THE NEED FOR
A NEW ECONOMIC SYSTEM

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Preface

It is clear that our present economic system is unsustainable. It is based on fractional reserve banking, which is unjust at the best of times, and which fails entirely when economic growth falters. But never-ending exponential industrial growth on a finite planet is a logical absurdity. We are already using resources at a rate which it would take 1.6 planet earths to replace. We are already undermining the ecological systems which support all of life.

Our present economic system has led to an unbelievable degree of economic inequality. According to a recent Oxfam report, the 85 richest people in the world have as much as the poorest half of the global population. To maintain this incredible degree of inequality, both between nations and within nations, military force is used, and democracy is replaced by oligarchy.

The future of human civilization is endangered both by the threat of thermonuclear war and by the threat of catastrophic climate change. It is not only humans that are threatened, but also the other organisms with which we share the gift of life; and both of the twin threats are results of our present economic system.

We live at a critical moment of history. Our duty to future generations is clear: We must achieve a steady-state economic system. We must restore democracy. We must decrease economic inequality. We must break the power of corporate greed. We must leave fossil fuels in the ground. We must stabilize and ultimately reduce the global population. We must eliminate the institution of war; and we must develop new ethics to match our advanced technology, ethics in which narrow selfishness, shortsightness and nationalism will be replaced by loyalty to humanity as a whole, combined with respect for nature.

We need a new economic system, a new society, a new social contract, and a new way of life.

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Chapter 1

LIMITS TO GROWTH

Introduction: The need for reform

The Industrial Revolution marked the start of massive human use of fossil fuels. The stored energy from several hundred million years of plant growth began to be used at roughly a million times the rate at which it had been formed. The effect on human society was like that of a narcotic. There was a euphoric (and totally unsustainable) surge of growth of both population and industrial production. Meanwhile, the carbon released into the atmosphere from the burning of fossil fuels began to duplicate the conditions which led to the 5 geologically-observed mass extinctions, during each of which more than half of all living species disappeared forever.

Economists (with a few notable exceptions) have long behaved as though growth were synonymous with economic health. If the gross national product of a country increases steadily by 4% per year, most economists express approval and say that the economy is healthy. If the economy could be made to grow still faster (they maintain), it would be still more healthy. If the growth rate should fall, economic illness would be diagnosed.

However, it is obvious that on a finite Earth, neither population growth nor economic growth can continue indefinitely. A 4% rate of growth corresponds to an increase by a factor of 50 every century. No one can maintain that this is sustainable in the long run except by refusing to look more than a short distance into the future.

Of course, it is necessary to distinguish between industrial growth, and growth of culture and knowledge, which can and should continue to grow. Qualitative improvements in human society are possible and desirable, but resource-using and pollution-producing industrial growth is reaching its limits, both because of ecological constraints and because of the exhaustion of petroleum, natural gas and other non-renewable resources, such as metals. The threat of catastrophic climate change makes it imperative for us to stop using fossil fuels within very few decades.

Today, as economic growth falters, the defects and injustices of our banking
system have come sharply into focus, and light has also been thrown onto the much-too-cozy relationship between banking and government. The collapse of banks during the sub-prime mortgage crisis of 2008 and their subsequent bailout by means of the taxpayer’s money can give us an insight into both phenomena, the faults of our banking system and its infiltration into the halls of government. The same can be said of the present national debt crisis in the Euro zone and elsewhere.

One feature of banking that cries out for reform is “fractional reserve banking”, i.e. the practice whereby private banks keep only a tiny fraction of the money entrusted to them by their depositors, and lend out all the remaining amount. By doing so, the banks are in effect coining their own money and putting it into circulation, a prerogative that ought to be reserved for governments. Under the system of fractional reserve banking, profits from any expansion of the money supply go to private banks rather than being used by the government to provide social services. This is basically fraudulent and unjust; the banks are in effect issuing their own counterfeit money.

When the economy contracts instead of expanding, the effect of fractional reserve banking is still worse. In that case the depositors ask the banks for their money, which it is their right to do. But the banks do not have the money; they have lent it out, and thus they fail. However, the bankers have insured themselves against this eventuality by buying the votes of government officials. Thus the banks are bailed out and the taxpayers are left with the bill, as in the
recent example in which the US Federal Reserve secretly gave 7.7 trillion of the taxpayers’ dollars to bail out various banks.

In a later section (on entropy and economics) we will discuss in detail Frederick Soddy’s criticisms of the fractional reserve banking system, and his proposals for monetary reform.

The fact that our fractional reserve banking system is stable when the economy is expanding, but collapses when the economy contracts explains, in part, the irrational and almost religious belief of governments and economists in perpetual growth. Also contributing to growth-worship are the unearned profits that investors reap when they own property in growing cities, or shares of growing businesses. But growth cannot continue forever. It is destroying the earth.

Pope Francis has called for economic reform. Our battered earth calls for it. The case of Greece shows clearly that our present economic system is not working; it is destroying nature and at the same time producing human misery. We need something else.

The Club of Rome

In 1968 Aurelio Pecci, Thorkil Kristensen and others founded the Club of Rome, an organization of economists and scientists devoted to studying the predicament of human society. One of the first acts of the organization was to commission an MIT study of future trends using computer models. The result was a book entitled “Limits to Growth”, published in 1972. From the outset the book was controversial, but it became a best-seller. It was translated into many languages and sold 30 million copies. The book made use of an exponential index for resources, i.e. the number of years that a resource would last if used at an exponentially increasing rate.

Today the more accurate Hubbert Peak model is used instead to predict rate of use of a scarce resource as a function of time. Although the specific predictions of resource availability in “Limits to Growth” lacked accuracy, its basic thesis, that unlimited industrial growth on a finite planet is impossible, was indisputably correct. Nevertheless the book was greeted with anger and disbelief by the community of economists, and these emotions still surface when...
WHAT WE NEED AT THIS STAGE IS TO INCREASE OUR CONSUMPTION.
Concerning our present economic system, he wrote: “The only way we have devised to meet the surging waves of our rampant militarism and consumerism is to draw increasingly on the natural environment and to exploit, indiscriminately, the most accessible mineral and fuel deposits and all living resources we can lay our hands on. Such actions irreversibly impoverish our unique, irreplacible, world, whose bounty and generosity are not infinite. Even if all the other adverse situations we find ourselves in today were to be alleviated, in itself, our high-handed treatment of Nature can bring about our doom.”

Economic activity is usually divided into two categories, 1) production of goods and 2) provision of services. It is the rate of production of goods that will be limited by the carrying capacity of the global environment. Services that have no environmental impact will not be constrained in this way. Thus a smooth transition to a sustainable economy will involve a shift of a large fraction of the work force from the production of goods to the provision of services.

In his recent popular book “The Rise of the Creative Class” the economist Richard Florida points out that in a number of prosperous cities, for example Stockholm, a large fraction of the population is already engaged in what might be called creative work, a type of work that uses few resources, and produces
few waste products, work which develops knowledge and culture rather than producing material goods. For example, producing computer software requires few resources and results in few waste products. Thus it is an activity with a very small ecological footprint.

Similarly, education, research, music, literature and art are all activities that do not weigh heavily on the carrying capacity of the global environment. Furthermore, cultural activities lead in a natural way to global cooperation and internationalism, since cultural achievements are shared by the people of the entire world. Indeed, the shared human inheritance of culture and knowledge is growing faster than ever before.

Florida sees this as a pattern for the future, and maintains that everyone is capable of creativity. He visualizes the transition to a sustainable future economy as one in which a large fraction of the work force moves from industrial jobs to information-related work. Meanwhile, as Florida acknowledges, industrial workers feel uneasy and threatened by such trends.

Biological Carrying capacity and Economics

Classical economists pictured the world as largely empty of human activities. According to the empty-world picture of economics, the limiting factors in the production of food and goods are shortages of human capital and labor. The land, forests, fossil fuels, minerals, oceans filled with fish, and other natural resources upon which human labor and capital operate, are assumed to be present in such large quantities that they are not limiting factors. In this picture, there is no naturally-determined upper limit to the total size of the human economy. It can continue to grow as long as new capital is accumulated, as long as new labor is provided by population growth, and as long as new technology replaces labor by automation.

Biology, on the other hand, presents us with a very different picture. Biologists remind us that if any species, including our own, makes demands on its environment which exceed the environment’s carrying capacity, the result is a catastrophic collapse both of the environment and of the population which it supports. Only demands which are within the carrying capacity are sustainable. For example, there is a limit to regenerative powers of a forest.

It is possible to continue to cut trees in excess of this limit, but only at the cost of a loss of forest size, and ultimately the collapse and degradation of the forest. Similarly, cattle populations may for some time exceed the carrying capacity of grasslands, but the ultimate penalty for overgrazing will be degradation or desertification of the land. Thus, in biology, the concept of the carrying capacity of an environment is extremely important; but in economic theory this concept has not yet been given the weight which it deserves.

2 http://www.clubofrome.org/?p=326
Exponential growth of human population and economic activity have brought us, in a surprisingly short time, from the empty-world situation to a full-world situation. In today’s world, we are pressing against the absolute limits of the earth’s carrying capacity, and further growth carries with it the danger of future collapse.

Full-world economics, the economics of the future, will no longer be able to rely on industrial growth to give profits to stockbrokers or to solve problems of unemployment or to alleviate poverty. In the long run, neither the growth of industry nor that of population is sustainable; and we have now reached or exceeded the sustainable limits.

The limiting factors in economics are no longer the supply of capital or human labor or even technology. The limiting factors are the rapidly vanishing supplies of petroleum and metal ores, the forests damaged by acid rain, the diminishing catches from over-fished oceans, and the cropland degraded by erosion or salination, or lost to agriculture under a cover of asphalt.

Neoclassical economists have maintained that it is generally possible to substitute man-made capital for natural resources; but a closer examination shows that there are only very few cases where this is really practical. (See G.E. Tverberg, “Thoughts on why energy use and CO2 emissions are rising as fast as GDP”, www.ourfiniteworld.com, November 30, 2011.)

The size of the human economy is, of course, the product of two factors: the total number of humans, and the consumption per capita. If we are to achieve a sustainable global society in the future, a society whose demands are within the carrying capacity of the global environment, then both these factors must be reduced.

The responsibility for achieving sustainability is thus evenly divided between the North and the South: Where there is excessively high consumption per capita, it must be reduced; and this is primarily the responsibility of the industrialized countries. High birth rates must also be reduced; and this is primarily the responsibility of the developing countries. Both of these somewhat painful changes are necessary for sustainability; but both will be extremely difficult to achieve because of the inertia of institutions, customs and ways of thought which are deeply embedded in society, in both the North and the South.

Population and food supply

Let us look first at the problem of high birth rates: The recent spread of modern medical techniques throughout the world has caused death rates to drop sharply; but since social customs and attitudes are slow to change, birth rates have remained high. As a result, between 1930 and 2011, the population of the world increased with explosive speed from two billion to seven billion.

During the last few decades, the number of food-deficit countries has lengthened; and it now reads almost like a United Nations roster. The food-importing nations are dependent, almost exclusively, on a single food-exporting region, the grain belt of North America. In the future, this region may be vulnerable to droughts produced by global warming.
An analysis of the global ratio of population to cropland shows that we probably already have exceeded the sustainable limit of population through our dependence on petroleum: Between 1950 and 1982, the use of cheap petroleum-derived fertilizers increased by a factor of 8, and much of our present agricultural output depends their use. Furthermore, petroleum-derived synthetic fibers have reduced the amount of cropland needed for growing natural fibers, and petroleum-driven tractors have replaced draft animals which required cropland for pasturage. Also, petroleum fuels have replaced fuelwood and other fuels derived for biomass. The reverse transition, from fossil fuels back to renewable energy sources, will require a considerable diversion of land from food production to energy production.

As population increases, the cropland per person will continue to fall, and we will be forced to make still heavier use of fertilizers to increase output per hectare. Also marginal land will be used in agriculture, with the probable result that much land will be degraded through erosion or salination.

Reserves of oil are likely to be exhausted by the middle of this century. Thus there is a danger that just as global population reaches the unprecedented level of 9 billion or more, the agricultural base for supporting it may suddenly collapse. The resulting catastrophe, possibly compounded by war and other disorders, could produce famine and death on a scale unprecedented in history, a disaster of unimaginable proportions, involving billions rather than millions of people. The present tragic famine in Africa is to this possible future disaster what Hiroshima is to the threat of thermonuclear war a tragedy of smaller scale, whose horrors should be sufficient, if we are wise, to make us take steps to avoid the larger catastrophe.

At present a child dies from starvation every six seconds. Five million chil-
dren die from hunger every year. Over a billion people in today’s world are chronically undernourished. There is a threat that unless prompt and well-informed action is taken by the international community, the tragic loss of life that is already being experienced will increase to unimaginable proportions.

As glaciers melt in the Himalayas, threatening the summer water supplies of India and China; as ocean levels rise, drowning the fertile rice-growing river deltas of Asia; as aridity begins to decrease the harvests of Africa, North America and Europe; as populations grow; as aquifers are overdrawn; as cropland is lost to desertification and urban growth; and as energy prices increase, the billion people who now are undernourished but still survive, might not survive. They might become the victims of a famine whose proportions could exceed anything that the world has previously experienced.

It is vital for the world to stabilize its population, not only because of the threat of a catastrophic future famine, but also because rapid population growth is closely linked with poverty. Today, a large fraction of the world’s people live in near-poverty or absolute poverty, lacking safe water, sanitation, elementary education, primary health care and proper nutrition. Governments struggling
to solve these problems, and to provide roads, schools, jobs and medical help for all their citizens, find themselves defeated by the rapid doubling times of populations. For example, in Liberia, the rate of population growth is 4% per year, which means that the population of Liberia doubles in size every eighteen years.

Under such circumstances, despite the most ambitious development programs, the infrastructure per capita decreases. Also, since new jobs must be found for the new millions added to the population, the introduction of efficient modern methods in industry and agriculture aggravates the already-serious problem of unemployment.

Education of women and higher status for women are vitally important measures, not only for their own sake, but also because in many countries these social reforms have proved to be strongly correlated with lower birth rates. Religious leaders who oppose programs for the education of women and for family planning on “ethical” grounds should think carefully about the scope and consequences of the catastrophic global famine which will undoubtedly occur within the next 50 years if population is allowed to increase unchecked.
One of the most important keys to controlling the global population explosion is giving women better education and equal rights. These goals are desirable for the sake of increased human happiness, and for the sake of the uniquely life-oriented point of view which women can give us; but in addition, education and improved status for women have shown themselves to be closely connected with lowered birth rates.

When women lack education and independent careers outside the home, they can be forced into the role of baby-producing machines by men who do not share in the drudgery of cooking, washing and cleaning; but when women have educational, legal, economic, social and political equality with men, experience has shown that they choose to limit their families to a moderate size.

Sir Partha Dasgupta of Cambridge University has pointed out that the changes needed to break the cycle of overpopulation and poverty are all desirable in themselves. Besides education and higher status for women, they include state-provided social security for old people, provision of water supplies near to dwellings, provision of health services to all, abolition of child labor and general economic development.\[3\]

**Social Values and Levels of Consumption**

Let us next turn to the problem of reducing the per-capita consumption in the industrialized countries. The whole structure of western society seems designed to push its citizens in the opposite direction, towards ever-increasing levels of consumption. The mass media hold before us continually the ideal of a personal utopia filled with material goods.

\[3\]http://www.poverties.org/famine-in-africa.html
“To educate girls is to reduce poverty”
Former UN Secretary-General
Kofi Annan
Every young man in a modern industrial society feels that he is a failure unless he fights his way to the “top”; and in recent years, women too have been drawn into this competition. Of course not everyone can reach the top; there would not be room for everyone; but society urges all us to try, and we feel a sense of failure if we do not reach the goal. Thus, modern life has become a struggle of all against all for power and possessions.

One of the central problems in reducing consumption is that in our present economic and social theory, consumption has no upper bound; there is no definition of what is enough; there is no concept of a state where all of the real needs of a person have been satisfied. In our growth-oriented present-day economics, it is assumed that, no matter how much a person earns, he or she is always driven by a desire for more.

The phrase “conspicuous consumption” was invented by the Norwegian-American economist Thorstein Veblen (1857-1929) in order to describe the way in which our society uses economic waste as a symbol of social status. In “The Theory of the Leisure Class”, first published in 1899, Veblen pointed out that it wrong to believe that human economic behavior is rational, or that it can be understood in terms of classical economic theory. To understand it, Veblen maintained, one might better make use of insights gained from anthropology, psychology, sociology, and history.

The sensation caused by the publication of Veblen’s book, and the fact that his phrase, “conspicuous consumption”, has become part of our language, indi-
cate that his theory did not completely miss its mark. In fact, modern advertisers seem to be following Veblen’s advice: Realizing that much of the output of our economy will be used for the purpose of establishing the social status of consumers, advertising agencies hire psychologists to appeal to the consumer’s longing for a higher social position.

When possessions are used for the purpose of social competition, demand has no natural upper limit; it is then limited only by the size of the human ego, which, as we know, is boundless. This would be all to the good if unlimited economic growth were desirable. But today, when further industrial growth implies future collapse, western society urgently needs to find new values to replace our worship of power, our restless chase after excitement, and our admiration of excessive consumption.

The values which we need, both to protect nature from civilization and to protect civilization from itself, are perhaps not new: Perhaps it would be more correct to say that we need to rediscover ethical values which once were part of human culture, but which were lost during the process of industrialization when technology allowed us to break traditional environmental constraints.

Our ancestors were hunter-gatherers, living in close contact with nature, and respecting the laws and limitations of nature. There are many hunter-gatherer cultures existing today, from whose values and outlook we could learn much. Unfortunately, instead of learning from them, we often move in with our bulldozers and make it impossible for their way of life to continue. During the past several decades, for example, approximately one tribe of South American forest Indians has died out every year. Of the 6000 human languages now spoken, it is estimated that half will vanish during the next 50 years.

In some parts of Africa, before cutting down a tree, a man will offer a prayer of apology to the spirit of the tree, explaining why necessity has driven him to such an act. The attitude involved in this ritual is something which
industrialized society needs to learn, or relearn.

Older cultures have much to teach industrial society because they already have experience with full-world situation which we are fast approaching. In a traditional culture, where change is extremely slow, population has an opportunity to expand to the limits which the traditional way of life allows, so that it reaches an equilibrium with the environment. For example, in a hunter-gatherer culture, population has expanded to the limits which can be supported without the introduction of agriculture. The density of population is, of course, extremely low, but nevertheless it is pressing against the limits of sustainability. Overhunting or overfishing would endanger the future. Respect for the environment is thus necessary for the survival of such a culture.

Similarly, in a stable, traditional agricultural society which has reached an equilibrium with its environment, population is pressing against the limits of
sustainability. In such a culture, one can usually find expressed as a strong ethical principle the rule that the land must not be degraded, but must be left fertile for the use of future generations.

Today, the whole world seems to be adopting values, fashions, and standards of behavior presented in the mass media of western society. The unsustainable, power-worshiping, consumption-oriented values of western society are so strongly propagandized by television, films and advertising, that they overpower and sweep aside the wisdom of older societies. This is unfortunate, since besides showing us unsustainable levels of affluence and economic waste, the western mass media depict values and behavior patterns which are hardly worthy of imitation. We need to reverse this trend. The industrialized countries must learn from the values of older traditional cultures.

