my discussion, others will be able to adapt my ideas to contexts not effectively covered in this book.

Like all creative works, this book would not have been possible without others around me. My first sounding board for my ideas was most often my closest companion in life, Ishita, with whom I discussed many of my ideas either before ever writing them down, or soon thereafter. She is very good at shooting down my more fanciful notions, as well as helping me to bring out the core of any strong argument. Many of the ideas expressed here would not have reached the same level of development without my discussions with her. Furthermore, with her I can experience the abundance that I talk about in this book!

As I gradually introduced my developing ideas into class lectures and discussions, the reactions of my students (in particular, those in my environmental geography classes) helped me further refine my thoughts. My father was the first one to read a draft of my book from start to finish; his comments were both helpful and encouraging. Other early readers of the

manuscript—namely Linda Seidel, Marc Becker, and Sylvia Greiffenhagen—gave me very useful comments as well as encouragement. Various colleagues at Truman State University acted as sounding boards for some of my ideas as I developed them. I would also like to express my gratitude to Truman State University for awarding me a sabbatical in the 2006–07 academic year, which allowed me to get to the point of sending a complete manuscript to publishers.

Roger van Zwanenberg at Pluto Press was the first editor at a publishing company to give my manuscript a serious reading. Although the book was ultimately not published with this press, I appreciate the level of interest he expressed, and the fact that he informed Miriam Kennet of the Green Economics Institute about this book. Since then, Miriam Kennet has been of immeasurable help by inviting me to the Green Economics conference in Oxford in 2007, and after that championing my book with several different publishers. Volker Heinemann also provided me important feedback concerning the book, for which I am grateful. I greatly appreciate the fact that this book can now appear within a series launched by the Green Economics Institute. Finally, I wish to acknowledge the editors at Gower Publishing, Jonathan Norman, Martin West and others, for their ever prompt and clear responses to all my questions, helping this project to move forward. Of course, the usual caveat applies: the responsibility for all errors in this book remains mine.

Wolfgang Hoeschele

The Paradox of Our Times

With its cleanly exposed mineral patches, golden, black, and silver, which formed unequal patterns, it was as though the mountain had been painted with fingers. With the clouds that hung to its sides, it seemed to dance as with wings, and gushing, cascading streams piled it with pearl strings. Lovely were its rivers, groves, waterfalls, and hollow caverns where many peacocks danced to the tunes of the Apsara's ankle rings.

(Mahabharata, trans. van Buitenen, II: 499)

The most basic paradox of our times, the times that we call modern and the mode of social organization we call capitalist, is that, no matter how many resources we consume, we never seem to have enough. It is this paradox that drives us humans to despoil even the most remote landscapes, such as the Arctic National Wildlife Refuge in Alaska or the rainforests of the Amazon and of Borneo, in the never-ending race for natural resources. It is this paradox that prevents us from assuring, at very little cost, that everyone can meet their basic needs, even while fortunes are spent on the most superfluous of pursuits. This paradox that makes our society uniquely unsustainable ecologically and unjust socially has been created by the application of the leading science of our age, namely neoclassical economics, in the service of the most powerful contemporary institutions, such as major corporations, financial institutions, and the state.

It is a basic tenet of mainstream economics that human wants are unlimited—that is why resources are always considered scarce, justifying the definition of economics as a science about the allocation of scarce resources. In the words of one representative text, “economics is the study of how people allocate their limited resources in an attempt to satisfy their unlimited wants” (Miller 2001: 5). I advance here a different thesis: human beings have limited wants and needs, but capitalist institutions seek to continuously generate new forms of scarcity by creating ever new needs. Once scarcity has been generated,

it can be exploited to accumulate power and yield profit. Hence, an economics that supports these institutions is not the science of the efficient allocation of scarce resources; it is instead the science of the profitable allocation of scarcity. Scarcity, then, is a means towards the end of profit maximization. In order to counter this vision of the economy, it is necessary to develop a new approach, consistent with advances in other social and natural sciences, which challenges the most basic current economic suppositions, and aims at putting an end to scarcity by creating abundance.