The wisdom of our ancestors, their respect for nature and their hospitable traditions of sharing, can help us to create a new economic system founded on social and environmental ethics.\footnote{\url{http://www.learndev.org/dl/harmony8.pdf}, \url{http://dissidentvoice.org/2015/05/gandhi-as-an-economist/}, \url{http://www.encyclopedia.com/doc/1G2-3401804813.html}}
Suggestions for further reading

Chapter 2

ENTROPY AND ECONOMICS

Introduction

Part 1 of this series of articles documented the world’s urgent need for a reformed economic system. Here are a few more links that underline the pressing need for change.

We urgently need to shift quickly from fossil fuels to renewable energy if we are to avoid a tipping point after which human efforts to avoid catastrophic climate change will be futile because feedback loops will have taken over. The dangerous methane hydrate feedback loop is discussed in an excellent short video made by Thom Hartmann and the Leonardo DiCaprio Foundation.\(^1\)

Celebrated author and activist Naomi Klein has emphasized the link between need for economic reform and our urgent duty to address climate change.\(^2\)

Rebel economist Prof. Tim Jackson discusses the ways in which our present economic system has failed us, and the specific reforms that are needed. In one of his publications, he says: “The myth of growth has failed us. It has failed the two billion people who still live on 2 dollars a day. It has failed the fragile ecological systems on which we depend for survival. It has failed, spectacularly, in its own terms, to provide economic stability and secure people’s livelihood.” footnote\(\text{http://www.theguardian.com/sustainable-business/rio-20-tim-jackson-leaders-green-economy?newsfeed=true}\)

http://www.theguardian.com/sustainable-business/consumerism-sustainability-short-termism

\(^1\)https://www.youtube.com/watch?v=sRGVTk-AAvw
http://lasthours.org/
\(^2\)http://thischangeseverything.org/naomi-klein/
http://www.theguardian.com/profile/naomiklein
In one of his publications, Prof. Tim Jackson says: “The myth of growth has failed us. It has failed the two billion people who still live on 2 dollars a day. It has failed the fragile ecological systems on which we depend for survival. It has failed, spectacularly, in its own terms, to provide economic stability and secure people’s livelihood.”
What is entropy?

Entropy is a quantity, originally defined in statistical mechanics and thermodynamics. It is a measure of the statistical probability of any state of a system: The greater the entropy, the greater the probability. The second law of thermodynamics asserts that entropy of the universe always increases with time. In other words, the universe as a whole is constantly moving towards states of greater and greater probability.

For any closed system, the same is true. Such systems move in time towards states of greater and greater probability. However, the earth, with its biosphere, is not a closed system. The earth constantly receives an enormous stream of light from the sun. The radiation which we receive from the sun brings us energy that can be used to perform work, and in physics this is called “free energy”. Because of this flood of incoming sunlight, plants, animals and humans are able to create structures which from a statistical point of view are highly unlikely.

The disorder and statistical probability of the universe is constantly increasing, but because the earth is not a closed system, we are able to create local order, and complex, statistically improbable structures, like the works of Shakespeare, the Mona Lisa and the Internet. The human economy is driven by the free energy which we receive as income from the sun. Money is, in fact, a symbol for free energy, and free energy might be thought of as “negative entropy”. There is also a link between free energy and information. [3]

Human society as a superorganism, with the global economy as its digestive system

A completely isolated human being would find it as difficult to survive for a long period of time as would an isolated ant or bee or termite. Therefore it seems correct to regard human society as a superorganism. In the case of humans, the analog of the social insects’ nest is the enormous and complex

material structure of civilization. It is, in fact, what we call the human economy. It consists of functioning factories, farms, homes, transportation links, water supplies, electrical networks, computer networks and much more.

Almost all of the activities of modern humans take place through the medium of these external “exosomatic” parts of our social superorganism. The terms "exosomatic" and "endosomatic" were coined by the American scientist Alfred Lotka (1880-1949). A lobster’s claw is endosomatic; it is part of the lobster’s body. The hammer used by a human is exosomatic, like a detachable claw. Lotka spoke of "exosomatic evolution", including in this term not only cultural evolution but also the building up of the material structures of civilization.

The economy associated with the human superorganism "eats" resources and free energy. It uses these inputs to produce local order, and finally excretes them as heat and waste. The process is closely analogous to food passing through the alimentary canal of an individual organism. The free energy and resources that are the inputs of our economy drive it just as food drives the processes of our body, but in both cases, waste products are finally excreted in a degraded form.

Almost all of the free energy that drives the human economy came originally from the sun’s radiation, the exceptions being geothermal energy which originates in the decay of radioactive substances inside the earth, and tidal energy, which has its origin in the slowing of the motions of the earth-moon system. However, since the start of the Industrial Revolution, our economy has been using the solar energy stored in of fossil fuels. These fossil fuels were formed over a period of several hundred million years. We are using them during a few hundred years, i.e., at a rate approximately a million times the rate at which they were formed.

The present rate of consumption of fossil fuels is more than 13 terawatts and,
if used at the present rate, fossil fuels would last less than a century. However, because of the very serious threats posed by climate change, human society would be well advised to stop the consumption of coal, oil and natural gas well before that time.

The rate of growth of of new renewable energy sources is increasing rapidly. These sources include small hydro, modern biomass, solar, wind, geothermal, wave and tidal energy. There is an urgent need for governments to set high taxes on fossil fuel consumption and to shift subsidies from the petroleum and nuclear industries to renewables. These changes in economic policy are needed to make the prices of renewables more competitive.

The shock to the global economy that will be caused by the end of the fossil fuel era will be compounded by the scarcity of other non-renewable resources, such as metals. While it is true (as neoclassical economists emphasize) that “matter and energy can neither be created nor destroyed”, free energy can be degraded into heat, and concentrated deposits of minerals can be dispersed. Both the degradation of free energy into heat and the dispersal of minerals involve increases of entropy.

Frederick Soddy

One of the first people to call attention to the relationship between entropy and economics was the English radiochemist Frederick Soddy (1877-1956). Soddy won the Nobel Prize for Chemistry in 1926 for his work with Ernest Rutherford demonstrating the transmutation of elements in radioactive decay processes. His concern for social problems then led him to a critical study of the assumptions of classical economics. Soddy believed that there is a close connection between free energy and wealth, but only a very tenuous connection between wealth and money.

Soddy was extremely critical of the system of "fractional reserve banking" whereby private banks keep only a small fraction of the money that is entrusted to them by their depositors and lend out the remaining amount. He pointed out that this system means that the money supply is controlled by the private banks rather than by the government, and also that profits made from any expansion of the money supply go to private corporations instead of being used to provide social services. Fractional reserve banking exists today, not only in England but also in many other countries. Soddy’s criticisms of this practice cast light on the subprime mortgage crisis of 2008 and the debt crisis of 2011.

As Soddy pointed out, real wealth is subject to the second law of thermodynamics. As entropy increases, real wealth decays. Soddy contrasted this with the behavior of debt at compound interest, which increases exponentially without any limit, and he remarked:

“You cannot permanently pit an absurd human convention, such as the spontaneous increment of debt [compound interest] against the natural law of the spontaneous decrement of wealth [entropy]”. Thus, in Soddy’s view, it is a fiction to maintain that being owed a large amount of money is a form of real wealth.
Frederick Soddy's book, “Wealth, virtual wealth and debt: The solution of the economic paradox”, published in 1926 by Allen and Unwin, was received by the professional economists of the time as the quixotic work of an outsider. Today, however, Soddy's common-sense economic analysis is increasingly valued for the light that it throws on the problems of our fractional reserve banking system, which becomes more and more vulnerable to failure as economic growth falters.

Currency reform, and nationalization of banks

Frederick Soddy was writing at a time when England’s currency was leaving the gold standard, and in order to replace this basis for the currency, he proposed an index system. Soddy’s index was to be based on a standard shopping basket containing items for household items, such as bread, milk, potatoes and so on. If the price of the items in the basket rose, more currency would be issued by the nationalized central bank. If the price fell, currency would be withdrawn.

Nationalization of banks was proposed by Soddy as a means of avoiding the evils of the fractional reserve banking system. Today we see a revival of the idea of nationalized banks, or local user-owned cooperative banks. The Grameen Bank, founded by Prof. Muhammad Yunus, pioneered the idea of socially-motivated banks for the benefit poor people who would ordinarily be unable to obtain loans. The bank and its founder won a Nobel Peace Prize in 2006.

http://human-wrongs-watch.net/2015/07/08/debt-slavery/
http://www.grameen-info.org/history/
http://www.quora.com/Why-were-banks-nationalized-in-India
Figure 2.2: As Frederick Soddy remarked, “You cannot permanently pit an absurd human convention, such as the spontaneous increment of debt [compound interest] against the natural law of the spontaneous decrement of wealth [entropy]”
Nicholas Georgescu-Roegen

The incorporation of the idea of entropy into economic thought also owes much to the mathematician and economist Nicholas Georgescu-Roegen (1906-1994), the son of a Romanian army officer. Georgescu-Roegen’s talents were soon recognized by the Romanian school system, and he was given an outstanding education in mathematics, which later contributed to his success and originality as an economist.

Between 1927 and 1930 the young Georgescu studied at the Institute de Statistique in Paris, where he completed an award-winning thesis: “On the problem of finding out the cyclical components of phenomena”. He then worked in England with Karl Pearson from 1930 to 1932, and during this period his work attracted the attention of a group of economists who were working on a project called the Harvard Economic Barometer. He received a Rockefeller Fellowship to join this group, but when he arrived at Harvard, he found that the project had been disbanded.

In desperation, Georgescu-Roegen asked the economist Joseph Schumpeter for an appointment to his group. Schumpeter’s group was in fact a remarkably active and interesting one, which included the future Nobel laureate Wassely Leontief; and there followed a period of intense intellectual activity during which Georgescu-Roegen became an economist.

Despite offers of a permanent position at Harvard, Georgescu-Roegen returned to his native Roumania in the late 1930’s and early 1940’s in order to help his country. He served as a member of the Central Committee of the Romanian National Peasant Party. His experiences at this time led to his insight that economic activity involves entropy. He was also helped to this insight by Borel’s monograph on Statistical Mechanics, which he had read during his Paris period.

Georgescu-Roegen later wrote: “The idea that the economic process is not a mechanical analogue, but an entropic, unidirectional transformation began to turn over in my mind long ago, as I witnessed the oil wells of the Plosti field of both World Wars’ fame becoming dry one by one, and as I grew aware of the Romanian peasants’ struggle against the deterioration of their farming soil by continuous use and by rains as well. However it was the new representation of a process that enabled me to crystallize my thoughts in describing the economic process as the entropic transformation of valuable natural resources (low entropy) into valueless waste (high entropy).”


http://www.armstrongeconomics.com/archives/30531
https://en.wikipedia.org/wiki/Nationalization
Figure 2.3: Georgescu-Roegen wrote: “The idea that the economic process is not a mechanical analogue, but an entropic, unidirectional transformation began to turn over in my mind long ago, as I witnessed the oil wells of the Plosti field of both World Wars’ fame becoming dry one by one, and as I grew aware of the Romanian peasants’ struggle against the deterioration of their farming soil by continuous use and by rains as well. However it was the new representation of a process that enabled me to crystallize my thoughts in describing the economic process as the entropic transformation of valuable natural resources (low entropy) into valueless waste (high entropy).” (Pergamon Press, New York, 1976), he offered the following recommendations for moving towards a bioeconomic society:

1. The complete prohibition of weapons production, thereby releasing productive forces for more constructive purposes;

2. Immediate aid to underdeveloped countries;

3. Gradual decrease in population to a level that could be maintained only by organic agriculture;

4. Avoidance, and strict regulation if necessary, of wasteful energy use;

5. Abandon our attachment to “extravagant gadgetry”;

6. “Get rid of fashion”;
7. Make goods more durable and repairable; and

8. Cure ourselves of workaholic habits by re-balancing the time spent on work and leisure, a shift that will become incumbent as the effects of the other changes make themselves felt.

Georgescu-Roegen did not believe that his idealistic recommendations would be adopted, and he feared that human society is headed for a crash.

**Limits to Growth: A steady-state economy**

Nicholas Georgescu-Roegen’s influence continues to be felt today, not only through his own books and papers but also through those of his student, the distinguished economist Herman E. Daly, who for many years has been advocating a steady-state economy. As Daly points out in his books and papers, it is becoming increasingly apparent that unlimited economic growth on a finite planet is a logical impossibility. However, it is important to distinguish between knowledge, wisdom and culture, which can and should continue to grow, and growth in the sense of an increase in the volume of material goods produced. It is growth in the latter sense that is reaching its limits.

Daly describes our current situation as follows: “The most important change in recent times has been the growth of one subsystem of the Earth, namely the economy, relative to the total system, the ecosphere. This huge shift from an ‘empty’ to a ‘full’ world is truly ‘something new under the sun’... The closer the economy approaches the scale of the whole Earth, the more it will have to conform to the physical behavior mode of the Earth... The remaining natural world is no longer able to provide the sources and sinks for the metabolic throughput necessary to sustain the existing oversized economy, much less a growing one. Economists have focused too much on the economy’s circulatory system and have neglected to study its digestive tract.”

In the future, the only way that we can avoid economic collapse is to build a steady-state economy. There exists much literature on how this can be achieved, and these writings ought to become a part of the education of all economists and politicians.

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6http://dalynews.org/learn/blog/
http://steadystate.org/category/herman-daly/
https://www.youtube.com/watch?v=EN5esbVAt-w
https://www.youtube.com/watch?v=wiR-VsXtM4Y
Suggestions for further reading

Chapter 3

CLIMATE CHANGE

Introduction

One of the greatest threats to the survival of the human species and the biosphere is catastrophic climate change. Scientists warn that if the transition to renewable energy does not happen within very few decades, there is a danger that we will reach a tipping point beyond which feedback loops, such as the albedo effect and the methane hydrate feedback loop, will take over and produce an out-of-control and fatal increase in global temperature.

In 2012, the World Bank issued a report warning that without quick action to curb CO2 emissions, global warming is likely to reach 4 degrees C during the 21st century. This is dangerously close to the temperature which initiated the Permian-Triassic extinction event: 6 degrees C above normal. During the Permian-Triassic extinction event, which occurred 252 million years ago, 96% of all marine species were wiped out, as well as 70% of all terrestrial vertebrates.

Is a quick transition to 100 % renewable energy technically possible? The remarkable characteristics of exponential growth can give us hope that it can indeed be done, provided that we make the necessary effort.

The Earth Policy Institute recently reported that “Between 2008 and 2013, as solar panel prices dropped by roughly two thirds, the PV installed worldwide skyrocketed from 16,000 to 139,000 megawatts... In its January 2014 solar outlook report, Deutsche Bank projected that 46,000 megawatts would be added to global PV capacity in 2014 and that new installations would jump to a record 56,000 megawatts in 2015.”

An analysis of the data given by the Earth Policy Institute shows that global installed photovoltaic capacity is now increasing by 27.8% per year. Because of the remarkable properties of exponential growth, we can predict that by 2034, the world’s installed PV capacity will have reached 47.7 terawatts, more than twice today’s global consumption of all forms of energy (provided, of course,
Permian (250Ma)
Surface Temperature
that the present rate of growth is maintained)

We can see from this analysis, and from data presented by Lester Brown and his coauthors Janet Larsen, Mathew Roney and Emily Adams, in their recent book “The Great Transition”, that the urgently-needed replacement of fossil fuels by renewable energy is technically achievable. But it also requires political will. For example the present rapid rate of growth of global PV capacity was initiated by the German government’s enlightened financial policies.

Government measures helping renewables are vital. At present, governments give billions in direct and indirect support of fossil fuel giants, which in turn sponsor massive advertising campaign to convince the public that anthropogenic climate change is not real. Our task, for the sake of future generations, is to provide the political will needed for the great transition.²

The wonderful encyclical Laudato Si’ of Pope Francis shows us our moral responsibility for protecting the long-term future of nature and humankind, and it can give us courage as we approach this great and urgent task.³

²http://www.earth-policy.org/books/tgt
The reason for urgency
The scientific community is unanimous in telling us that if we do not rapidly switch from fossil fuels to renewable energy, there is a danger that global warming will pass a tipping point beyond which uncontrollable feedback loops will lead to drastically increased temperatures, and perhaps a human-caused 6th geological extinction event. An important short video on this danger has been prepared by Thom Hartmann and coworkers. 

Is a shift to 100% renewable energy possible?
One answer to the question of whether a shift to 100% renewable energy is possible is that it has to happen during this century because fossil fuels are running out. Within a century or so they will be gone in the sense that they will be much too expensive to be burned. Therefore a shift to 100% renewable energy has to happen within about a hundred years.

http://www.youtube.com/watch?v=sRGVTK-AAvw
https://www.youtube.com/watch?v=MVwmi7HCmSI
https://www.youtube.com/watch?v=AjZaFjXfLeC
http://www.youtube.com/watch?v=m6pFDu7ILV4
The vitally important point is that if the shift does not happen quickly, if we do not leave most of our fossil fuels in the ground instead of burning them, we risk a climatic disaster of enormous proportions, perhaps comparable to the Permian-Triassic thermal maximum. Thus the shift must happen, and will happen. But we must work with dedication, and a sense of urgency, to make it happen soon.

What are the forms of renewable energy?

The main forms of renewable energy now in use are wind power; hydropower; solar energy; biomass; biofuel; geothermal energy; and marine energy. In addition, there are a number of new technologies under development, such as artificial photosynthesis, cellulosic ethanol, and hydrogenation of CO2.

At present, the average global rate of use of primary energy is roughly 2 kilowatts per person. In North America, the rate is 12 kilowatts per capita, while in Europe, the figure is 6 kilowatts. In Bangladesh, it is only 0.2 kilowatts. This wide variation implies that considerable energy savings are possible, through changes in lifestyle, and through energy efficiency.
*Germany, a leader in the energy transition, renewable energy industries already employ more workers than the long-standing fossil fuel and nuclear industries do. In a world where expanding employment is a universal goal, this is welcome news indeed.

*PLAN B ENERGY ECONOMY MUCH MORE LABOR INTENSIVE!!!! JOBS!!!!
Solar energy

Biomass, wind energy, hydropower and wave power derive their energy indirectly from the sun, but in addition, various methods are available for utilizing the power of sunlight directly. These include photovoltaic panels, solar designs in architecture, solar systems for heating water and cooking, concentrating photovoltaic systems, and solar thermal power plants.

Solar photovoltaic cells are thin coated wafers of a semiconducting material (usually silicon). The coatings on the two sides are respectively charge donors and charge acceptors. Cells of this type are capable of trapping solar energy and converting it into direct-current electricity. The electricity generated in this way can be used directly (as it is, for example, in pocket calculators) or it can be fed into a general power grid. Alternatively it can be used to split water into hydrogen and oxygen. The gases can then be compressed and stored, or exported for later use in fuel cells. In the future, we may see solar photovoltaic arrays in sun-rich desert areas producing hydrogen as an export product.

The cost of manufacturing photovoltaic cells is currently falling rapidly. The cost in 2006 was $4.50 per peak watt. It is predicted that by 2017, the manufacturing cost will have fallen to $0.36 per watt[1].