Human Needs and Wants

What wants or needs do people have? Can wants be infinite? Surely, wants cannot be infinite, because it is only possible to want some specific thing at a specific time. Even if we add up all our wants over a string of moments extending through a lifetime, we will end up with a finite quantity, no matter how large. The size of this finite quantity varies, of course: some people can make do with very little and be happy, while others are never satisfied and always want more. What this tells us is that wants are variable, not that they are infinite. They are also subject to social influences, such as prevailing customs, advertisements or others' consumption patterns which stimulate, and indeed create, new wants.

In addition to studying wants, we must also concern ourselves with needs, which differ from wants in that we are not free to ignore them. We need those things we simply cannot do without; we want those things which we hope will improve our well-being. Everybody needs food to eat, but a prisoner also needs the prison guard to bring that food. Likewise, anybody who does not grow her own food requires an income in order to buy food. The need for the prison guard and the need for money are both socially created. The creation of new needs necessarily reduces freedom because it forecloses alternative options, and is thus much more pernicious in its effects than the creation of new wants, which may open new opportunities for personal growth and can therefore enhance freedom. However, we must always recognize that wants can easily be transformed into needs, as we become dependent on what were once luxuries (for example, cars), and we must therefore closely scrutinize when the creation of wants may actually create new needs. A freedom-loving economics would provide guidelines about how to avoid the creation of new needs, how to distinguish between wants and needs, and how to ensure that all needs and many wants can be met.

Growth-oriented economic strategies seek to increase both needs and wants all the time. The consumers of a country are praised if they consume more, because this is supposed to promote economic growth, and they are scolded if they do not consume enough, because this is supposed to cause recession and unemployment. If people's wants were indeed unlimited, neither the praise nor the admonishment would make any sense, it would be like praising water for being wet and scolding it for being "dry." Water simply is wet; it deserves no praise for that. Water can not possibly be dry, and so cannot be scolded for that shortcoming. If the tenet about unlimited wants were true, all consumers would always be consuming at the maximum rate consistent with their present incomes and their expectations and fears about the future. Moralistic appeals to consume found in the business literature thus prove that the writers themselves do not truly believe the claim that human wants are unlimited: this statement is normative rather than factual. While there is nothing wrong with making normative statements, one should never confuse such a claim with a statement of fact.

Let me approach this point from a mathematical angle (people with a math phobia can rest assured: this is all the math to be found in this book). Let us assume that "satisfaction" (S) is equal to available capacities to fulfill one's wants (C) divided by total wants (W):

$$S = C/W$$

If W is infinite, any finite number C divided by W will yield zero satisfaction. Thus, if human wants were truly infinite, no economic effort would be in the least satisfying to anybody at all, and everybody from the homeless beggar to the billionaire would feel totally depressed. If we believe in infinite wants, the entire discipline of economics is futile.

What, then, might the term "unlimited wants" really mean? It can be observed that wants are finite, but can always increase over present levels. In that case, if C doubles but W triples, satisfaction declines even though a greater number of "wants" is fulfilled: people become unhappier, despite increased consumption, because their wants have grown even faster. The fulfillment of some wants may also destroy the capacity to fulfill other wants (which may ultimately be more important), and hence satisfaction may decline because of decreasing C even while the number of commodities bought on the marketplace increases. (For example, if everyone wants a house at the city's edge, a building boom may occur, blanketing the entire landscape with houses; ultimately,

nobody lives at the edge of the city and everybody has to pay more in order to drive to “nature.”) Satisfaction can only be increased if wants are clearly finite and grow relatively slowly (or not at all), so that the capacity to fulfill those wants can grow more rapidly than the wants. Any science that seeks to satisfy human wants must therefore find ways to prevent wants from increasing too rapidly as well as ways of increasing the capacity to fulfill human wants. It is not sufficient to claim that, just because it is difficult to define the concept of wants, we should proceed to “consider that every person’s wants are unlimited” (Miller 2001: 29). No science can advance without facing up to difficult tasks.¹

So the question to ask is not whether human wants are infinite: they clearly are not. We must ask quite different questions: what do people really want or need, and how do their wants and needs change according to social circumstances? How many needs and wants can realistically be fulfilled under varying social, economic, political, cultural, and ecological conditions? Is it a good thing if human wants continue to increase? Which wants can increase, and which ones cannot, without reducing human satisfaction? How can we assure that our needs are kept from escalating?

Questions of this nature have been addressed by scholars in numerous different disciplines, but rather than attempting to survey this literature, let me simply refer to some examples from daily life. There are many instances where it is clearly not beneficial to maximize wants. We can eat only so much; beyond that, our health suffers, and we become obese or get into a habit of bulimia. If we buy clothes without end, we can hardly enjoy the clothes we already have—when are we to wear them? If we drive (and hence consume gasoline) each time we leave the house, we begin to lack muscular exercise and will hence suffer from ill-health. We can buy only as many books as we can actually read, if we are to derive any benefit from those books. For all things, and even all things combined, there is clearly some upper limit beyond which added consumption cannot provide significant added enjoyment, even if we look at it from a purely individual perspective, and confine ourselves to a consideration of only those goods and services provided through the market. Hence, in economic terms,

1 There is, of course, a science that studies human wants and needs, namely psychology (see Reeve 2001 as a representative text). Other social sciences also concern themselves with the complexities of human wants and needs. Only a small minority of “heterodox” economists, such as “humanistic economists” ranging from Jean Sismondi in the early nineteenth century to E.F. Schumacher in the late twentieth (a lineage reviewed by Lutz 1992), feminist economists such as Nelson (1996, see especially pp. 34–35), and green economists such as those publishing in the *International Journal of Green Economics*, have taken account of the more profound theories of human needs, but they have been ignored by the orthodoxy.

increasing income provides declining marginal individual utility. Stated more concretely, an additional dollar can contribute greatly to the happiness of a homeless person, but not at all to that of a millionaire, and even the millions of dollars in the hands of the latter are rather ineffective at making him happier than somebody of the middle class.²

However, people depend on more than just goods acquired in the market, and increased consumption can interfere with other values. We may wish to sit in quiet surroundings and look at a mountain in the evening. The landscapes of maximized consumption within which we spend most of our lives, complete with sprawling cities, roads upon roads, light pollution, noise, and smog, make such simple enjoyment a rare privilege. The enjoyment of beautiful landscapes is often considered a “post-material” desire that becomes important only after the “basic” and “material” needs such as food and shelter have been met, and is supposedly appreciated only by the affluent in situations where such an experience has become scarce. However, as shown by the quotation at the beginning of this chapter, we can find literature extolling the beauty of nature as old as the ancient Indian epic, the *Mahabharata*, written at a time when scenic landscapes were in plentiful supply. Furthermore, a beautiful landscape is more, not less, material than money, the focus of “materialism,” because it is an actual place containing real objects, plants, animals, and people rather than being an abstract means of exchange. The very real desires of millions of people to live in beautiful rural or urban environments are ignored by the social, political and economic forces promoting urban sprawl. These desires can only be regarded as “post-material” once they have been made unaffordable for the great majority of people.³

2 This point is made very effectively by Hamilton (2003: chs 1 and 2), drawing on extensive psychological literature.

3 Inglehart and co-workers have done an enormous amount of research showing that, in affluent societies, what they call “post-modern” and “post-material” (the latter being a subset of the former) values have increased in the last several decades, and are more prevalent than in the small selection of non-affluent countries in which they conducted surveys. In particular, they show that the generations which have come of age since prosperity became widespread express more of these values than do older generations (see, for example, Inglehart 1997, and the World Values Survey website, <http://www.worldvaluessurvey.org>). However, some of their “post-material” values may equally be regarded as “pre-material” (for example, valuing a “less impersonal society” more than “economic growth”). Since no similar surveys were taken in any societies before the ideology of economic growth became important, there is no “pre-material” baseline with which to compare recent surveys. Other “post-material” values, such as “freedom of speech” are part and parcel of modernity, and are usually most important for those with minority opinions (including materialists where religion reigns supreme). Inglehart does persuasively argue that certain values oriented toward personal well-being and self-expression flourish where there is widespread basic security. However, precisely this observation should lead us to critique any political regimes (capitalist, communist, theocratic or any other) that

The landscapes of maximized consumption belong to the ugliest creations of humankind. Our sense of aesthetics is attacked by strip malls, endless parking lots, cities where few plants can survive, landscapes of concrete. Again, conventional thinking will interrupt and say, "That's only aesthetics—this is not really important." But then, may I ask, can you point out to me a sane person who deliberately renders ugly the interior of her house? If we appreciate beautiful interiors, should we not take equal care to create or preserve beautiful exteriors? And why are we, who are supposedly richer than all preceding generations, unable to afford the most beautiful architecture?⁴ As pointed out by Runte (2006: 88), "no citizen [and indeed no person] should have to search for beauty."