Concentrating photovoltaic systems are able to lower costs still further by combining silicon solar cells with reflectors that concentrate the sun’s rays. The most inexpensive type of concentrating reflector consists of a flat piece of aluminum-covered plastic material bent into a curved shape along one of its dimensions, forming a trough-shaped surface. (Something like this shape results when we hold a piece of paper at the top and bottom with our two hands, allowing the center to sag.) The axis of the reflector can be oriented so that it points towards the North Star. A photovoltaic array placed along the focal line will then receive concentrated sunlight throughout the day.

Photovoltaic efficiency is defined as the ratio of the electrical power produced by a cell to the solar power striking its surface. For commercially available cells today, this ratio is between 9% and 14%. If we assume 5 hours of bright sunlight per day, this means that a photocell in a desert area near to the equator (where 1 kW/m² of peak solar power reaches the earth’s surface) can produce electrical energy at the average rate of 20-30 W/m², the average being taken over an entire day and night. (The subscript e means “in the form of electricity”. Energy in the form of heat is denoted by the subscript t, meaning “thermal”.)

The potential power per unit area for photovoltaic systems is far greater than for biomass. However, the mix of renewable energy sources most suitable for a particular country depends on many factors.

https://en.wikipedia.org/wiki/Photovoltaics
Wind energy

Wind parks in favorable locations, using modern wind turbines, are able to generate 10 MWe /km² or 10 We /m². Often wind farms are placed in offshore locations. When they are on land, the area between the turbines can be utilized for other purposes, for example for pasturage. For a country like Denmark, with good wind potential but cloudy skies, wind turbines can be expected to play a more important future role than photovoltaics. Denmark is already a world leader both in manufacturing and in using wind turbines. In the United States, wind power is the fastest-growing form of electricity generation.

The location of wind parks is important, since the energy obtainable from wind is proportional to the cube of the wind velocity. We can understand this cubic relationship by remembering that the kinetic energy of a moving object is proportional to the square of its velocity multiplied by the mass. Since the mass of air moving past a wind turbine is proportional to the wind velocity, the result is the cubic relationship just mentioned.

Before the decision is made to locate a wind park in a particular place, the wind velocity is usually carefully measured and recorded over an entire year. For locations on land, mountain passes are often very favorable locations, since wind velocities increase with altitude, and since the wind is concentrated in the passes by the mountain barrier. Other favorable locations include shorelines and offshore locations on sand bars. This is because onshore winds result when warm air rising from land heated by the sun is replaced by cool marine air. Depending on the season, the situation may be reversed at night, and an offshore wind may be produced if the water is warmer than the land.

The cost of wind-generated electrical power is currently lower than the cost of electricity generated by burning fossil fuels. The “energy payback ratio” of a power installation is defined as the ratio of the energy produced by the installation over its lifetime, divided by the energy required to manufacture, construct, operate and decommission the installation. For wind turbines, this ratio is 17-39, compared with 11 for coal-burning plants. The construction energy of a wind turbine is usually paid back within three months.

Wind energy is currently able to deliver 370,000 megawatts of power, and the global installed wind generating capacity is increasing at the rate of 20% per year.

Biomass

Biomass is defined as any energy source based on biological materials produced by photosynthesis, for example wood, sugar beets, rapeseed oil, crop wastes, dung, urban organic wastes, processed sewage, etc. Using biomass for energy does not result in the net emission of CO₂, since the CO₂ released by burning the material had previously been absorbed from the atmosphere during photosynthesis. If the biological material had decayed instead of being burned, it

http://www.earth-policy.org/books/tgt
would have released the same amount of CO\textsubscript{2} as in the burning process.

Miscanthus is a grassy plant found in Asia and Africa. Some forms will also grow in Northern Europe, and it is being considered as an energy crop in the United Kingdom. Miscanthus can produce up to 18 dry tonnes per hectare-year, and it has the great advantage that it can be cultivated using ordinary farm machinery. The woody stems are very suitable for burning, since their water content is low (20-30%).

Jatropha is a fast-growing woody shrub about 4 feet in height, whose seeds can be used to produce diesel oil at the cost of about $43 per barrel. The advantage of Jatropha is that it is a hardy plant, requiring very little fertilizer and water. It has a life of roughly 50 years, and can grow on wasteland that is unsuitable for other crops. The Indian State Railway has planted 7.5 million Jatropha shrubs beside its right of way. The oil harvested from these plants is used to fuel the trains.

For some southerly countries, honge oil, derived from the plant Pongamia pinnata may prove to be a promising source of biomass energy. Studies conducted by Dr. Udishi Shrinivasa at the Indian Institute of Sciences in Bangalore indicate that honge oil can be produced at the cost of $150 per ton. This price is quite competitive when compared with other potential fuel oils.

Recent studies have also focused on a species of algae that has an oil content of up to 50%. Algae can be grown in desert areas, where cloud cover is minimal. Farm waste and excess CO\textsubscript{2} from factories can be used to speed the growth of the algae.

It is possible that in the future, scientists will be able to create new species of algae that use the sun’s energy to generate hydrogen gas. If this proves to be possible, the hydrogen gas may then be used to generate electricity in fuel cells. Promising research along this line is already in progress at the University of California, Berkeley.

Biogas is defined as the mixture of gases produced by the anaerobic digestion of organic matter. This gas, which is rich in methane (CH\textsubscript{4}), is produced in swamps and landfills, and in the treatment of organic wastes from farms and cities. The use of biogas as a fuel is important not only because it is a valuable energy source, but also because methane is a potent greenhouse gas, which should not be allowed to reach the atmosphere. Biogas produced from farm wastes can be used locally on the farm, for cooking and heating, etc. When biogas has been sufficiently cleaned so that it can be distributed in a pipeline, it is known as “renewable natural gas”. It may then be distributed in the natural gas grid, or it can be compressed and used in internal combustion engines. Renewable natural gas can also be used in fuel cells.

Biofuels are often classified according to their generation. Those that can be used alternatively as food are called first-generation biofuels. By contrast, biofuels of the second generation are those that make use of crop residues or other cellulose-rich materials. Cellulose molecules are long chains of sugars, and by breaking the inter-sugar bonds in the chain using enzymes or other methods, the sugars can be freed for use in fermentation. In this way lignocellulosic ethanol is produced. The oil-producing and hydrogen-producing algae mentioned above
Sources of Biomass Energy 2010

- Municipal Waste: 11%
- Biofuels (Mostly Ethanol): 43%
- Wood or Wood-Derived Biomass: 46%
are examples of third-generation biofuels. We should notice that growing biofuels locally (even first-generation ones) may be of great benefit to smallholders in developing countries, since they can achieve local energy self-reliance in this way.

**Geothermal energy**

The ultimate source of geothermal energy is the decay of radioactive nuclei in the interior of the earth. Because of the heat produced by this radioactive decay, the temperature of the earth's core is 4300 degrees C. The inner core is composed of solid iron, while the outer core consists of molten iron and sulfur compounds. Above the core is the mantle, which consists of a viscous liquid containing compounds of magnesium, iron, aluminum, silicon and oxygen.

The temperature of the mantle gradually decreases from 3700 degrees C near the core to 1000 degrees C near the crust. The crust of the earth consists of relatively light solid rocks and it varies in thickness from 5 to 70 km. The outward flow of heat from radioactive decay produces convection currents in the interior of the earth. These convection currents, interacting with the earth’s rotation, produce patterns of flow similar to the trade winds of the atmosphere. One result of the currents of molten conducting material in the interior of the earth is the earth’s magnetic field.

The crust is divided into large sections called “tectonic plates”, and the currents of molten material in the interior of the earth also drag the plates into collision with each other. At the boundaries, where the plates collide or split apart, volcanic activity occurs. Volcanic regions near the tectonic plate boundaries are the best sites for collection of geothermal energy.

The entire Pacific Ocean is ringed by regions of volcanic and earthquake activity, the so-called Ring of Fire. This ring extends from Tierra del Fuego at the southernmost tip of South America, northward along the western coasts of both South America and North America to Alaska. The ring then crosses the Pacific at the line formed by the Aleutian Islands, and it reaches the Kamchatka Peninsula in Russia. From there it extends southward along the Kuril Island chain and across Japan to the Philippine Islands, Indonesia and New Zealand. Many of the islands of the Pacific are volcanic in nature.

Another important region of volcanic activity extends northward along the Rift Valley of Africa to Turkey, Greece and Italy. In the Central Atlantic region, two tectonic plates are splitting apart, thus producing the volcanic activity of Iceland. All of these regions are very favorable for the collection of geothermal power.

**Economic and political considerations**

In our present situation, a rapid shift to renewable energy could present the world with many benefits. Ecological constraints and depletion of natural resources mean that industrial growth will very soon no longer be possible. Thus

<sup>7</sup>http://www.worldscientific.com/worldscibooks/10.1142/6480
we will be threatened with economic recession and unemployment. A rapid shift to renewable energy could provide the needed jobs to replace lost jobs in (for example) automobile production. Renewable energy is becoming competitive with fossil fuels, and thus it represents a huge investment opportunity.

On the other hand, fossil fuel companies have a vested interest in monetizing the assets that they own, as Thom Hartmann points out in the video mentioned at the start of this essay. Institute Professor Noam Chomsky of MIT also explains this difficulty very well at the start of another video.

These considerations point to a battle which will have to be fought by the people of the world who are concerned about the long-term future of human civilization and the biosphere, against the vested interests of our oligarchic rulers. This fight will require wide public discussion of the dangers of runaway climate change. At present, our corporate-controlled mass media hardly mention the long-term dangers, such as the methane hydrate feedback loop, so the battle will have to be fought in the alternative media.

Suggestions for further reading

1. A. Gore, An Inconvenient Truth: The Planetary Emergency of Global Warming and What We Can Do About It, Rodale Books, New York,

[^8]: http://www.youtube.com/watch?v=NCAxsphZoxE
CHAPTER 3. CLIMATE CHANGE


Chapter 4

NEOCOLONIALISM AND RESOURCE WARS

Hobson’s explanation of colonialism

The Industrial Revolution opened up an enormous gap in military strength between the industrialized nations and the rest of the world. Taking advantage of their superior weaponry, Europe, the United States and Japan rapidly carved up the remainder of the world into colonies, which acted as sources of raw materials and food, and as markets for manufactured goods. Between 1800 and 1914, the percentage of the earth under the domination of colonial powers increased to 85 percent, if former colonies are included.

The English economist and Fabian, John Atkinson Hobson (1858-1940), offered a famous explanation of the colonial era in his book “Imperialism: A Study” (1902). According to Hobson, the basic problem that led to colonial expansion was an excessively unequal distribution of incomes in the industrialized countries. The result of this unequal distribution was that neither the rich nor the poor could buy back the total output of their society. The incomes of the poor were insufficient, and rich were too few in number. The rich had finite needs, and tended to reinvest their money. As Hobson pointed out, reinvestment in new factories only made the situation worse by increasing output.

Hobson had been sent as a reporter by the Manchester Guardian to cover the Second Boer War. His experiences had convinced him that colonial wars have an economic motive. Such wars are fought, he believed, to facilitate investment of the excess money of the rich in African or Asian plantations and mines, and to make possible the overseas sale of excess manufactured goods. Hobson believed imperialism to be immoral, since it entails suffering both among colonial peoples and among the poor of the industrial nations. The cure that he recommended was a more equal distribution of incomes in the manufacturing countries.
COLONIAL AFRICA
CHAPTER 4. NEOCOLONIALISM AND RESOURCE WARS

Colonialism and the outbreak of World Wars I and II

The First World War broke out almost exactly 100 years ago, and much thought has been given to the causes of this tragic event, whose consequences continue to cast a dark shadow over the human future. When the war ended four years later, ten million young men had been killed and twenty million wounded, of whom six million were crippled for life. The war had cost 350,000,000,000 1919 dollars. This was a calculable cost; but the cost in human suffering and brutalization of values was incalculable.

It hardly mattered whose fault the catastrophe had been. Perhaps the Austrian government had been more to blame than any other. But blame for the war certainly did not rest with the Austrian people nor with the young Austrians who had been forced to fight. However, the tragedy of the First World War was that it created long-lasting hatred between the nations involved; and in this way it lead, only twenty years later, to an even more catastrophic global war, during the course of which nuclear weapons were developed.

Most scholars believe that competing colonial ambitions played an important role in setting the stage for World War I. A second factor was an armaments race between European countries, and the huge profits gained by arms manufacturers. Even at that time, the military-industrial complex was firmly established; and today it continues to be the greatest source of war, together with neocolonialism.

http://alphahistory.com/worldwar1/imperialism/
http://www.flowofhistory.com/units/etc/19/26
http://alphahistory.com/worldwar1/militarism/
**War Casualties** World War II took more lives than any other war in history. More civilians than soldiers died in the war.
Prescott Bush supported Hitler’s rise to power

Prescott Sheldon Bush (1895-1972), the father of George H.W. Bush and grandfather of George W. Bush, actively supported the revival of Germany’s armament’s industry in the 1930’s, as well as supplying large amounts of money to Adolf Hitler’s Nazi Party.\[2\]

Neocolonialism

In his book, “Neocolonialism, The Last Stage of Imperialism” (Thomas Nielsen, London, 1965), Kwamai Nkrumah defined neocolonialism with the following words: “The essence of neocolonialism is that the State which is subject to it is, in theory independent, and has all the outward trappings of international sovereignty. In reality its economic system and thus its political policy is directed from the outside. The methods and form of this direction can take various shapes. For example, in an extreme case, the troops of the imperial power may garrison the territory of the neocolonial State and control the government of it. More often, however, neocolonial control is exercised through monetary means...”

“The struggle against neocolonialism is not aimed at excluding the capital

[2]https://www.youtube.com/watch?v=TnHnjmCYjy4
https://www.youtube.com/watch?v=7BZC9vXKs4
https://www.youtube.com/watch?v=7BZC9vXKs4
http://www.georgewalkerbush.net/bushfamilyfundedhitler.htm
http://www.theguardian.com/world/2004/sep/25/usa.secondworldwar
of the developed world from operating in less developed countries. It is aimed at preventing the financial power of the developed countries from being used in such a way as to impoverish the less developed.”

The resource curse

The way in which the industrialized countries maintain their control over less developed nations can be illustrated by the "resource curse", i.e. the fact that resource-rich developing countries are no better off economically than those that lack resources, but are cursed with corrupt and undemocratic governments. This is because foreign corporations extracting local resources under unfair agreements exist in a symbiotic relationship with corrupt local officials.

One might think that taxation of foreign resource-extracting firms would provide developing countries with large incomes. However, there is at present no international law governing multinational tax arrangements. These are usually agreed to on a bilateral basis, and the industrialized countries have stronger bargaining powers in arranging the bilateral agreements.

Racism, colonialism and exceptionalism

"What makes America different, what makes us exceptional, is that we are dedicated to act.” (Barak Obama, speech, September, 2013)

It seems to be possible for nations, and the majority of their citizens, to commit the worst imaginable atrocities, including torture, murder and genocide, while feeling that what they are doing is both noble and good.. Some
In 1942, the New York Tribune dubbed grandfather Senator Prescott Bush, "Hitler's Angel", for his treasonous banking role in financing and arming the Nazis. That profit began the Bush fortune.

Three Generations Of War Profiteering, Genocide, Gangsterism, Corruption, And Rape Of The U.S. Constitution
understanding of how this is possible can be gained by watching the 3-part BBC documentary, "The History of Racism".\footnote{https://www.youtube.com/watch?v=efI6T8lovqY}  

The series was broadcast by BBC Four in March 2007, and videos of the broadcasts are available on the Internet. Watching this eye-opening documentary can give us much insight into the link between racism and colonialism. We can also begin to see how both racism and colonialism are linked to US exceptionalism and neocolonialism.  

Looking at the BBC documentary we can see how often in human history economic greed and colonial exploitation have been justified by racist theories. The documentary describes almost unbelievable cruelties committed against the peoples of the Americas and Africa by Europeans. For example, in the Congo, a vast region which King Leopold II of Belgium claimed as his private property, the women of villages were held as hostages while the men were forced to gather rubber in the forests. Since neither the men nor the women could produce food under these circumstances, starvation was the result.  

Leopold’s private army of 90,000 men were issued ammunition, and to make sure that they used it in the proper way, the army was ordered to cut off the hands of their victims and send them back as proof that the bullets had not been wasted. Human hands became a kind of currency, and hands were cut off from men, women and children when rubber quotas were not fulfilled. Sometimes more than a thousand human hands were gathered in a single day. During the rule of Leopold, roughly 10,000,000 Congolese were killed, which was approximately half the population of the region.  

According to the racist theories that supported these atrocities, it was the duty of philanthropic Europeans like Leopold to bring civilization and the Christian religion to Africa. Similar theories were used to justify the genocides committed by Europeans against the native inhabitants of the Americas. Racist theories were also used to justify enormous cruelties committed by the British colonial government in India. For example, during the great famine of 1876-1878, in which ten million people died, the Viceroy, Lord Lytton, oversaw the export to England of a record 6.4 million hundredweight of wheat.  

Meanwhile, in Europe, almost everyone was proud of the role which they were playing in the world. All that they read in newspapers and in books or heard from the pulpits of their churches supported the idea that they were serving the non-Europeans by bringing them the benefits of civilization and Christianity. On the whole, the mood of Europe during this orgy of external cruelty and exploitation, was self-congratulatory.  

Can we not see a parallel with the self-congratulatory mood of the American people and their allies, who export violence, murder, torture and neocolonialism to the whole world, and who justify it by thinking of themselves as "exceptional"?\footnote{https://www.youtube.com/watch?v=IdBDRbjax9jo\footnote{https://www.youtube.com/watch?v=0CJHJWaNL-g}}
Confessions of an economic hit-man

A book by John Perkins, “Confessions of an Economic Hit-Man”, can give us a good understanding of the way in which our present economic system operates to further enrich wealthy nations and impoverish poor ones. Here are some excerpts:

"Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, the U.S. Agency for International Development (USAID), and other foreign "aid" organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet’s natural resources. Their tools included fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They play a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization."

"I was initially recruited while I was in business school back in the late sixties by the National Security Agency, the nation’s largest and least understood spy organization; but ultimately I worked for private corporations. The first real economic hit man was back in the early 1950s, Kermit Roosevelt, Jr., the grandson of Teddy, who overthrew the government of Iran, a democratically elected government, Mossadegh’s government who was Time magazine’s person of the year; and he was so successful at doing this without any bloodshed, well, there was a little bloodshed, but no military intervention, just spending millions of dollars and replaced Mossadegh with the Shah of Iran."

"At that point, we understood that this idea of economic hit man was an extremely good one. We didn’t have to worry about the threat of war with Russia when we did it this way. The problem with that was that Roosevelt was a C.I.A. agent. He was a government employee. Had he been caught, we would have been in a lot of trouble. It would have been very embarrassing. So, at that point, the decision was made to use organizations like the C.I.A. and the N.S.A. to recruit potential economic hit men like me and then send us to work for private consulting companies, engineering firms, construction companies, so that if we were caught, there would be no connection with the government."

Debt slavery

At the moment, the issue of debt slavery is in the news because of the predicament of Greece and the intended fate of Ukraine, but the problem is a very general one.