Our obsession with market commodities can easily undermine some of our most basic needs, such as our need for clean air. This is certainly *more* material (in the true sense of that term) than money. Air pollution causes numerous illnesses, which seriously impair quality of life, and can cause major monetary expenses. Ironically, the costs of treatment of pollution-related diseases are added to, rather than subtracted from, GNP statistics (which very clearly do not measure well-being). The goal of maximization of consumption actually seems to require greater pollution, both because it reduces the direct costs of production, and because it forces us to consume more healthcare services. Indeed, in the eyes of some promoters of economic growth, such as Lawrence Summers, much of the world is underpolluted.⁵

Human needs very significantly include the need for companionship and love. These needs are completely ignored by economic doctrines that presume atomistic individuals only concerned about their individual consumption. True

sacrifice the material security of untold millions for the benefit of increased privileges for a few, regardless of whether the country is at a "pre-modern," "modern" or "post-modern" stage of "development." Hence, "post-material" values cannot be clearly distinguished from "material" values, and they do not come later either in time or in priority.

4 Schleuning (1997: 141) gives an interesting twist to a similar argument—she suggests that consumer products are intentionally made ugly so that consumers throw them away sooner, leading to another round of consumption, meaning that beauty is not what you strive for after you have consumed enough (more consumption allows more beauty), but rather ugliness causes more consumption which in turn creates more ugliness.

5 Lawrence Summers expressed this idea in an internal memo, later leaked to Greenpeace, when he was chief economist and vice president of the World Bank. His idea was that more polluting industries should go to countries with low wages, because of the lesser costs of compensating people for lost earnings if they suffer from poor health resulting from pollution. Clearly, he was not concerned about the human suffering caused by pollution, which is bound to be higher in low-income countries. See Yearley (1995: 167–168) and Harvey (1996: 366 ff.) for the full text of the memo plus critical commentaries, and *The Economist* (Feb. 8, 1992: 66, Feb. 15, 1992: 18–19 "Pollution and the Poor") for a largely approving commentary.

love, as well as altruism, transcends the division between self and other. This transcendence is incompatible with a single-minded pursuit of income and consumption, but is much more rewarding for all concerned: that somebody could actually gain by giving away something (for example, by confirming a vital connection to the other) is not part of the economic calculus, but is critical to understanding why people behave in altruistic ways. A fully-fledged economics should concern itself with the conditions that promote altruism, love, and solidarity, how these conditions can be promoted, and what this means for all other aspects of economic life. Instead, the dominant economic approach assumes that people are not altruistic, that they always act from what is called economic self-interest, and thus fails to recognize that promoting altruism could be an option.⁶ This approach helps to undermine the fulfillment of some of our most fundamental needs—that is, to live in mutual support and connection with others. It is no wonder, then, that there is so much conflict, strife, and despair even in the wealthiest countries.

Neither the need for natural resources such as clean air and water, nor the need for love and companionship, can be dismissed as “post-material.” To take an example, poor peasants in a drought year depend more, not less, on the support of friends, relatives, and even complete strangers than do comfortably well-off people of the middle class. They also depend much more on the health of local soils, forests, and water resources. There is thus no justification for claims that we need concern ourselves with environmental and “non-material” needs only after production of market commodities has reached a certain level. These issues are important everywhere (for more discussion of such issues, see Guha and Martinez-Alier 1997 and Chambers 1997, esp. 177 ff).

Another human need that cannot be related to the material “standard of living” in any simple way is the need for freedom. In fact, some people seek freedom through a reduction of wants. As Buddha realized long ago, we are slaves of our desires: we want something, and if we don’t get it, we are unhappy. We wish to avoid something else, and if it happens nevertheless, we are unhappy. When we get what we want, we already fear losing it and

6 There are, of course, economists who take altruism seriously—for example, Amartya Sen with his concepts of development as freedom, and his explorations of how entitlements can be extended to larger numbers of people (see Sen 1999; Drèze and Sen 1998). However, this is the exception rather than the rule; my statement here is about the *dominant* approach in economics. Furthermore, Nelson (1996: 60–77) shows how economists such as Gary Becker either implicitly or explicitly base their theories on a radical division where men operate on the basis of self-interest in the marketplace while women work altruistically in the household; here, altruism is acknowledged as necessary but relegated to a subordinate role played by essentially irrational agents.

devise ways to hold on to it longer. We get another thing, and are disappointed that it's not as satisfying as we anticipated. The multiplication of desires thus leads to unhappiness, as well as dependency on the means for fulfilling those desires. For example, a person may have to work hard in an unpleasant job, and depend on environmentally destructive oil production, refineries, repressive and theocratic political regimes, huge oligopolistic oil companies, and military interventionism, just in order to be able to use a car to travel to work in the morning. Such a person has been entrapped in a net of innumerable needs.

Many people have discovered that they can extricate themselves from this web at least partially by a reduction of wants: we need only ask ourselves whether we really need this or that thing. By getting rid of the unneeded things we may experience liberation rather than deprivation. This can be done gradually over time rather than all at once, and does not need to be taken to the point of asceticism. Through this process, we can achieve a much greater sense of control of our lives, of freedom and independence. This pathway to self-fulfillment is entirely ignored by conventional economics. Even prevailing communist and social democratic doctrines fail to take this approach into account, since they do not question the desirability of more consumption, merely arguing that more people should be enabled to consume.⁷ Maximized consumption entails dependence on collective structures beyond citizens' effective control, and it matters relatively little whether these collective structures are corporate or governmental.

Yet, it may be argued that *some* of our desires are difficult or impossible to satisfy, and are in this sense unlimited, even in the case of people who have embarked on a path of reducing their needs. These desires include the yearning for peace on Earth, for social justice, for leaving an intact biosphere for future generations, and for allowing other animal and plant species to inhabit this planet even if they are of no tangible benefit to humans. By its single-minded emphasis on the market, which can do little to satisfy these desires, and by its denigration or studied ignorance of the mechanisms which might actually promote the fulfillment of these desires, neoclassical economics presents a formidable barrier to the realization of precisely those desires that are least limited. In fact, the market can only fulfill limited wants, for which purpose it

⁷ Karl Marx himself did suggest in some of his writings that needs are limited and that fulfillment and full human development is to be found in self-directed activities that involve little or no consumption (such as hunting, fishing, criticizing). However, he did not elaborate on these thoughts, nor have most Marxists paid much attention to this line of thought. See Booth (1993: ch. 9) for an exploration of this aspect of Marx's thought, and Gorz (1989, 1999) for an example of a leftist who took this idea much further than Marx ever did.

is a potent tool. However, to believe that markets can serve to fulfill unlimited wants is irrational. Meanwhile, activists for peace, justice, and environmental sustainability are branded as idealistic, economically irrational, utopian dreamers. Yet, even while these people are unlikely to be totally successful in their quests, the achievement of some of their aims is a positive contribution to humanity. Thus, it is part of the paradox of our times that we are told that our wants are unlimited, but our most unlimited desires are systematically denied, while limited means toward the achievement of limited wants are sold to us as the solution of our problems. We are trained to disregard those of our desires that are unlimited, to vastly inflate our limited individual wants, and to ensnare ourselves within socially constructed needs.

In these ways, contemporary economic discourse discourages us from considering any methods to increase happiness that do not maximize consumption. This does not promote happiness, but rather strife and misery, no matter how many commodities we may possess. This cannot be the prescription for a just and sustainable or, in other words, sane society. But how are we made to believe that we can reach happiness only through more consumption? How are we led into an addiction to consumption?

Creating Addiction

Some of the ideas on which neoclassical economics is built are very persuasive and have become the common sense of our time. This can serve as a partial explanation of why we believe in the idea that happiness is to be achieved through increased consumption. For example, modern economic thought is the first system of thought to support the idea that greed is good, or at least that it is universal among our species, and that it can be used as a force for “progress.” This is a very comforting and therefore attractive thought for greedy people: they can feel good about themselves. Now it is true that greed is widespread among our species and seems unlimited among some of us. However, it is also a trait that makes it more difficult, if not impossible, to be happy. Therefore, any system of thought that aims at maximizing human happiness must minimize greed, or at least keep it within limits. The greedy person deludes herself into believing that acquiring the next thing will make her happy, and it is this very powerful delusion which is exploited by the forces that promote economic growth. The aim of this exploitation is not happiness, but profit, which is itself a delusion, because the greedy person grabbing the profit has come no nearer to happiness herself.