If any quantity, for example indebtedness, is growing at the rate of 7% per year, the doubling time is only 9.9 years. At higher rates of interest, the doubling time is still less. If a debt remains unpaid for so long that it more than doubles, most of the repayments will go for interest, rather than for reducing the amount of the debt.

https://www.youtube.com/watch?v=yTbdhNgf8s8
https://en.wikipedia.org/wiki/Corporatocracy
The United States spends over $87 billion conducting a war in Iraq while the United Nations estimates that for less than half that amount we could provide clean water, adequate diets, sanitations services and basic education to every person on the planet.

John Perkins
Author, “Confessions of an Economic Hitman”

AND I WILL VIOLATE ANY OR EVERY U.S. OR INTERNATIONAL LAW TO PROTECT THE SECURITY OF GLOBAL CORPORATE INTERESTS, SO HELP ME GOD.
In the case of the debts of third world countries to private banks in the industrialized parts of the world and to the IMF, many of the debts were incurred in the 1970’s for purposes which were of no benefit to local populations, for example purchase of military hardware. Today the debts remain, although the amount paid over the years by the developing countries is very many times the amount originally borrowed.

Third world debt can be regarded as a means by which the industrialized nations extract raw materials from developing countries without any repayment whatever. In fact, besides extracting raw materials, they extract money. The injustice of this arrangement was emphasized recently by Pope Francis in his wonderful encyclical Laudato Si’.

Michael Klare’s studies of resource wars

Dr. Michael Klare holds the post of Five Colleges Professor of Peace and World Security Studies at Hampshire College, Amherst College, Smith College, Mount

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5http://dissidentvoice.org/2015/07/a-revolutionary-pope-calls-for-rethinking-the-outdated-criteria-that-rule-the-world/
Student Loan paid faithfully for 23 years:
Borrowed: $26,400.  
Paid back to date:  $32,700.  
Still OWE: $45,276.63

No Bankruptcy or Forgiveness Allowed  
Only Death or Total Disability frees you  
NO Social Security or Medicare till paid off  
#OccupyStudentDebt  
ForgiveStudentLoanDebt.com
Holyoke College, and the University of Massachusetts Amherst. He has written 16 books exploring the relationship between natural resources and war.\footnote{https://www.youtube.com/watch?v=PCXgnbTdhNo} Like Naomi Klein, Prof. Klare believes that the peace movement and the climate movement ought to join forces.\footnote{https://www.youtube.com/watch?v=S-cdHIGFrF0}

**Concluding remarks**

From the discussion presented above, we can see that our present economic system produces an endless series of resource-motivated wars. In addition to the enormous suffering, waste, injustice and ecological destruction produced by modern wars, we must recognize that in an era of thermonuclear weapons, war has become prohibitively dangerous. Therefore we need a new economic system.\footnote{https://www.youtube.com/watch?v=LIdlm4ywA1c}
CHAPTER 4. NEOCOLONIALISM AND RESOURCE WARS

IRAQ

HOW MANY DEATHS PER GALLON?
Suggestions for additional reading

8. N. Gall, We are Living Off Our Capital, Forbes, September, (1986).
83. W. Blum, *Killing Hope: U.S. Military and CIA Intervention Since World War II*


125. W. Blum, *Killing Hope: U.S. Military and CIA Intervention Since World War II*
Chapter 5

THE THREATS AND COSTS OF WAR

The direct and indirect costs of war

The costs of war, both direct and indirect, are so enormous that they are almost beyond comprehension. Globally, the institution of war interferes seriously with the use of tax money for constructive and peaceful purposes.

Today, despite the end of the Cold War, the world spends roughly 1.7 trillion (i.e. 1.7 million million) US dollars each year on armaments. This colossal flood of money could have been used instead for education, famine relief, development of infrastructure, or on urgently needed public health measures.

The World Health Organization lacks funds to carry through an antimalarial program on as large a scale as would be desirable, but the entire program could be financed for less that our military establishments spend in a single day. Five hours of world arms spending is equivalent to the total cost of the 20-year WHO campaign that resulted in the eradication of smallpox. For every 100,000 people in the world, there are 556 soldiers, but only 85 doctors. Every soldier costs an average of $20,000 per year, while the average spent on education is only $380 per school-aged child. With a diversion of funds consumed by three weeks of military spending, the world could create a sanitary water supply for all its people, thus eliminating the cause of almost half of all human illness.

A new drug-resistant form of tuberculosis has recently become widespread in Asia and in the former Soviet Union. In order to combat this new and highly dangerous form of tuberculosis and to prevent its spread, WHO needs $500 million, an amount equivalent to 1.2 hours of world arms spending.

Today’s world is one in which roughly ten million children die every year from starvation or from diseases related to poverty. Besides this enormous waste of young lives through malnutrition and preventable disease, there is a huge waste of opportunities through inadequate education. The rate of illiteracy in the 25 least developed countries is 80%, and the total number of illiterates in the world is estimated to be 800 million. Meanwhile every 60 seconds the world spends
$6.5 million on armaments.

It is plain that if the almost unbelievable sums now wasted on the institution of war were used constructively, most of the pressing problems of humanity could be solved, but today the world spends more than 20 times as much on war as it does on development.

Medical and psychological consequences; loss of life

While in earlier epochs it may have been possible to confine the effects of war mainly to combatants, in the 20th century the victims of war were increasingly civilians, and especially children. For example, according to Quincy Wright’s statistics, the First and Second World Wars cost the lives of 26 million soldiers, but the toll in civilian lives was much larger: 64 million.

Since the Second World War, despite the best efforts of the UN, there have been over 150 armed conflicts; and, if civil wars are included, there are on any given day an average of 12 wars somewhere in the world. In the conflicts in Indo-China, the proportion of civilian victims was between 80% and 90%, while in the Lebanese civil war some sources state that the proportion of civilian casualties was as high as 97%.

Civilian casualties often occur through malnutrition and through diseases that would be preventable in normal circumstances. Because of the social disruption caused by war, normal supplies of food, safe water and medicine are interrupted, so that populations become vulnerable to famine and epidemics.

Effects of war on children

According to UNICEF figures, 90% of the casualties of recent wars have been civilians, and 50% children. The organization estimates that in recent years, violent conflicts have driven 20 million children from their homes. They have become refugees or internally displaced persons within their own countries.

During the last decade 2 million children have been killed and 6 million seriously injured or permanently disabled as the result of armed conflicts, while 1 million children have been orphaned or separated from their families. Of the ten countries with the highest rates of death of children under five years of age, seven are affected by armed conflicts. UNICEF estimates that 300,000 child soldiers are currently forced to fight in 30 armed conflicts throughout the world. Many of these have been forcibly recruited or abducted.

Even when they are not killed or wounded by conflicts, children often experience painful psychological traumas: the violent death of parents or close relatives, separation from their families, seeing family members tortured, displacement from home, disruption of ordinary life, exposure to shelling and other forms of combat, starvation and anxiety about the future.

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2 http://www.truth-out.org/opinion/item/27201-the-leading-terrorist-state
3 http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2080482/
CHAPTER 5. THE THREATS AND COSTS OF WAR
Refugees

Human Rights Watch estimates that in 2001 there were 15 million refugees in the world, forced from their countries by war, civil and political conflict, or by gross violations of human rights. In addition, there were an estimated 22 million internally displaced persons, violently forced from their homes but still within the borders of their countries.

In 2001, 78% of all refugees came from ten areas: Afghanistan, Angola, Burma, Burundi, Congo-Kinshasa, Eritria, Iraq, the Palestinian territories, Somalia and Sudan. A quarter of all refugees are Palestinians, who make up the worlds oldest and largest refugee population. 45% of the worlds refugees have found sanctuaries in Asia, 30% in Africa, 19% in Europe and 5% in North America.

Refugees who have crossed an international border are in principle protected by Article 14 of the Universal Declaration of Human Rights, which affirms their right “to seek and to enjoy in other countries asylum from persecution”. In 1950 the Office of the High Commissioner for Refugees was created to implement Article 14, and in 1951 the Convention Relating to the Status of Refugees was adopted by the UN. By 2002 this legally binding treaty had been signed by 140 nations. However the industrialized countries have recently adopted a very hostile and restrictive attitude towards refugees, subjecting them to arbitrary arrests, denial of social and economic rights, and even forcible return to countries in which they face persecution.

The status of internally displaced persons is even worse than that of refugees who have crossed international borders. In many cases the international community simply ignores their suffering, reluctant to interfere in the internal affairs of sovereign states. In fact, the United Nations Charter is self-contradictory in this respect, since on the one hand it calls for non-interference in the internal affairs of sovereign states, but on the other hand, people everywhere are guaranteed freedom from persecution by the Charters Universal Declaration of Human Rights.

Damage to infrastructure

Most insurance policies have clauses written in fine print exempting companies from payment of damage caused by war. The reason for this is simple. The damage caused by war is so enormous that insurance companies could never come near to paying for it without going bankrupt.

We mentioned above that the world spends roughly a trillion dollars each year on preparations for war. A similarly colossal amount is needed to repair the damage to infrastructure caused by war. Sometimes this damage is unintended, but sometimes it is intentional.

During World War II, one of the main aims of air attacks by both sides was to destroy the industrial infrastructure of the opponent. This made some sense in a war expected to last several years, because the aim was to prevent

\[3\text{https://www.hrw.org/topic/refugees}\]
CHAPTER 5. THE THREATS AND COSTS OF WAR
the enemy from producing more munitions. However, during the Gulf War of 1990, the infrastructure of Iraq was attacked, even though the war was expected to be short. Electrical generating plants and water purification facilities were deliberately destroyed with the apparent aim of obtaining leverage over Iraq after the war.

In general, because war has such a catastrophic effect on infrastructure, it can be thought of as the opposite of development. War is the greatest generator of poverty.

**Ecological damage**

Warfare during the 20th century has not only caused the loss of 175 million lives (primarily civilians) - it has also caused the greatest ecological catastrophes in human history. The damage takes place even in times of peace. Studies by Joni Seager, a geographer at the University of Vermont, conclude that “a military presence anywhere in the world is the single most reliable predictor of ecological damage.”

Modern warfare destroys environments to such a degree that it has been described as an “environmental holocaust.” For example, herbicides use in the Vietnam War killed an estimated 6.2 billion board-feet of hardwood trees in the forests north and west of Saigon, according to the American Association for the Advancement of Science. Herbicides such as Agent Orange also made enormous areas of previously fertile land unsuitable for agriculture for many years to come. In Vietnam and elsewhere in the world, valuable agricultural land has also been lost because land mines or the remains of cluster bombs make it too dangerous for farming.

During the Gulf War of 1990, the oil spills amounted to 150 million barrels, 650 times the amount released into the environment by the notorious Exxon Valdez disaster. During the Gulf War an enormous number of shells made of depleted uranium were fired. When the dust produced by exploded shells is inhaled it often produces cancer, and it will remain in the environment of Iraq for decades.

Radioactive fallout from nuclear tests pollutes the global environment and causes many thousands of cases of cancer, as well as birth abnormalities. Most nuclear tests have been carried out on lands belonging to indigenous peoples. Agent Orange also produced cancer, birth abnormalities and other serious forms of illness both in the Vietnamese population and among the foreign soldiers fighting in Vietnam.

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The threat of nuclear war

As bad as conventional arms and conventional weapons may be, it is the possibility of a catastrophic nuclear war that poses the greatest threat to humanity. There are today roughly 16,000 nuclear warheads in the world. The total explosive power of the warheads that exist or that could be made on short notice is approximately equal to 500,000 Hiroshima bombs.

To multiply the tragedy of Hiroshima by a factor of half a million makes an enormous difference, not only quantitatively, but also qualitatively. Those who have studied the question believe that a nuclear catastrophe today would inflict irreversible damage on our civilization, genetic pool and environment.

Thermonuclear weapons consist of an inner core where the fission of uranium-235 or plutonium takes place. The fission reaction in the core is able to start a fusion reaction in the next layer, which contains isotopes of hydrogen. It is possible to add a casing of ordinary uranium outside the hydrogen layer, and under the extreme conditions produced by the fusion reaction, this ordinary uranium can undergo fission. In this way, a fission-fusion-fission bomb of almost limitless power can be produced.

For a victim of severe radiation exposure, the symptoms during the first week are nausea, vomiting, fever, apathy, delirium, diarrhoea, oropharyngeal lesions and leukopenia. Death occurs during the first or second week.

We can perhaps be helped to imagine what a nuclear catastrophe means in human terms by reading the words of a young university professor, who was 2,500 meters from the hypocenter at the time of the bombing of Hiroshima: “Everything I saw made a deep impression: a park nearby covered with dead bodies... very badly injured people evacuated in my direction... Perhaps most impressive were girls, very young girls, not only with their clothes torn off, but their skin peeled off as well. ... My immediate thought was that this was like the hell I had always read about. ... I had never seen anything which resembled it before, but I thought that should there be a hell, this was it.”

One argument that has been used in favor of nuclear weapons is that no sane political leader would employ them. However, the concept of deterrence ignores the possibility of war by accident or miscalculation, a danger that has been increased by nuclear proliferation and by the use of computers with very quick reaction times to control weapons systems.

Recent nuclear power plant accidents remind us that accidents frequently happen through human and technical failure, even for systems which are considered to be very “safe.” We must also remember the time scale of the problem. To assure the future of humanity, nuclear catastrophe must be avoided year after year and decade after decade. In the long run, the safety of civilization cannot be achieved except by the abolition of nuclear weapons, and ultimately the abolition of the institution of war.

It is generally agreed that a full-scale nuclear war would have disastrous

In 1985, International Physicians for the Prevention of Nuclear War received the Nobel Peace Prize. IPPNW had been founded in 1980 by six physicians, three from the Soviet Union and three from the United States. Today, the organization
has wide membership among the world’s physicians. Professor Bernard Lowen of the Harvard School of Public Health, one of the founders of IPPNW, said in a recent speech:

“...No public health hazard ever faced by humankind equals the threat of nuclear war. Never before has man possessed the destructive resources to make this planet uninhabitable... Modern medicine has nothing to offer, not even a token benefit, in the event of nuclear war...”

“We are but transient passengers on this planet Earth. It does not belong to us. We are not free to doom generations yet unborn. We are not at liberty to erase humanity’s past or dim its future. Social systems do not endure for eternity. Only life can lay claim to uninterrupted continuity. This continuity is sacred.”

The danger of a catastrophic nuclear war casts a dark shadow over the future of our species. It also casts a very black shadow over the future of the global environment. The environmental consequences of a massive exchange of nuclear weapons have been treated in a number of studies by meteorologists and other experts from both East and West. They predict that a large-scale use of nuclear weapons would result in fire storms with very high winds and high temperatures, which would burn a large proportion of the wild land fuels in the affected nations. The resulting smoke and dust would block out sunlight for a period of many months, at first only in the northern hemisphere but later also in the southern hemisphere.

Temperatures in many places would fall far below freezing, and much of the earth’s plant life would be killed. Animals and humans would then die of starvation. The nuclear winter effect was first discovered as a result of the Mariner 9 spacecraft exploration of Mars in 1971. The spacecraft arrived in the middle of an enormous dust-storm on Mars, and measured a large temperature drop at the surface of the planet, accompanied by a heating of the upper atmosphere. These measurements allowed scientists to check their theoretical models for predicting the effect of dust and other pollutants distributed in planetary atmospheres.

Using experience gained from the studies of Mars, R.P. Turco, O.B. Toon, T. Ackerman, J.B. Pollack and C. Sagan made a computer study of the climatic effects of the smoke and dust that would result from a large-scale nuclear war. This early research project is sometimes called the TTAPS Study, after the initials of the authors.

In April 1983, a special meeting was held in Cambridge, Massachusetts, where the results of the TTAPS Study and other independent studies of the nuclear winter effect were discussed by more than 100 experts. Their conclusions were presented at a forum in Washington, D.C., the following December, under the chairmanship of U.S. Senators Kennedy and Hatfield. The numerous independent studies of the nuclear winter effect all agreed of the following main predictions:

High-yield nuclear weapons exploded near the earth’s surface would put large amounts of dust into the upper atmosphere. Nuclear weapons exploded over cities, forests, oilfields and refineries would produce fire storms of the type experienced in Dresden and Hamburg after incendiary bombings during the
Second World War. The combination of high-altitude dust and lower altitude soot would prevent sunlight from reaching the earth's surface, and the degree of obscuration would be extremely high for a wide range of scenarios.

A baseline scenario used by the TTAPS study assumes a 5,000-megaton nuclear exchange, but the threshold for triggering the nuclear winter effect is believed to be much lower than that. After such an exchange, the screening effect of pollutants in the atmosphere might be so great that, in the northern and middle latitudes, the sunlight reaching the earth would be only 1 percent of ordinary sunlight on a clear day, and this effect would persist for many months. As a result, the upper layers in the atmosphere might rise in temperature by as much as 100 degrees Celsius, while the surface temperatures would fall, perhaps by as much a 50 degrees Celsius.

The temperature inversion produced in this way would lead to superstability, a condition in which the normal mixing of atmospheric layers is suppressed. The hydrological cycle (which normally takes moist air from the oceans to a higher and cooler level, where the moisture condenses as rain) would be strongly suppressed. Severe droughts would thus take place overcontinental land masses. The normal cleansing action of rain would be absent in the atmosphere, an effect which would prolong the nuclear winter.

In the northern hemisphere, forests would die because of lack of sunlight, extreme cold, and drought. Although the temperature drop in the southern hemisphere would be less severe, it might still be sufficient to kill a large portion of the tropical forests, which normally help to renew the earth's oxygen.

The oxygen content of the atmosphere would then fall dangerously, while the concentration of carbon dioxide and oxides of nitrogen produced by firestorms would remain high. The oxides of nitrogen would ultimately diffuse to the upper atmosphere, where they would destroy the ozone layer. Thus, even when the sunlight returned after an absence of many months, it would be sunlight containing a large proportion of the ultraviolet frequencies which are normally absorbed by the ozone in the stratosphere, and therefore a type of light dangerous to life. Finally, after being so severely disturbed, there is no guarantee that the global climate would return to its normal equilibrium.

Even a nuclear war below the threshold of nuclear winter might have climatic effects very damaging to human life. Professor Paul Ehrlich, of Stanford University, has expressed this in the following words:

"...A smaller war, which set off fewer fires and put less dust into the atmosphere, could easily depress centigrade. That would be enough to essentially cancel grain production in the northern hemisphere. That in itself would be the greatest catastrophe ever delivered upon Homo sapiens, just that one thing, not worrying about prompt effects. Thus even below the threshold, one cannot think of survival of a nuclear war as just being able to stand up after the bomb has gone off."6

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6http://www.voanews.com/content/pope-francis-calls-for-nuclear-weapons-ban/2909357.html
http://www.countercurrents.org/avery300713.htm
CHAPTER 5. THE THREATS AND COSTS OF WAR
NUCLEAR FAMINE: A BILLION PEOPLE TWO AT RISK?

Global Impacts of Limited Nuclear War
Nuclear weapons are criminal! Every war is a crime!

War was always madness, always immoral, always the cause of unspeakable suffering, economic waste and widespread destruction, and always a source of poverty, hate, barbarism and endless cycles of revenge and counter-revenge. It has always been a crime for soldiers to kill people, just as it is a crime for murderers in civil society to kill people. No flag has ever been wide enough to cover up atrocities.

But today, the development of all-destroying modern weapons has put war completely beyond the bounds of sanity and elementary humanity. Today, war is not only insane, but also a violation of international law. Both the United Nations Charter and the Nuremberg Principles make it a crime to launch an aggressive war. According to the Nuremberg Principles, every soldier is responsible for the crimes that he or she commits, even while acting under the orders of a superior officer.