The equation of measures of economic growth, such as the growth of the Gross National Product (GNP) which is essentially a measure of the circulation of money in a national economy, with the well-being of people in a country further solidifies the idea that income growth is always desirable. Numerous economists have recognized that it is at best an imperfect measure of well-being (at worst it does not measure well-being at all), but a few, such as Herman Daly (see Daly and Cobb 1994; Daly and Farley 2004; see also Clarke and Lawn 2007) pay any attention to developing better ways to measure well-being, which would require the methods of other social sciences and of philosophy in order to help define what it is in the first place. The argument that the single-minded obsession with increasing the amount of money in circulation is in fact a hindrance to achieving greater human well-being, because it destroys some of the most essential means toward achieving it, is incomprehensible within a discourse that identifies well-being with the amount of money in circulation.

Arguments focusing on the popularity or pervasiveness of certain economic ideas are insufficient, however, to explain the behavior of the billions of people who are not consumed by a burning desire to make quick profits, or who derive few benefits from the existing political and economic arrangements. In order to explain their actions, we have to look for social structures that are able to influence behavior more forcefully. Indeed, as a result of the application of dominant modes of economic thinking, our social and physical environment is constantly restructured so as to make increased consumption necessary. For example, once most people own a car and public transport is destroyed, neighborhood shops disappear because they cannot achieve the economies of scale enjoyed by big stores that can attract customers from large distances. The downtown declines, because it becomes difficult of access; instead, suburban malls take over. After a point, it becomes impossible to reach many destinations without a car. Even if those places are nearby, innumerable obstacles are put into the way of pedestrians and cyclists, severely discouraging these forms of mobility. Thus, car ownership is enforced, even for people who must go into debt in order to buy a car. Likewise, if almost everybody owns a telephone, anybody without a phone becomes isolated and is therefore pressured to buy one, too. The same kind of thing is now happening with cell phones. As the Internet expands, certain kinds of information will probably cease to be available in any other way, enforcing access to, if not ownership of, a computer. In many social contexts, certain levels of consumption are considered obligatory in order to "belong." Thus, constantly escalating consumption is enforced. This represents a loss of freedom for those people who either do not want to buy these things, or cannot afford them. However, increased consumption is always represented

as pure progress; only hopeless romantics can have any regrets about what has been lost.

Forced consumption results in part from the transference of activities from subsistence and small-scale market production to the corporate sector, and the subsequent loss of skills. For many people it would now take a lot of effort to learn how to grow vegetables—a skill which was almost ubiquitous in the past. This increases our dependence on the food available in the marketplace, even if this consists of tasteless food from factory farms marketed by oligopolistic conglomerates. The small-scale farmers who can provide an alternative are all too often being pushed out of business. Currently in the United States and some other affluent countries, it seems that many people are even losing the skill of cooking, and thus depend on eating out—something that was merely a convenience in the past is becoming a necessity for them. Since they can not afford to eat in good restaurants on a daily basis, they eat in fast-food chain restaurants, leading to an unhealthy diet. Ironically, good, freshly baked bread, a hearty cheese or salami, a well-baked pizza, and many other foods which were the food of peasants in Europe (and continue to be cheaply available there) are affordable only by the elite in the United States—who are regarded as snobbish because they reject the mass-produced supermarket fare. The traditional and often very simple skills of preparing these foods, whether for home consumption or in the context of small, local businesses, have become rare, allowing poor imitations to dominate the market. While this tendency is particularly obvious in the food sector in the United States, it is also clearly visible elsewhere in the world.⁸ Once such a structure has been put into place, it is very difficult to reverse, because the productive skills required both for self-provisioning and for the opening of small businesses have become rare. The small businesses that do persist face difficulties because their customers have lost the ability to even recognize the difference between mediocre and high-quality food.

Meanwhile, rural people across the world have been forced, or are being forced, into dependence on the market for access to food because they are being deprived of access to agricultural land and other vital resources. Scarcity for them is being created at this very elemental level, even as they, too, are enticed into wanting more and more of the new kinds of goods that have become available through new technologies.

8 See various contributions to Wilk (2006); for a powerful and disturbing exposition of these trends in Britain, see Blythman (2006).