Nuclear weapons are not only insane, immoral and potentially omnicidal, but also criminal under international law. In response to questions put to it by
WHO and the UN General Assembly, the International Court of Justice ruled in 1996 that “the threat and use of nuclear weapons would generally be contrary to the rules of international law applicable in armed conflict, and particularly the principles and rules of humanitarian law.” The only possible exception to this general rule might be “an extreme circumstance of self-defense, in which the very survival of a state would be at stake”. But the Court refused to say that even in this extreme circumstance the threat or use of nuclear weapons would be legal. It left the exceptional case undecided. In addition, the Court added unanimously that “there exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control.”

Can we not rid ourselves of both nuclear weapons and the institution of war itself? We must act quickly and resolutely before our beautiful world and everything that we love are reduced to radioactive ashes.

Suggestions for further reading


111. SPANW, Nuclear War by Mistake - Inevitable or Preventable?, Swedish Physicians Against Nuclear War, Lulea, (1985).


Chapter 6

ADVERSE EFFECTS OF GLOBALIZATION

Child Labour and Slavery

In the early 19th century, industrial society began to be governed by new rules: Traditions were forgotten and replaced by purely economic laws. Labor was viewed as a commodity, like coal or grain, and wages were paid according to the laws of supply and demand, without regard for the needs of the workers. Wages fell to starvation levels, hours of work increased, and working conditions deteriorated.

John Fielden’s book, “The Curse of the Factory System” was written in 1836, and it describes the condition of young children working in the cotton mills. “The small nimble fingers of children being by far the most in request, the custom instantly sprang up of procuring apprentices from the different parish workhouses of London, Birmingham and elsewhere... Overseers were appointed to see to the works, whose interest it was to work the children to the utmost, because their pay was in proportion to the quantity of work that they could exact.

“Cruelty was, of course, the consequence; and there is abundant evidence on record to show that in many of the manufacturing districts, the most heart rending cruelties were practiced on the unoffending and friendless creatures...that they were flogged, fettered and tortured in the most exquisite refinements of cruelty, that they were in many cases starved to the bone while flogged to their work, and that they were even in some instances driven to commit suicide... The profits of manufacture were enormous, but this only whetted the appetite that it should have satisfied.

Dr. Peter Gaskell, writing in 1833, described the condition of the English mill workers as follows: “The vast deterioration in personal form which has been brought about in the manufacturing population during the last thirty years... is singularly impressive, and fills the mind with contemplations of a very painful character... Their complexion is sallow and pallid, with a peculiar flatness of
feature caused by the want of a proper quantity of adipose substance to cushion out the cheeks. Their stature is low - the average height of men being five feet, six inches... Many of the girls and women walk lamely or awkwardly... Many of the men have but little beard, and that in patches of a few hairs... (They have) a spiritless and dejected air, a sprawling and wide action of the legs...

"Rising at or before daybreak, between four and five o’clock the year round, they swallow a hasty meal or hurry to the mill without taking any food whatever... At twelve o’clock the engine stops, and an hour is given for dinner... Again they are closely immured from one o’clock till eight or nine, with the exception of twenty minutes, this being allowed for tea. During the whole of this long period, they are actively and unremittingly engaged in a crowded room at an elevated temperature.”

Dr. Gaskell adds a description of the housing of the workers: “One of the circumstances in which they are especially defective is that of drainage and water-closets. Whole ranges of these houses are either totally undrained, or very partially... The whole of the washings and filth from these consequently are thrown into the front or back street, which, often being unpaved and cut into deep ruts, allows them to collect into stinking and stagnant pools; while fifty, or even more than that number, having only a single convenience common to them all, it is in a very short time choked with excrementous matter. No alternative is left to the inhabitants but adding this to the already defiled street.”

"It frequently happens that one tenement is held by several families... The demoralizing effects of this utter absence of domestic privacy must be seen before they can be thoroughly appreciated. By laying bare all the wants and actions of the sexes, it strips them of outward regard for decency - modesty is annihilated - the father and the mother, the brother and the sister, the male and female lodger, do not scruple to commit acts in front of each other which even the savage keeps hid from his fellows.”

With the gradual acceptance of birth control in England, the growth of trade unions, the passage of laws against child labor and finally minimum wage laws, conditions of workers gradually improved, and the benefits of industrialization began to spread to the whole of society. Among the changes which were needed to insure that the effects of technical progress became beneficial rather than harmful, the most important were the abolition of child labor, the development of unions, the minimum wage law, and the introduction of birth control.

One of the important influences for reform was the Fabian Society, founded in London in 1884. The group advocated gradual rather than revolutionary reform (and took its name from Quintus Fabius Maximus, the Roman general who defeated Hannibals Carthaginian army by using harassment and attrition rather than head-on battles). The Fabian Society came to include a number of famous people, including Sydney and Beatrice Webb, George Bernard Shaw, H.G. Wells, Annie Besant, Leonard Woolf, Emaline Pankhurst, Bertrand Russell, John Maynard Keynes, Harold Laski, Ramsay MacDonald, Clement Attlee, Tony Benn and Harold Wilson. Jawaharlal Nehru, Indias first Prime Minister, was greatly influenced by Fabian economic ideas.
Figure 6.1: A watercolor painting by Vincent van Gogh showing wives of Belgian miners carrying bags of coal.

Figure 6.2: Children and women (sometimes pregnant) pulled coaltubs through narrow mine-shafts during the early phases of England’s Industrial Revolution.
Figure 6.3: Beatrice Webb (1858-1943). Together with her husband Sidney Webb, Graham Wallace and George Bernard Shaw, she founded the London School of Economics using money left to the Fabian Society by Henry Hutchinson. The Fabians also founded the British Labour Party, and they lobbied for a minimum wage law and National Health Service.
Figure 6.4: Annie Bessant (1847-1933) risked imprisonment in her battle for the acceptance of birth control.
The group was instrumental in founding the British Labour Party (1900), the London School of Economics and the New Statesman. In 1906, Fabians lobbied for a minimum wage law, and in 1911 they lobbied for the establishment of a National Health Service.

The reform movements efforts, especially those of the Fabians, overcame the worst horrors of early 19th century industrialism, but today their hard-won achievements are being undermined and lost because of uncritical and unregulated globalization. Today, a factory owner or CEO, anxious to avoid high labor costs, and anxious to violate environmental regulations merely moves his factory to a country where laws against child labor and rape of the environment do not exist or are poorly enforced. In fact, he must do so or be fired, since the only thing that matters to the stockholders is the bottom line.

The movement of a factory from Europe or North America to a country with poorly enforced laws against environmental destruction, child labor and slavery puts workers into unfair competition. Unless they are willing to accept revival of the unspeakable conditions of the early Industrial Revolution, they are unable to compete.

Today, child labor accounts for 22 percent of the workforce in Asia, 32 percent in Africa, and 17 percent in Latin America. Large-scale slavery also exists today, although there are formal laws against it in every country. There are more slaves now than ever before. Their number is estimated to be between 12 million and 27 million. Besides outright slaves, who are bought and sold for as little as 100 dollars, there many millions of workers whose lack of options and dreadful working conditions must be described as slavelike.

Pollution

In a 2007 article about China’s pollution problem, the New York Times stated that “Environmental degradation is now so severe, with such stark domestic and international repercussions, that pollution poses not only a major long-term burden on the Chinese public but also an acute political challenge to the ruling Communist Party.” The article’s main points included:

1. According to the Chinese Ministry of Health, industrial pollution has made cancer China’s leading cause of death.

http://www.foodispower.org/slavery-chocolate/
https://www.wsws.org/en/articles/2014/10/01/modi-o01.html
http://www.waronwant.org/sweatshops-china
https://www.dosomething.org/facts/11-facts-about-sweatshops
https://sites.google.com/site/rgłosenglishmsg/sweatshops/conditions-of-sweatshops-in-indonesia
http://www.greenpeace.org/eastasia/campaigns/air-pollution/problems/
http://www.wired.com/2015/04/benedikt-partenheimer-particulate-matter/
CHAPTER 6. ADVERSE EFFECTS OF GLOBALIZATION

![Image of children in a cocoa farm]

**did you know?**

Thousands of African children are trafficked to farm cocoa for American chocolate companies.

[www.rageagainsttheminivan.com](http://www.rageagainsttheminivan.com)
2. Every year, ambient air pollution alone killed hundreds of thousands of citizens.

3. 500 million people in China are without safe and clean drinking water.

4. Only 1% of the country’s 560 million city dwellers breathe air considered safe by the European Union, because all of its major cities are constantly covered in a “toxic gray shroud”. Before and during the 2008 Summer Olympics, Beijing was “frantically searching for a magic formula, a meteorological deus ex machina, to clear its skies for the 2008 Olympics.”

5. Lead poisoning or other types of local pollution continue to kill many Chinese children.

6. A large section of the ocean is without marine life because of massive algal blooms caused by the high nutrients in the water.

7. The pollution has spread internationally; sulfur dioxide and nitrogen oxides fall as acid rain on Seoul, South Korea, and Tokyo; and according to the Journal of Geophysical Research, the pollution even reaches Los Angeles in the USA.

8. The Chinese Academy of Environmental Planning in 2003 produced an unpublished internal report which estimated that 300,000 people die each year from ambient air pollution, mostly of heart disease and lung cancer.
9. Chinese environmental experts in 2005 issued another report, estimating that annual premature deaths attributable to outdoor air pollution were likely to reach 380,000 in 2010 and 550,000 in 2020.

10. A 2007 World Bank report conducted with China's national environmental agency found that “...outdoor air pollution was already causing 350,000 to 400,000 premature deaths a year. Indoor pollution contributed to the deaths of an additional 300,000 people, while 60,000 died from diarrhea, bladder and stomach cancer and other diseases that can be caused by water-borne pollution.” World Bank officials said “China's environmental agency insisted that the health statistics be removed from the published version of the report, citing the possible impact on 'social stability'”.

Secret trade deals

The Trans-Pacific Partnership is one of the trade deals that is currently being negotiated in secret. Not even the US congress is allowed to know the details of the document. However, enough information has been leaked to make it clear that if the agreement is passed, foreign corporations would be allowed to “sue the US government for loss of profits because of (for example) environmental regulations. The “trial would be outside the legal system, before a tribunal of lawyers representing the corporations. A similar secret trade deal with Europe, the Trans-Atlantic Trade and Investment Partnership (TTIP), is also being “fast-tracked. One can hardly imagine greater violations of democratic principles.  

We can also consider the “non-discrimination principle adopted by GATT (the General Agreement on Terrifs and Trade). This principle states that participating countries “cannot discriminate between like products on the basis of the method of production. This single principle allows multinational commerce to escape from all the humanitarian and environmental reforms that have been achieved since the start of the Industrial Revolution. No matter if the method of production involves destruction of a tropical rain forest, no matter if forced labor was used, we are not allowed to discriminate “on the basis of the method of production.

The present situation is that agriculture, trade and industry have become global, but the world still lacks adequate institutions at the global level to watch over what is happening and to insure respect for human needs and respect for the natural environment. Today’s global economic interdependence, instantaneous worldwide communication, and the need for peaceful resolution of international conflicts all call for strong governmental institutions at the global level, but the United Nations today lacks many things that would be necessary if it is to perform such a role: It lacks a legislature with the power to make laws binding

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on individuals and corporations. It lacks mechanisms for enforcing such laws. And it lacks a large and dependable source of income.

It would be logical to improve the United Nations by giving it the things just mentioned, and by giving it at the same time the task of regulating multinational corporations to ensure that they act in a socially and ecologically responsible manner. It would also be logical to entitle the UN to a fee for acting as a referee in relationships between multinationals and the developing countries. These reforms must come someday because of the logic of our present situation. I hope that they will come soon.

The CEOs of Wall Street call for less government, more deregulation and more globalization. They are delighted that the work of the reform movement is being undone in the name of “freedom. But is this really what is needed? We need instead to reform our economic system and to give it both a social conscience and an ecological conscience. Governments already accept their responsibility for education. In the future they must also accept the responsibility for insuring that their citizens can make a smooth transition from education to secure jobs. The free market alone cannot do this the powers of government are needed. Let us restore democracy! Let us have governments that work for the welfare of all their citizens, rather than for the enormous enrichment of the few!

Suggestions for further reading

58. S. Hollander, *The Economics of Adam Smith*, University of Toronto Press, (19773).
Chapter 7

THE GLOBAL FOOD CRISIS

Optimum population in the long-term future

What is the optimum population of the world? It is certainly not the maximum number that can be squeezed onto the globe by eradicating every species of plant and animal that cannot be eaten. The optimum global population is one that can be supported in comfort, equality and dignity, and with respect for the environment.

In 1848 (when there were just over one billion people in the world), John Stuart Mill described the optimal global population in the following words: “The density of population necessary to enable mankind to obtain, in the greatest degree, all the advantages of cooperation and social intercourse, has, in the most populous countries, been attained. A population may be too crowded, although all be amply supplied with food and raiment.”

“... Nor is there much satisfaction in contemplating the world with nothing left to the spontaneous activity of nature; with every rood of land brought into cultivation, which is capable of growing food for human beings; every flowery waste or natural pasture plowed up, all quadrupeds or birds which are not domesticated for mans use exterminated as his rivals for food, every hedgerow or superfluous tree rooted out, and scarcely a place left where a wild shrub or flower could grow without being eradicated as a weed in the name of improved agriculture. If the earth must lose that great portion of its pleasantness which it owes to things that the unlimited increase of wealth and population would extirpate from it, for the mere purpose of enabling it to support a larger, but not better or happier population, I sincerely hope, for the sake of posterity, that they will be content to be stationary, long before necessity compels them to it.” John Stuart Mill, “Principles of Political Economy, With Some of Their Applications to Social Philosophy”, (1848).

Has the number of humans in the world already exceeded the earths sustainable limits? Will the global population of humans crash catastrophically after
having exceeded the carrying capacity of the environment? There is certainly a danger that this will happen - a danger that the 21st century will bring very large scale famines to vulnerable parts of the world, because modern energy-intensive agriculture will be dealt a severe blow by the end of the fossil fuel era, and because climate change will reduce the world's agricultural output.

When the major glaciers in the Himalayas have melted, they will no longer be able to give India and China summer water supplies; rising oceans will drown much agricultural land; and aridity will reduce the output of many regions that now produce much of the world's grain. Falling water tables in overdrawn aquifers, and loss of topsoil will add to the problem. We should be aware of the threat of a serious global food crisis in the 21st century if we are to have a chance of avoiding it.

The term ecological footprint was introduced by William Rees and Mathis Wackernagel in the early 1990s to compare demands on the environment with the earth's capacity to regenerate. In 2015, humanity used environmental resources at such a rate that it would take 1.6 earths to renew them. In other words, we have already exceeded the earth's carrying capacity. Since eliminating the poverty that characterizes much of the world today will require more resources per capita, rather than less, it seems likely that in the era beyond fossil fuels, the optimum global population will be considerably less than the present population of the world.

John Stuart Mill (1806-1873, England)

Mill “had a lifelong goal of reforming the world in the interest of human well-being”

http://plato.stanford.edu/entries/mill/
How many Earths does it take to support humanity?

- **Business as usual**
  - Earth Overshoot Day: June 28, 2030

- **Carbon emissions reduced 30%**
  - Earth Overshoot Day: September 16, 2030

**Ecological Footprint**


Number of planet Earths: 0.0, 0.5, 1.0, 1.5, 2.0, 2.5
CHAPTER 7. THE GLOBAL FOOD CRISIS

Limitations on cropland

In 1944 the Norwegian-American plant geneticist Norman Borlaug was sent to Mexico by the Rockefeller Foundation to try to produce new wheat varieties that might increase Mexico's agricultural output. Borlaug's dedicated work on this project was spectacularly successful. He remained with the project for 16 years, and his group made 6,000 individual crossings of wheat varieties to produce high-yield disease-resistant strains.

In 1963, Borlaug visited India, bringing with him 100 kg. of seeds from each of his most promising wheat strains. After testing these strains in Asia, he imported 450 tons of the Lerma Rojo and Sonora 64 varieties: 250 tons for Pakistan and 200 for India. By 1968, the success of these varieties was so great that school buildings had to be commandeered to store the output. Borlaug's work began to be called a “Green Revolution”. In India, the research on high-yield crops was continued and expanded by Prof. M.S. Swaminathan and his coworkers. The work of Green Revolution scientists, such as Norman Borlaug and M.S. Swaminathan, has been credited with saving the lives of as many as a billion people.

Despite these successes, Borlaug believes that the problem of population growth is still a serious one. “Africa and the former Soviet republics”, Borlaug states, “and the Cerrado, are the last frontiers. After they are in use, the world will have no additional sizable blocks of arable land left to put into production, unless you are willing to level whole forests, which you should not do. So, future food-production increases will have to come from higher yields. And though I have no doubt that yields will keep going up, whether they can go up enough to feed the population monster is another matter. Unless progress with agricultural yields remains very strong, the next century will experience human misery that, on a sheer numerical scale, will exceed the worst of everything that has come before.”

With regard to the prospect of increasing the area of cropland, a report by the United Nations Food and Agricultural Organization (Provisional Indicative World Plan for Agricultural Development, FAO, Rome, 1970) states that “In Southern Asia,... in some countries of Eastern Asia, in the Near East and North Africa... there is almost no scope for expanding agricultural area... In the drier regions, it will even be necessary to return to permanent pasture the land that is marginal and submarginal for cultivation. In most of Latin America and Africa south of the Sahara, there are still considerable possibilities for expanding cultivated areas; but the costs of development are high, and it will often be more economical to intensify the utilization of areas already settled.” Thus there is a possibility of increasing the area of cropland in Africa south of the Sahara and in Latin America, but only at the cost of heavy investment and at the additional cost of destruction of tropical rain forests.

Rather than an increase in the global area of cropland, we may encounter a future loss of cropland through soil erosion, salination, desertification, loss of topsoil, depletion of minerals in topsoil, urbanization and failure of water supplies. In China and in the southwestern part of the United States, water
Tables are falling at an alarming rate. The Ogallala aquifer (which supplies water to many of the plains states in the central and southern parts of the United States) has a yearly overdraft of 160%.

In the 1950s, both the U.S.S.R and Turkey attempted to convert arid grasslands into wheat farms. In both cases, the attempts were defeated by drought and wind erosion, just as the wheat farms of Oklahoma were overcome by drought and dust in the 1930s. If irrigation of arid lands is not performed with care, salt may be deposited, so that the land is ruined for agriculture. This type of desertification can be seen, for example, in some parts of Pakistan. Another type of desertification can be seen in the Sahel region of Africa, south of the Sahara. Rapid population growth in the Sahel has led to overgrazing, destruction of trees, and wind erosion, so that the land has become unable to support even its original population.

Especially worrying is a prediction of the International Panel on Climate Change concerning the effect of global warming on the availability of water: According to Model A1 of the IPCC, global warming may, by the 2050s, have reduced by as much as 30 percent the water available in large areas of world that now a large producers of grain.

Added to the agricultural and environmental problems, are problems of finance and distribution. Famines can occur even when grain is available somewhere in the world, because those who are threatened with starvation may not be able to pay for the grain, or for its transportation. The economic laws of
Figure 7.2: This graph shows the total world production of coarse grain between 1960 and 2004. Because of high-yield varieties, the yield of grain increased greatly. Notice, however, that the land under cultivation remained almost constant. High-yield agriculture depends on large inputs of fossil fuel energy and irrigation, and may be difficult to maintain in the future.
Figure 7.3: Professor M.S. Swaminathan, father of the Green Revolution in India.
CHAPTER 7. THE GLOBAL FOOD CRISIS

supply and demand are not able to solve this type of problem. One says that there is no “demand” for the food (meaning demand in the economic sense), even though people are in fact starving.¹

Energy-dependence of modern agriculture

A very serious problem with Green Revolution plant varieties is that they require heavy inputs of pesticides, fertilizers and irrigation. Because of this, the use of high-yield varieties contributes to social inequality, since only rich farmers can afford the necessary inputs. Monocultures, such as the Green Revolution varieties may also prove to be vulnerable to future epidemics of plant diseases, such as the epidemic that caused the Irish Potato Famine in 1845. Even more importantly, pesticides, fertilizers and irrigation all depend on the use of fossil fuels. One must therefore ask whether high agricultural yields can be maintained

in the future, when fossil fuels are expected to become prohibitively scarce and expensive.

Modern agriculture has become highly dependent on fossil fuels, especially on petroleum and natural gas. This is especially true of production of the high-yield grain varieties introduced in the Green Revolution, since these require especially large inputs of fertilizers, pesticides and irrigation. Today, fertilizers are produced using oil and natural gas, while pesticides are synthesized from petroleum feedstocks, and irrigation is driven by fossil fuel energy. Thus agriculture in the developed countries has become a process where inputs of fossil fuel energy are converted into food calories.

The ratio of the fossil fuel energy inputs to the food calorie outputs depends on how many energy-using elements of food production are included in the accounting. David Pimental and Mario Giampietro of Cornell University estimated in 1994 that U.S. agriculture required 0.7 kcal of fossil fuel energy inputs to produce 1.0 kcal of food energy. However, this figure was based on U.N. statistics that did not include fertilizer feedstocks, pesticide feedstocks, energy and machinery for drying crops, or electricity, construction and maintenance of farm buildings. A more accurate calculation, including these inputs, gives an input/output ratio of approximately 1.0. Finally, if the energy expended on transportation, packaging and retailing of food is included, Pimental and Giampietro found that the input/output ratio for the U.S. food system was
approximately 10, and this figure did not include energy used for cooking.

The Brundtland Reports estimate of the global potential for food production assumes “that the area under food production can be around 1.5 billion hectares (3.7 billion acres - close to the present level), and that the average yields could go up to 5 tons of grain equivalent per hectare (as against the present average of 2 tons of grain equivalent).” In other words, the Brundtland Report assumes an increase in yields by a factor of 2.5. This would perhaps be possible if traditional agriculture could everywhere be replaced by energy-intensive modern agriculture using Green Revolution plant varieties. However, Pimental and Giampietros studies show that modern energy-intensive agricultural techniques cannot be maintained after fossil fuels have been exhausted or after their use has been discontinued to avoid catastrophic climate change.

At the time when the Brundtland Report was written (1987), the global average of 2 tons of grain equivalent per hectare included much higher yields from the sector using modern agricultural methods. Since energy-intensive petroleum-based agriculture cannot be continued in the post-fossil-fuel era, future average crop yields will probably be much less than 2 tons of grain equivalent per hectare.

The 1987 global population was approximately 5 billion. This population was supported by 3 billion tons of grain equivalent per year. After fossil fuels have been exhausted, the total world agricultural output is likely to be considerably less than that, and therefore the population that it will be The population which will be possible to support sustainably will probably be considerably less than 5 billion, assuming that our average daily per capita use of food calories remains the same, and assuming that the amount of cropland and pasturage remains the same (1.5 billion hectares cropland, 3.0 billion hectares pasturage).

The Brundtland Report points out that “The present (1987) global average consumption of plant energy for food, seed and animal feed amounts to 6,000 calories daily, with a range among countries of 3,000-15,000 calories, depending on the level of meat consumption.” Thus there is a certain flexibility in the global population that can survive on a given total agricultural output. If the rich countries were willing to eat less meat, more people could be supported.

Effects of climate change on agriculture

a) The effect of temperature increase

There is a danger that when climate change causes both temperature increases and increased aridity in regions like the US grain belt, yields will be very much lowered. Of the three main grain types (corn, wheat and rice) corn is the most vulnerable to the direct effect of increases in temperature. One reason for this is the mechanism of pollination of corn: A pollen grain lands on one end of a corn-silk strand, and the germ cell must travel the length of

Figure 7.4: Population growth and fossil fuel use, seen on a time-scale of several thousand years. The dots are population estimates in millions from the US Census Bureau. Fossil fuel use appears as a spike-like curve, rising from almost nothing to a high value, and then falling again to almost nothing in the space of a few centuries. When the two curves are plotted together, the explosive rise of global population is seen to be simultaneous with, and perhaps partially driven by, the rise of fossil fuel use. This raises the question of whether the world’s population is headed for a crash when the fossil fuel era has ended.
the strand in order to fertilize the kernel. At high temperatures, the corn silk becomes dried out and withered, and is unable to fulfill its biological function. Furthermore, heat can cause the pores on the underside of the corn leaf to close, so that photosynthesis stops.

According to a study made by Mohan Wali and coworkers at Ohio State University, the photosynthetic activity of corn increases until the temperature reaches 20 degrees Celsius. It then remains constant until the temperature reaches 35 degrees, after which it declines. At 40 degrees and above, photosynthesis stops altogether.

Scientists in the Phillipines report that the pollination of rice fails entirely at 40 degrees Celsius, leading to crop failures. Wheat yields are also markedly reduced by temperatures in this range.

b) The effect of decreased rainfall

According to the Stern Report, some of the major grain-producing areas of the world might lose up to 30 percent of their rainfall by 2050. These regions include much of the United States, Brazil, the Mediterranean region, Eastern Russia and Belarus, the Middle East, Southern Africa and Australia. Of course possibilities for agriculture may simultaneously increase in other regions, but the net effect of climate change on the worlds food supply is predicted to be markedly negative.

c) Unsustainable use of groundwater

It may seem surprising that fresh water can be regarded as a non-renewable resource. However, groundwater in deep aquifers is often renewed very slowly. Sometimes renewal requires several thousand years. When the rate of withdrawal of groundwater exceeds the rate of renewal, the carrying capacity of the resource has been exceeded, and withdrawal of water becomes analogous to mining a mineral. However, it is more serious than ordinary mining because water is such a necessary support for life.

In many regions of the world today, groundwater is being withdrawn faster than it can be replenished, and important aquifers are being depleted. In China, for example, groundwater levels are falling at an alarming rate. Considerations of water supply in relation to population form the background for Chinas stringent population policy. At a recent lecture, Lester Brown of the Worldwatch Institute was asked by a member of the audience to name the resource for which shortages would most quickly become acute. Most of the audience expected him to name oil, but instead he replied “water”.

Lester Brown then cited China’s falling water table. He predicted that within decades, China would be unable to feed itself. He said that this would not cause hunger in China itself: Because of the strength of China’s economy, the country would be able to purchase grain on the world market. However Chinese

[^3]: http://ecowatch.com/2015/08/03/heat-wave-iran/
purchases of grain would raise the price, and put world grain out of reach of poor countries in Africa. Thus water shortages in China will produce famine in parts of Africa, Brown predicted.

Under many desert areas of the world are deeply buried water tables formed during glacial periods when the climate of these regions was wetter. These regions include the Middle East and large parts of Africa. Water can be withdrawn from such ancient reservoirs by deep wells and pumping, but only for a limited amount of time.

In oil-rich Saudi Arabia, petroenergy is used to drill wells for ancient water and to bring it to the surface. Much of this water is used to irrigate wheat fields, and this is done to such an extent that Saudi Arabia exports wheat. The country is, in effect, exporting its ancient heritage of water, a policy that it may, in time, regret. A similarly short-sighted project is Muammar Qaddafi’s enormous pipeline, which will bring water from ancient sub-desert reservoirs to coastal cities of Libya.

In the United States, the great Ogallala aquifer is being overdrawn. This aquifer is an enormous stratum of water-saturated sand and gravel under-lying parts of northern Texas, Oklahoma, New Mexico, Kansas, Colorado, Nebraska, Wyoming and South Dakota. The average thickness of the aquifer is about 70 meters. The rate of water withdrawal from the aquifer exceeds the rate of recharge by a factor of eight.

Thus we can see that in many regions, the earth’s present population is living on its inheritance of water, rather than its income. This fact, coupled with rapidly increasing populations and climate change, may contribute to a very serious food crisis partway through the 21st century.

d) Glacial melting and summer water supplies

The summer water supplies of both China and India are threatened by the
melting of glaciers. The Gangotri glacier, which is the principle glacier feeding Indias great Ganges River, is reported to be melting at an accelerating rate, and it could disappear within a few decades. If this happens, the Ganges could become seasonal, flowing only during the monsoon season. Chinese agriculture is also threatened by disappearing Himalayan glaciers, in this case those on the Tibet-Quinghai Plateau. The respected Chinese glaciologist Yao Tandong estimates that the glaciers feeding the Yangtze and Yellow Rivers are disappearing at the rate of 7% per year.

The Indus and Mekong Rivers will be similarly affected by the melting of glaciers. Lack of water during the summer season could have a serious impact on the irrigation of rice and wheat fields. Forest loss and climate change Mature forests contain vast amounts of sequestered carbon, not only in their trees, but also in the carbon-rich soil of the forest floor. When a forest is logged or burned to make way for agriculture, this carbon is released into the atmosphere.

One fifth of the global carbon emissions are at present due to destruction of forests. This amount is greater than the CO₂ emissions for the worlds transportation systems. An intact forest pumps water back into the atmosphere, increasing inland rainfall and benefitting agriculture. By contrast, deforestation, for example in the Amazonian rainforest, accelerates the flow of water back into the ocean, thus reducing inland rainfall. There is a danger that the Amazonian rainforest may be destroyed to such an extent that the region will become much more dry. If this happens, the forest may become vulnerable to fires produced by lightning strikes. This is one of the feedback loops against which the Stern Report warns: the drying and burning of the Amazonian rainforest may become

irreversible, greatly accelerating climate change, if destruction of the forest proceeds beyond a certain point.

e) Erosion of topsoil.

Besides depending on an adequate supply of water, food production also depends on the condition of the thin layer of topsoil that covers the world’s croplands. This topsoil is being degraded and eroded at an alarming rate: According to the World Resources Institute and the United Nations Environment Programme, “It is estimated that since World War II, 1.2 billion hectares... has suffered at least moderate degradation as a result of human activity. This is a vast area, roughly the size of China and India combined.” This area is 27 percent of the total area currently devoted to agriculture. The report goes on to say that the degradation is greatest in Africa. The risk of topsoil erosion is greatest when marginal land is brought into cultivation, since marginal land is usually on steep hillsides which are vulnerable to water erosion when wild vegetation is removed.

David Pimental and his associates at Cornell University pointed out in 1995 that “Because of erosion-associated loss of productivity and population growth, the per capita food supply has been reduced over the past 10 years and continues to fall. The Food and Agricultural Organization reports that the per capita production of grains which make up 80 percent of the world’s food supply, has been declining since 1984...During the past 40 years nearly one-third of the world’s cropland (1.5 billion hectares) has been abandoned because of soil erosion and degradation. Most of the replacement has come from marginal land made available by removing forests. Agriculture accounts for 80 percent of the annual deforestation.”

Topsoil can also be degraded by the accumulation of salt when irrigation water evaporates. The worldwide area of irrigated land has increased from 8
141 million hectares in 1800 to more than 100 million hectares today. This land is especially important to the world food supply because it is carefully tended and yields are large in proportion to the area. To protect this land from salination, it should be irrigated in such a way that evaporation is minimized.

Finally cropland with valuable topsoil is being lost to urban growth and highway development, a problem that is made more severe by growing populations and by economic growth.

Laterization

Every year, more than 100,000 square kilometers of rain forest are cleared and burned, an area which corresponds to that of Switzerland and the Netherlands combined. Almost half of the world’s tropical forests have already been destroyed. Ironically, the land thus cleared often becomes unsuitable for agriculture within a few years. Tropical soils may seem to be fertile when covered with luxuriant vegetation, but they are usually very poor in nutrients because of leaching by heavy rains. The nutrients which remain are contained in the vegetation itself; and when the forest cover is cut and burned, the nutrients are rapidly lost.

Often the remaining soil is rich in aluminum oxide and iron oxide. When such soils are exposed to oxygen and sun-baking, a rocklike substance called Laterite is formed.

Secret land purchases in Africa

According to a report released by the Oakland Institute, in 2009 alone, hedge funds bought or leased nearly 60 million hectares of land in Africa, an area the size of France.

As populations increase, and as water becomes scarce, China, and other countries, such as Saudi Arabia are also buying enormous tracts of agricultural land, not only in Africa, but also in other countries.

These land purchases are very often kept secret from the local populations by corrupt governments.5

Some conclusions

There is a danger that just as global population reaches the unprecedented level of 9 billion or more, the agricultural base for supporting it may suddenly collapse. Ecological catastrophe, possibly compounded by war and other disorders, could produce famine and death on a scale unprecedented in history, a disaster of unimaginable proportions, involving billions rather than millions of people.

The resources of the earth and the techniques of modern science can support a global population of moderate size in comfort and security; but the optimum

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size is undoubtedly smaller than the world’s present population. Given a sufficiently small global population, renewable sources of energy can be found to replace disappearing fossil fuels. Technology may also be able to find renewable substitutes for many disappearing mineral resources for a global population of moderate size. What technology cannot do, however, is to give a global population of 9 billion people the standard of living which the industrialized countries enjoy today.

Suggestions for further reading

25. F. Place, *Illustrations and Proofs of the Principle of Population: Including an Examination of the Proposed Remedies of Mr. Malthus, and a Reply to the Objections of Mr. Godwin and Others*, Longman, Hurst, Rees, Orme and Brown, (1822).
32. R. Southey, ‘Inquiry into the Poor Laws, etc.’, *Quarterly Review* VIII, pages 319-56, (December, 1812).
108. J. Amos, Climate Food Crisis to Deepen, BBC News (5 September, 2005).
Chapter 8

THE COOPERATIVE MOVEMENT

Robert Owen and social reform

During the early phases of the Industrial Revolution in England, the workers suffered greatly. Enormous fortunes were made by mill and mine owners, while workers, including young children, were paid starvation wages for cruelly long working days. However, trade unions, child labor laws, and the gradual acceptance of birth control finally produced a more even distribution of the benefits of industrialization.

One of the most interesting pioneers of these social reforms was Robert Owen (1771-1858), who is generally considered to have been the father of the Cooperative Movement. Although in his later years not all of his projects developed as he wished, his life started as an amazing success story. Owen’s life is not only fascinating in itself; it also illustrates some of the reforms that occurred between 1815 and 1850.

Robert Owen was born in Wales, the youngest son of a family of iron-mongers and saddle-makers. He was a very intelligent boy, and did well at school, but at the age of 9, he was apprenticed to a draper, at first in Wales. Later, at the age of 11, he was moved to London, where he was obliged to work eighteen hours a day, six days a week, with only short pauses for meals. Understandably, Robert Owen found this intolerable, and he moved again, this time to Manchester, where he again worked for a draper.

While in Manchester, Robert Owen became interested in the machines that were beginning to be used for spinning and weaving. He borrowed a hundred pounds from his brother, and entered (as a partner) a small business that made these machines.

After two years of moderate success as a small-scale industrialist, Owen saw the newspaper advertisement of a position for manager of a large spinning mill, owned by a Mr. Drinkwater. “I put on my hat” Owen wrote later, “and proceeded straight to Mr. Drinkwater’s counting house. “How old are you?”,
he asked. “Twenty this May”, was my reply. “How often do you get drunk in the week?”... “I was never”, I said, “drunk in my life”, blushing scarlet at this unexpected question. “What salary do you ask?” “Three hundred a year”, was my reply. “What?”, Mr. Drinkwater said with some surprise, repeating the words. “Three hundred pounds! I have had this morning I know not how many seeking the situation and I do not think that all of their askings would amount to what you require.” “I cannot be governed by what others seek”, said I, “and I cannot take less.”

Apparently impressed by Robert Owen’s success as a small-scale industrialist, and perhaps also impressed by his courage, Mr. Drinkwater hired him. Thus, at the age of 19, Owen became the manager of a large factory. Mr. Drinkwater had no cause to regret his decision, since his new manager quickly became the boy wonder of Manchester’s textile community. Within six months, Drinkwater offered Owen a quarter interest in his business.

After several highly successful years in his new job, Robert Owen heard of several mills that were for sale in the village of New Lanark, near to Glasgow. The owner, Mr. Dale, happened to be the father of the girl with whom Robert Owen had fallen in love. Instead of directly asking Dale for permission to marry his daughter, Owen (together with some business partners) first purchased the mills, after which he won the hand of the daughter.

Ownership of the New Lanark mills gave Robert Owen the chance to put into practice the ideas of social reform that he had been developing throughout his life. Instead of driving his workers by threats of punishment, and instead of subjecting them to cruelly long working hours (such as he himself had experienced as a draper’s apprentice in London), Owen made the life of his workers at New Lanark as pleasant as he possibly could. He established a creche for the infants of working mothers, free medical care, concerts, dancing, music-making, and comprehensive education, including evening classes.

Rather than the usual squalid one-room houses for workers, neat two-room houses were built. Garbage was collected regularly instead of being thrown into the street. New Lanark also featured pleasant landscaped areas.

Instead of leading to bankruptcy, as many of his friends predicted, Robert Owen’s reforms led to economic success. Owen’s belief that a better environment would lead to better work was vindicated. The village, with its model houses, schools and mills, became internationally famous as a demonstration that industrialism need not involve oppression of the workers.

Crowds of visitors made the journey over narrow roads from Glasgow to learn from New Lanark and its visionary proprietor. Among the twenty thousand visitors who signed the guest-book between 1815 and 1825 were the Grand Duke Nicholas of Russia (who later became Czar Nicholas I), and Princes John and Maximilian of Austria.

Robert Owen’s ideas of social reform can be seen in the following extract from an “Address to the Inhabitants of New Lanark”, which he presented on New Year’s Day, 1816: “What ideas individuals may attach to the term ‘Millennium’ I know not; but I know that society may be formed so as to exist without crime, without poverty, with health greatly improved, with little, if any, misery.
Robert Owen believed that these principles could be applied not only in New Lanark but also in the wider world. He was soon given a chance to express this belief. During the years from 1816 to 1820, apart from a single year, business conditions in England were very bad, perhaps as a result of the Napoleonic Wars, which had just ended. Pauperism and social unrest were widespread, and threatened to erupt into violence. A committee to deal with the crisis was formed under the leadership of the Dukes of Kent and York.

Because of Owen's reputation, he was asked for his opinion, but the committee was hardly expecting the answer that they received from him. Robert Owen handed the two Dukes and the other committee members a detailed plan for getting rid of pauperism by making paupers productive. They were to be settled in self-governing Villages of Cooperation, each with between 800 and 1,200 inhabitants. Each family was to have a private apartment, but there were to be common sitting rooms, reading rooms and kitchens. Near to the houses, there were to be gardens tended by the children, and farther out, fields to be cultivated by the adults. Still farther from the houses, there was to be a small factory.

Owen's idea for governmentally-planned paupers' collectives was at first rejected out of hand. The early 19th century was, after all, a period of unbridled laissez-faire economics. Owen then bombarded the Parliament with pamphlets advocating his scheme. Finally a committee was formed to try to raise the money to establish one Village of Cooperation as an experiment; but the money was never raised.

Unwilling to accept defeat, Robert Owen sold his interest in New Lanark and sailed for America, where he believed that his social experiment would have a better chance of success. He bought the town of Harmonie and 30,000 acres of land on the banks of the Wabash River in Indiana. There he established a Village of Cooperation which he named "New Harmony" He dedicated it on the 4th of July, 1826. It remained a collective for only two years, after which individualism reasserted itself. Owen's four sons and one of his daughters made their homes in New Harmony, and it also became the home of numerous scientists, writers and artists.

Owen's son, Robert Dale Owen, became a member of the U.S. House of Representatives, where he introduced the bill establishing the Smithsonian Institution. In 1862 he wrote an eloquent letter to Abraham Lincoln urging emancipation of the slaves. Three days later, probably influenced by Owen's letter, Lincoln read the Emancipation Proclamation to his cabinet. Another son, Richard Owen, served as President of the University of Indiana, and was later elected as the first President of Purdue University.

When Robert Owen returned to England shortly after dedicating New Harmony, he found that he had become a hero of the working classes. They had read his writings avidly, and had begun to establish cooperatives, following his principles. There were both producer's cooperatives and consumer's cooper-
Figure 8.1: Robert Owen (1771-1858)
Figure 8.2: New Lanark World Heritage village in Scotland. A view of the school.
atives. In England, the producer’s cooperatives failed, but in Denmark they succeeded, as we will discuss below.

One of the early consumer’s cooperatives in England was called the Rochdale Society of Equitable Pioneers. It was founded by 28 weavers and other artisans, who were being forced into poverty by mechanization. They opened a small cooperative store selling butter, sugar, flour, oatmeal and candles. After a few months, they also included tobacco and tea. From this small beginning, the Cooperative Movement grew, finally becoming one of the main pillars of the British Labour Party.

Robert Owen’s attention now turned from cooperatives to the embryonic trade union movement, which was struggling to establish itself in the face of fierce governmental opposition. He assembled the leaders of the working class movement and proposed the formation of the “Grand National Moral Union of Productive and Useful Classes” The name was soon shortened to “The Grand National Consolidated Trades Union” or simply the “Grand National”.

Owen’s Grand National was launched in 1833, and its membership quickly grew to half a million. It was the forerunner of modern nationwide trade unions, but it lasted only two years. Factory-owners saw the Grand National as a threat, and they persuaded the government to prosecute it under anti-union laws. Meanwhile, internal conflicts helped to destroy the Grand National. Owen was accused of atheism by the working class leaders, and he accused them of fermenting class hatred.

Robert Owen’s influence helped to give raw laissez faire capitalism a more human face, and helped to spread the benefits of industrialization more widely. Through the work of other reformers like Owen, local trade unions succeeded, both in England and elsewhere; and in the end, successful national unions were finally established. The worst features of the early Industrial Revolution were moderated by the growth of the trade union movement, by child labor laws, by birth control and by a minimum wage law[1]

**Rusting of the Iron Law**

The Iron Law of Wages of David Ricardo (1772-1823) maintained that workers must necessarily live at the starvation level, since their wages are determined by the law of supply and demand. If the wages should increase above the starvation level, more workers’ children would survive, the supply of workers would increase, and the wages would fall again.

This gloomy pronouncement was enthusiastically endorsed by members of the early 19th century Establishment, since it absolved them from responsibility for the miseries of the poor. However, the passage of time demonstrated that the Iron Law of Wages held only under the assumption of an economy totally free from governmental intervention, and the belief that workers will always reproduce without restraint.

http://robert-owen-museum.org.uk/
http://www.biographyonline.net/business/robert-owen.html
Both the growth of the political power of industrial workers, and the gradual acceptance of birth control were important in eroding Ricardo’s Iron Law. Birth control is especially important in countering the argument used to justify child labor under harsh conditions. The argument (still used in many parts of the world) is that child labor is necessary in order to save the children from starvation, while the harsh conditions are needed because if a business provided working conditions better than its competitors, it would go out of business. However, with a stable population and appropriate social legislation prohibiting both child labor and harsh working conditions, the Iron Law argument fails.

**The Cooperative Movement**

Besides writing more than half of the hymns presently used in Danish churches, the Danish poet-bishop N.F.S. Grundtvig (1783-1872) also introduced farmers’ cooperatives into Denmark and founded a system of adult education.

At the time when Grundtvig lived, the Industrial Revolution had already transformed England into a country that exported manufactured goods but was unable to feed itself because of its large population. In this situation, Denmark began a prosperous trade, exporting high quality agricultural produce to England (for example dairy products, bacon, and so on).

Grundtvig realized that it would be to the advantage of small-scale Danish farmers to process and export these products themselves, thus avoiding losing a part of their profits to large land-owners or other middlemen who might do the processing and exporting for them. He organized the small farmers into cooperatives, and in order to give the farmers enough knowledge and confidence to run the cooperatives, Grundtvig created a system of adult education: the Peoples’ Colleges. The cooperatives and the adult education system contributed strongly to making Denmark a prosperous and democratic country.

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2. [http://www.class.uk.edu/history/cox/Doc1302IronLawofWages.htm](http://www.class.uk.edu/history/cox/Doc1302IronLawofWages.htm)

http://ica.coop/en/media/co-operative-stories/kab-how-cooperative-housing-works-denmark
Besides writing more than half of the hymns presently used in Danish churches, the Danish poet-bishop N.F.S. Grundtvig (1783-1872) also introduced farmers’ cooperatives into Denmark and founded a system of adult education.
Figure 8.4: Askov People’s College in Jutland, Denmark, the oldest of the colleges founded by N.F.S. Grundtvig

Figure 8.5: The International Peoples College, another of the many colleges founded by Grundtvig.
Socialism in Scandinavia; Bernie Sanders

Senator Bernie Sanders of Vermont, who is currently rapidly gaining momentum as a candidate for the US Democratic Party presidential nomination, says that he is a socialist. When asked to explain in detail what he means by this, Senator Sanders says that he believes that the United States would benefit from some of the features of Scandinavian socialism, for example greater income equality, free medical care for all, free higher education for those who qualify, and the elimination of poverty through a comprehensive social security net.

Since I have been a permanent resident of Denmark since 1973, (teaching at the University of Copenhagen), I can perhaps try to explain how the economic system works in this country. The systems in the other Scandinavian countries are very similar.

Denmark has not eliminated capitalism by any means, but privately-owned businesses as well as all citizens, are heavily and progressively taxed, those with the highest incomes being taxed the most.

In return for the high taxes that they pay, Danish citizens receive a large array of social services: free medical care for all, free elementary education and higher education, free day care centers for working mothers, a highly-developed public transportation infrastructure, and a safety net for the weaker members of society. A resident of (for example) New York might have his or her income taxed at a much lower rate, but this is balanced by the need to pay out much of it for university education, medical bills, and so on. One of the great achievements of the Scandinavian system is that it has eliminated poverty.

The relatively equal distribution of incomes in Denmark and in other Scandinavian countries has produced a high quality of life. A number of social problems are linked with excessive inequality. As the English economist John Hobson noted, if the rich are too few in number, they are unable to buy back the total output of an economy. Furthermore, very unequal societies suffer more from high crime rates, high infant mortality, mental illness, drug use, disease and unhappiness than do societies where wealth is more equally distributed.

Denmark consistently holds a high place in the list of nations ranked according to a “Satisfaction With Life Index”. I agree with Bernie Sanders, that the United States would benefit from having an economic system more nearly like the egalitarian systems that have made Scandinavian countries prosperous, peaceful and contented.

Ghandian economics

In his autobiography, Mahatma Gandhi says: “Three moderns have left a deep impression on my life and captivated me: Raychandbhai (the Indian philosopher and poet) by his living contact; Tolstoy by his book The Kingdom of God is Within You; and Ruskin by his book Unto This Last.” Ruskin’s book, “Unto This Last”, which Gandhi read in 1904, is a criticism of modern industrial

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https://Berniesanders.com/
IT'S THE END OF THE WORLD AS WE KNOW IT... AGAIN

A Brief History of Socialist Plots to End the American Way of Life

PUBLIC SCHOOLS? SOCIALISM!!
PUBLIC WATER SYSTEM? SOCIALISM!!
PUBLIC HIGHWAYS? SOCIALISM!!
PUBLIC PARKS? SOCIALISM!!
PUBLIC HEALTH CARE? SOCIALISM!!

1790 1808 1842 1905 2009

M. Wuerker, Politico
CHAPTER 8. THE COOPERATIVE MOVEMENT

Figure 8.6: In England, longtime Member of Parliament and social reformer Jeremy Corbyn recently won a landslide victory and became the Leader of the Labour Party. Together with Bernie Sanders increasing popularity as a US Presidential candidate, Corbyn’s victory can give us hope that a return to democratic government is possible, both in the United States and in Britain.

“What kind of nation are we when we give tax breaks to billionaires, but we can’t take care of the elderly and the children.”

– Sen. Bernie Sanders (I-Vt.)
society. Ruskin believed that friendships and warm interpersonal relationships are a form of wealth that economists have failed to consider. He felt that warm human contacts are most easily achieved in small agricultural communities, and that therefore the modern tendency towards centralization and industrialization may be a step backward in terms of human happiness. While still in South Africa, Gandhi founded two religious Utopian communities based on the ideas of Tolstoy and Ruskin, Phoenix Farm (1904) and Tolstoy Farm (1910).

Because of his growing fame as the leader of the Indian civil rights movement in South Africa, Gandhi was persuaded to return to India in 1914 and to take up the cause of Indian home rule. In order to reacquaint himself with conditions in India, he traveled tirelessly, now always going third class as a matter of principle.

During the next few years, Gandhi worked to reshape the Congress Party into an organization which represented not only Indias Anglicized upper middle class but also the millions of uneducated villagers who were suffering under an almost intolerable burden of poverty and disease. In order to identify himself with the poorest of Indias people, Gandhi began to wear only a white loincloth made of rough homespun cotton. He traveled to the remotest villages, recruiting new members for the Congress Party, preaching non-violence and “firmness in the truth”, and becoming known for his voluntary poverty and humility. The villagers who flocked to see him began to call him “Mahatma” (Great Soul).

Disturbed by the spectacle of unemployment and poverty in the villages, Gandhi urged the people of India to stop buying imported goods, especially cloth, and to make their own. He advocated the reintroduction of the spinning wheel into village life, and he often spent some hours spinning himself. The spinning wheel became a symbol of the Indian independence movement, and was later incorporated into the Indian flag.

The movement for boycotting British goods was called the “Swadeshi movement”. The word Swadeshi derives from two Sanskrit roots: Swa, meaning self, and Desh, meaning country. Gandhi described Swadeshi as “a call to the consumer to be aware of the violence he is causing by supporting those industries that result in poverty, harm to the workers and to humans or other creatures.”

Gandhi tried to reconstruct the crafts and self-reliance of village life that he felt had been destroyed by the colonial system. “I would say that if the village perishes India will perish too”, he wrote, “India will be no more India. Her own mission in the world will get lost. The revival of the village is only possible when it is no more exploited. Industrialization on a mass scale will necessarily lead to passive or active exploitation of the villagers as problems of competition and marketing come in. Therefore we have to concentrate on the village being self-contained, manufacturing mainly for use. Provided this character of the village industry is maintained, there would be no objection to villagers using even the modern machines that they can make and can afford to use. Only they should not be used as a means of exploitation by others.”

“You cannot build nonviolence on a factory civilization, but it can be built on self-contained villages... Rural economy as I have conceived it, eschews exploitation altogether, and exploitation is the essence of violence... We have to make a choice between India of the villages that are as ancient as herself and
India of the cities which are a creation of foreign domination..."

“Machinery has its place; it has come to stay. But it must not be allowed to displace necessary human labour. An improved plow is a good thing. But if by some chances, one man could plow up, by some mechanical invention of his, the whole of the land of India, and control all the agricultural produce, and if the millions had no other occupation, they would starve, and being idle, they would become dunces, as many have already become. There is hourly danger of many being reduced to that unenviable state.”

In these passages we see Gandhi not merely as a pioneer of nonviolence; we see him also as an economist. Faced with misery and unemployment produced by machines, Gandhi tells us that social goals must take precedence over blind market mechanisms. If machines are causing unemployment, we can, if we wish, and use labor-intensive methods instead. With Gandhi, the free market is not sacred; we can do as we wish, and maximize human happiness, rather than maximizing production and profits.

Mahatma Gandhi was assassinated by a Hindu extremist on January 30, 1948. After his death, someone collected and photographed all his worldly goods. These consisted of a pair of glasses, a pair of sandals and a white homespun loincloth. Here, as in the Swadeshi movement, we see Gandhi as a pioneer of economics. He deliberately reduced his possessions to an absolute minimum in order to demonstrate that there is no connection between personal merit and material goods. Like Veblen, Mahatma Gandhi told us that we must stop using material goods as a means of social competition. We must start to judge people not by what they have, but by what they are.

5https://en.wikipedia.org/wiki/Gandhian_economics
Ghandi’s vision of an “India of villages” rather than an “India of cities” has much in common with the Transition Town movement, which we will discuss next.

**Transition Towns**

The Transition Town Movement of today is a response to the end of the fossil fuel era and the threat of economic collapse. It can be thought of as a modern branch of the Cooperative Movement. In 2006, the Transition Town of Totnes in Devon, England was the first to use this name, which implied a transition from globalism, consumerism and growth to a sustainable, local and self-sufficient economy. The ideal was to produce locally all the necessary food for the town, and as much of other necessities as possible. In this way, the energy expenditures involved in transportation could be avoided.

Today there are more than a thousand Transition Towns and they are located in 43 countries. Many of them have local currencies which are legal tender within the town. If the pioneers of this movement are right in saying that this is the only sustainable model for the future, we may wonder whether mega-cities will be able to survive in the long-term future.

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http://bollier.org/blog/gandhian-economics-and-commons
http://www.mkgandhi.org/ebks/untothislast.pdf
https://en.wikipedia.org/wiki/Unto_This_Last
http://www.efm.bris.ac.uk/het/ruskin/ruskin
http://commondreams.org/views/2015/07/31/we-are-all-greece
http://www.localfutures.org/
CHAPTER 8. THE COOPERATIVE MOVEMENT

ECONOMIC THOUGHT OF MAHATMA GANDHI

M. MAHARAJAN
Transition Towns

They've all figured out that if we can't rely on oil forever...

...it might be a good idea to plan what we'll do instead

Transition Brighton & Hove is a community response to the problems that climate change and peak oil pose. It aims to give people the power to improve the quality of life in their city and make a reduced impact on the outside world, whilst looking after the environment and each other.
Some concluding remarks

For most of human history, our ancestors lived in small, cooperative village communities. Our inherited emotional nature is especially adapted to such a life, where helpfulness and social reciprocity are natural, and where close lifelong friendships are the norm. Humans of today may well feel lost in a cold commercial society, where everything is given a monetary value, and where all human actions are assumed to be based on greed and competativeness.

In the future, small cooperative communities, like the Ghandian villages or Transition Towns, may be able to give us not only a more sustainable way of life, but also increased happiness, based warm life-long friendships and the pleasure of doing good to others.

Suggestions for further reading


84. F. Place, *Illustrations and Proofs of the Principle of Population: Including an Examination of the Proposed Remedies of Mr. Malthus, and a Reply to the Objections of Mr. Godwin and Others*, Longman, Hurst, Rees, Orme and Brown, (1822).


91. R. Southey, ‘Inquiry into the Poor Laws, etc.’, *Quarterly Review* VIII, pages 319-56, (December, 1812).


Chapter 9

A NEW ECONOMIC SYSTEM; A NEW SOCIETY

We need a new economic system, a new society, a new social contract, a new way of life. Here are the great tasks that history has given to our generation:

We must achieve a steady-state economic system

A steady-state economic system is necessary because neither population growth nor economic growth can continue indefinitely on a finite earth. No one can maintain that exponential industrial growth is sustainable in the long run except by refusing to look more than a short distance into the future.

Of course, it is necessary to distinguish between industrial growth, and growth of culture and knowledge, which can and should continue to grow. Qualitative improvements in human society are possible and desirable, but resource-using and pollution-producing industrial growth is reaching its limits, both because of ecological constraints and because of the exhaustion of petroleum, natural gas and other non-renewable resources, such as metals. The threat of catastrophic climate change makes it imperative for us to stop using fossil fuels within very few decades.

We discussed Nicholas Georgescu-Roegen’s reasons for viewing our present economic system as unidirectional and entropic: Low-entropy resources are converted into high-entropy waste, a unidirectional process. By contrast, to be sustainable in the long run, a process must be cyclic, like the growth and regeneration of a forest.

Georgescu-Roegen’s list of disiderata remains valid today: We need drastic cuts in weapons production, thereby releasing productive forces for more constructive purposes. We need immediate aid to underdeveloped countries and gradual decrease in population to a level that can be maintained by or-
deep ecology view

the environment is the basis for everything

environment

society

economy
ganic agriculture. We also need avoidance, and strict regulation if necessary, of wasteful energy use. Finally, we need to abandon our attachment to extravagant gadgetry and fashion, and we must cure ourselves of workaholic habits by re-balancing the time spent on work and leisure.

Today, the distinguished economist Herman Daly (a student of Georgescu-Roegen) continues to write perceptive articles and books documenting the need for a steady-state economy. Among his books, the following are noteworthy: “Steady-State Economics” (1977); “For the Common Good” (1989, with John B. Cobb, Jr.); “Valuing the Earth” (1993, with Kenneth Townsend); “Beyond Growth” (1996); “Ecological Economics and the Ecology of Economics” (1999); “Local Politics of Global Sustainability” (2000, with Thomas Prugh and Robert Costanza), and “Ecological Economics: Principles and Applications” (2003, with Joshua Farley). Prof. Daly is a recipient of the Right Livelihood Award, which is sometimes called the Alternative Nobel Prize.

We must restore democracy

It is obvious, almost by definition, that excessive governmental secrecy and true democracy are incompatible. If the people of a country have no idea what their government is doing, they cannot possibly have the influence on decisions that the word “democracy” implies.

Governmental secrecy is not something new. Secret diplomacy contributed to the outbreak of World War I, and the secret Sykes-Picot Agreement later contributed to the bitterness of conflicts in the Middle East. However, in recent years, governmental secrecy has grown enormously.

The revelations of Edward Snowden have shown that the number of people involved in secret operations of the United States government is now as large as the entire population of Norway: roughly 5 million. The influence of this dark side of government has become so great that no president is able to resist it.

Many modern governments have become very expert in manipulating public opinion through mass media. They only allow the public to hear a version of the “news” that has been handed down by powerholders. Of course, people can turn to the alternative media that are available on the Internet. But on the whole, the vision of the world presented on television screens and in major newspapers is the “truth” that is accepted by the majority of the public, and it is this picture of events that influences political decisions. Censorship of the news by the power elite is a form of secrecy, since it withholds information that is needed for a democracy to function properly.

The frantic efforts of President Obama to capture and punish whistleblower Edward Snowden indicate that the secrets that the US government is trying to
hide are by no means limited to the massive electronic spying operations that Snowden revealed.

Snowden has already said most of what he has to say. Nevertheless, Washington was willing to break international law and the rules of diplomatic immunity by forcing its European allies to ground the plane of Bolivian President Evo Morales following a rumor that Snowden was on board. This was not done to prevent Snowden from saying more, but with the intention of making a gruesome example of him, as a warning to other whistleblowers.

Furthermore, President Obama has initiated an enormous Stasi-like program called “Insider Threats”, which forces millions of federal employees, in a wide variety of agencies, to spy on each other and to report anything that looks like a move towards whistleblowing.

According to an article written by Marisa Taylor and Jonathan S. Landay of the McClatchy Washington Bureau, “...It extends beyond the US national security bureaucracies to most federal departments and agencies nationwide, including the Peace Corps, the Social Security Administration, and the Education and Agriculture Departments.”

Apparently the US government has very many secrets to hide, and very many potential whistleblowers that it fears. But who are they? Who are the potential whistleblowers who must be forced into terrified silence by the examples made of Edward Snowden, Bradley Manning and Julian Assange?

Are these potential whistleblowers CIA agents who have stories to tell about dirty wars and assassinations in Latin America? Are they people who know the details about how John and Robert Kennedy were shot? Are they people who know how Martin Luther King Jr. was killed? Are they the New York firemen who heard a series of explosions as the buildings of the World Trade Center collapsed? Are they the people in New York who collected samples of the dust that was collected from the falling buildings; dust that was shown by chemical analysis to contain nanothermite, a powerful heat-producing compound that could have melted the steel structures of the buildings? Are they the CIA insiders who could give evidence that the US government knew well in advance of the planned 9/11 attacks, and made them worse than they otherwise would have been by planting explosives in the World Trade Center buildings? Are they people who know Obama’s own secrets?

Whoever these potential whistleblowers are, it is clear that Obama fears them, and that the US government has many secrets. But if it has many secrets, then the present government of the United States cannot be a democracy.

In a democracy, the power of judging and controlling governmental policy is supposed to be in the hands of the people. It is completely clear that if the people do not know what their government is doing, then they cannot judge or control governmental policy, and democracy has been abolished. There has always been a glaring contradiction between democracy and secret branches of the government, such as the CIA, which conducts its assassinations and its dirty wars in South America without any public knowledge or control.

The gross, wholesale electronic spying on citizens revealed by Snowdon seems to be specifically aimed at eliminating democracy. It is aimed at instilling
universal fear and conformity, fear of blackmail and fear of being out of step, so that the public will not dare to oppose whatever the government does, no matter how criminal or unconstitutional.

The Magna Carta is trashed. No one dares to speak up. Habeus Corpus is trashed. No one dares to speak up. The United Nations Charter is trashed. No one dares to speak up. The Universal Declaration of Human Rights is trashed. No one dares to speak up. The Fourth Amendment to the US Constitution is trashed. No one dares to speak up. The President claims the right to kill both US and foreign citizens, at his own whim. No one dares to speak up.

George Orwell, you should be living today! We need your voice today! After Snowden’s revelations, the sale of Orwell’s “1984” soared. It is now on the bestseller list. Sadly, Orwell’s dystopian prophesy has proved to be accurate in every detail.

We must restore democracy wherever it has been replaced by oligarchy. When we do so, we will free ourselves from many evils, including excessive economic inequality, violation of civil rights, and the suffering produced by perpetual wars.
TORTURE ALWAYS WRONG
DIRTY WARS
THE WORLD IS A BATTLEFIELD

JEREMY SCAHILL
INTERNATIONAL BEST-SELLING AUTHOR OF BLACKWATER
We must decrease economic inequality

In his Apostolic Exhortation, “Evangelii Gaudium”, Pope Francis said: “In our time humanity is experiencing a turning-point in its history, as we can see from the advances being made in so many fields. We can only praise the steps being taken to improve peoples welfare in areas such as health care, education and communications. At the same time we have to remember that the majority of our contemporaries are barely living from day to day, with dire consequences. A number of diseases are spreading. The hearts of many people are gripped by fear and desperation, even in the so-called rich countries. The joy of living frequently fades, lack of respect for others and violence are on the rise, and inequality is increasingly evident. It is a struggle to live and, often, to live with precious little dignity.”

“This epochal change has been set in motion by the enormous qualitative, quantitative, rapid and cumulative advances occurring in the sciences and in technology, and by their instant application in different areas of nature and of life. We are in an age of knowledge and information, which has led to new and often anonymous kinds of power.”

“Just as the commandment 'Thou shalt not kill' sets a clear limit in order to safeguard the value of human life, today we also have to say 'thou shalt not' to an economy of exclusion and inequality. Such an economy kills. How can it be that it is not a news item when an elderly homeless person dies of exposure, but it is news when the stock market loses two points? This is a case of exclusion. Can we continue to stand by when food is thrown away while people are starving? This is a case of inequality. Today everything comes
under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape.”

“In this context, some people continue to defend trickle-down theories which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been confirmed by the facts, expresses a crude and nave trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system. Meanwhile, the excluded are still waiting.”

In a recent speech, Senator Bernie Sanders quoted Pope Francis extensively and added: “We have a situation today, Mr. President, incredible as it may sound, where the wealthiest 85 people in the world own more wealth than the bottom half of the world’s population.”

The social epidemiologist Prof. Richard Wilkinson, has documented the ways in which societies with less economic inequality do better than more unequal societies in a number of areas, including increased rates of life expectancy, mathematical performance, literacy, trust, social mobility, together with decreased rates of infant mortality, homicides, imprisonment, teenage births, obesity and mental illness, including drug and alcohol addiction.

We must also remember that according to the economist John A. Hobson, the

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2 https://www.youtube.com/watch?v=9_LjpN893Vg
https://www.oxfam.org/en/tags/inequality

3 https://www.youtube.com/watch?v=cZ7LzE3u7Bw
I ACKNOWLEDGE
CLASS WARFARE EXISTS

Now is the time for us to end the financial oligarchy that has been so DESTRUCTIVE to our economy. If a bank is too big to fail, it is too big to exist.

~ Bernie Sanders
YOUR GREED IS HURTING THE ECONOMY!

RAISE THE MINIMUM WAGE
basic problem that led to imperialism was an excessively unequal distribution of incomes in the industrialized countries. The result of this unequal distribution was that neither the rich nor the poor could buy back the total output of their society. The incomes of the poor were insufficient, and rich were too few in number.

**We must break the power of corporate greed**

When the United Nations was established in 1945, the purpose of the organization was to abolish the institution of war. This goal was built into many of the articles of the UN Charter. Accordingly, throughout the world, many War Departments were renamed and became Departments of Defense. But the very name is a lie. In an age of nuclear threats and counter-threats, populations are by no means protected. Ordinary citizens are just hostages in a game for power and money. It is all about greed.

Why is war continually threatened? Why is Russia threatened? Why is war with Iran threatened? Why fan the flames of conflict with China? Is it to “protect” civilians? Absolutely not! In a thermonuclear war, hundreds of millions of civilians would die horribly everywhere in the world, also in neutral countries. What is really being protected are the profits of arms manufacturers. As long as there are tensions; as long as there is a threat of war, military budgets are safe; and the profits of arms makers are safe. The people in several “democracies”, for example the United States, do not rule at the moment. Greed rules.

As Institute Professor Noam Chomsky of MIT has pointed out, greed and lack of ethics are built into the structure of corporations. By law, the Chief Executive Officer of a corporation must be entirely motivated by the collective greed of the stockholders. He must maximize profits. Nothing must count except the bottom line. If the CEO abandons this single-minded chase after corporate profits for ethical reasons, or for the sake of humanity or the biosphere or the future, he (or she) must, by law, be fired and replaced.

Occasionally, for the sake of their public image, corporations seem to do something for other motives than their own bottom line, but it is usually window dressing. For example, Shell claims to be supporting research on renewable energy. Perhaps there is indeed a small renewable energy laboratory somewhere in that vast corporation; but the real interest of the organization is somewhere else. Shell is sending equipment on a large scale to drill for more and more environment-destroying oil in the Arctic.

**We must leave fossil fuels in the ground**

The threat of catastrophic climate change requires prompt and dedicated action by the global community. Unless we very quickly make the transition from

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4http://www.countercurrents.org/avery170715.htm
http://human-wrongs-watch.net/2015/06/25/militarisms-hostages/
https://www.youtube.com/watch?v=FJUA4cm0Rck
CHAPTER 9. A NEW ECONOMIC SYSTEM; A NEW SOCIETY

PEOPLE WERE CREATED TO BE LOVED
THINGS WERE CREATED TO BE USED
THE REASON THE WORLD IS IN CHAOS
IS BECAUSE THINGS ARE BEING LOVED
AND PEOPLE ARE BEING USED
HUMAN NEED NOT CORPORATE GREED

“THE GENERAL POPULATION
DOESN’T KNOW WHAT’S
HAPPENING, AND IT DOESN’T
EVEN KNOW THAT IT DOESN’T
KNOW.”

~ NOAM CHOMSKY
fossil fuels to 100% renewable energy, we will reach a tipping point after which uncontrollable feedback loops could take over, leading to a human-caused 6th geological extinction event. This might even be comparable to the Permian-Triassic event, during which 96% of all marine species and 70% of terrestrial vertebrates became extinct.

New hope that such a catastrophe for human civilization and the biosphere can be avoided comes from two recently-released documents: The Encyclical “Laudato Si’” by Pope Francis, and the statistics on the rate of growth of renewable energy newly released by the Earth Policy Institute.

Arctic sea-ice is melting at an increasingly rapid rate, because of several feedback loops. One of these feedback loops, called the albedo effect, is due to the fact that white snow-covered sea-ice in the Arctic reflects sunlight, while dark water absorbs it, raising the temperature and leading to more melting.

Another feedback loop is due to the fact that rising temperatures mean that more water is evaporated. The water vapor in the atmosphere acts like a greenhouse gas, and raises the temperature still further.

If we consider long-term effects, by far the most dangerous of the feedback loops is the melting of methane hydrate crystals and the release of methane into the atmosphere, where its effects as a greenhouse gas are roughly twenty times great as those of CO$_2$.

When organic matter is carried into the oceans by rivers, it decays to form methane. The methane then combines with water to form hydrate crystals, which are stable at the temperatures which currently exist on ocean floors. However, if the temperature rises, the crystals become unstable, and methane gas bubbles up to the surface.

The worrying thing about methane hydrate deposits on ocean floors is the enormous amount of carbon involved: roughly 10,000 gagatons. To put this huge amount into perspective, we can remember that the total amount in world
“CLIMATE CHANGE LENDS URGENCY TO OUR FIGHTS FOR SOCIAL JUSTICE, LIKE NOTHING ELSE BEFORE. WE HAVE TO WIN THESE BATTLES AGAINST FREE TRADE, WE HAVE TO WIN THESE BATTLES TO RE-LOCALIZE OUR ECONOMIES. THIS ISN’T JUST SOME LITTLE HOBBY.

SO IT’S NOT ABOUT ABANDONING ALL OF THOSE FIGHTS, IT’S ACTUALLY ABOUT SUPERCHARGING THOSE FIGHTS, AND WEAVING THEM ALL INTO A COMMON NARRATIVE.”

- NAOMI KLEIN
CO₂ emissions since 1751 has been only 337 gigatons.

Despite the worrying nature of the threats that we are facing, there are reasons for hope. One of the greatest of these is the beautiful, profound and powerful encyclical that has just been released by Pope Francis.[5]

Pope Francis tells us that the dictates of today’s economists are not sacred: In the future, if we are to survive, economics must be given both a social conscience and an ecological conscience. Nor are private property and profits sacred. They must be subordinated to the common good, and the preservation of our global commons. Less focus on material goods need not make us less happy. The quality of our lives can be increased, not decreased, if we give up our restless chase after power and wealth, and derive more of our pleasures from art, music and literature, and from conversations with our families and friends.

Another reason for hope can be found in the extremely high present rate of growth of renewable energy, and in the remarkable properties of exponential growth. According to figures recently released by the Earth Policy Institute, http://www.earth-policy.org/books/tgt, the global installed photovoltaic capacity is currently able to deliver 242,000 megawatts, and it is increasing at

the rate of 27.8% per year. Wind energy can now deliver 370,000 megawatts, and it is increasing at the rate of roughly 20% per year.

Because of the astonishing properties of exponential growth, we can calculate that if these growth rates are maintained, renewable energy can give us 24.8 terawatts within only 15 years! This is far more than the world’s present use of all forms of energy.

All of us must still work with dedication to provide the political will needed to avoid catastrophic climate change. However, the strong and friendly voice of Pope Francis, and the remarkable rate of growth of renewable energy can guide our work, and can give us hope and courage.

The award-winning author and activist Naomi Klein has emphasized that the climate crisis changes everything. Environmentalists and antiwar activists must unite! We need a new economic system! The people of the world don’t want climate change; they want system change.

We must stabilize and ultimately reduce the global population

According to the World Resources Institute and the United Nations Environment Programme, “It is estimated that since World War II, 1.2 billion hectares...[of agricultural land] has suffered at least moderate degradation as a result of human activity. This is a vast area, roughly the size of China and India combined.” This area is 27% of the total area currently devoted to agriculture. The report goes on to say that the degradation is greatest in Africa.

David Pimental and his associates at Cornell University pointed out in 1995 that “Because of erosion-associated loss of productivity and population growth, the per capita food supply has been reduced over the past 10 years and continues to fall. The Food and Agricultural Organization reports that the per capita production of grains which make up 80% of the world’s food supply, has been declining since 1984.”

Pimental et al. add that “Not only is the availability of cropland per capita decreasing as the world population grows, but arable land is being lost due to excessive pressure on the environment. For instance, during the past 40 years nearly one-third of the world’s cropland (1.5 billion hectares) has been abandoned because of soil erosion and degradation. Most of the replacement

\[6\]https://www.transcend.org/tms/2015/03/naomi-klein-the-economic-system-we-have-created-global-warming/
http://thischangeseverything.org/naomi-klein/
https://www.youtube.com/watch?v=sRGVTK-AAvw
https://www.youtube.com/watch?v=MVwmi7HCmSI
https://www.youtube.com/watch?v=AjZaFjXILec
https://www.youtube.com/watch?v=m6pFDu7LV4
https://www.youtube.com/watch?v=MVwmi7HCmSI
http://therightsofnature.org/universal-declaration/
has come from marginal land made available by removing forests. Agriculture accounts for 80% of the annual deforestation.”

The phrase “developing countries” is more than a euphemism; it expresses the hope that with the help of a transfer of technology from the industrialized nations, all parts of the world can achieve prosperity. An important factor that prevents the achievement of worldwide prosperity is population growth.

In the words of Dr. Halfdan Mahler, former Director General of the World Health Organization, “Country after country has seen painfully achieved increases in total output, food production, health and educational facilities and employment opportunities reduced or nullified by excessive population growth.”

The growth of population is linked to excessive urbanization, infrastructure failures and unemployment. In rural districts in the developing countries, family farms are often divided among a growing number of heirs until they can no longer be subdivided. Those family members who are no longer needed on the land have no alternative except migration to overcrowded cities, where the infrastructure is unable to cope so many new arrivals. Often the new migrants are forced to live in excrement-filled makeshift slums, where dysentery, hepatitis and typhoid are endemic, and where the conditions for human life sink to the lowest imaginable level. In Brazil, such shanty towns are called “favelas”.

If modern farming methods are introduced in rural areas while population growth continues, the exodus to cities is aggravated, since modern techniques are less labor-intensive and favor large farms. In cities, the development of adequate infrastructure requires time, and it becomes a hopeless task if populations are growing rapidly. Thus, population stabilization is a necessary first step for development.

It can be observed that birth rates fall as countries develop. However, development is sometimes blocked by the same high birth rates that economic progress might have prevented. In this situation (known as the “demographic trap”), economic gains disappear immediately because of the demands of an exploding population.
Every 3.6 seconds a person dies of hunger. 75% of them are children.
For countries caught in the demographic trap, government birth control programs are especially important, because one cannot rely on improved social conditions to slow birth rates. Since health and lowered birth rates should be linked, it is appropriate that family-planning should be an important part of programs for public health and economic development.

A recent study conducted by Robert F. Lapham of Demographic Health Surveys and W. Parker Maudlin of the Rockefeller Foundation has shown that the use of birth control is correlated both with socio-economic setting and with the existence of strong family-planning programs. The implication of this study is that even in the absence of increased living standards, family planning programs can be successful, provided they have strong government support.

Education of women and higher status for women are vitally important measures, not only for their own sake, but also because in many countries these social reforms have proved to be the key to lower birth rates. As Sir Partha Dasgupta of Cambridge University has pointed out, the changes needed to break the cycle of overpopulation and poverty are all desirable in themselves. Besides education and higher status for women, they include state-provided social security for old people, provision of water supplies near to dwellings, provision of health services to all, abolition of child labor and general economic development. The money required to make these desirable changes is a tiny fraction of the amount that is currently wasted on war.

In order to avoid a catastrophic future famine, it is vitally important that all of the countries of the world should quickly pass through a demographic transition from a situation characterized by high birth rates and high death rates to a new equilibrium, where low death rates are balanced by low birth rates.
CHAPTER 9. A NEW ECONOMIC SYSTEM; A NEW SOCIETY

![Birth & Death Rates Graph](image)

- Stage I
- Stage II
- Stage III

- CDR
- CBR

Time

![Children Writing](image)
We must eliminate the institution of war

The problem of achieving internal peace over a large geographical area is not insoluble. It has already been solved. There exist today many nations or regions within each of which there is internal peace, and some of these are so large that they are almost worlds in themselves. One thinks of China, India, Brazil, Australia, the Russian Federation, the United States, and the European Union. Many of these enormous societies contain a variety of ethnic groups, a variety of religions and a variety of languages, as well as striking contrasts between wealth and poverty. If these great land areas have been forged into peaceful and cooperative societies, cannot the same methods of government be applied globally?

But what are the methods that nations use to achieve internal peace? Firstly, every true government needs to have the power to make and enforce laws that are binding on individual citizens. Secondly the power of taxation is a necessity. Thirdly, within their own territories, almost all nations have more military power than any of their subunits. For example, the US Army is more powerful than the State Militia of Illinois.

This unbalance of power contributes to the stability of the Federal Government of the United States. When the FBI wanted to arrest Al Capone, it did not have to bomb Chicago. Agents just went into the city and arrested the gangster. Even if Capone had been enormously popular in Illinois, the the government of the state would have realized in advance that it had no chance of resisting the US Federal Government, and it still would have allowed the “Feds” to make their arrest. Similar considerations hold for almost all nations within which there is internal peace. It is true that there are some nations within which subnational groups have more power than the national government, but these are frequently characterized by civil wars.

Of the large land areas within which internal peace has been achieved, the European Union differs from the others because its member states still maintain powerful armies. The EU forms a realistic model for what can be achieved globally in the near future by reforming and strengthening the United Nations. In the distant future, however, we can imagine a time when a world federal authority will have much more power than any of its member states, and when national armies will have only the size needed to maintain local order.

Today there is a pressing need to enlarge the size of the political unit from the nation-state to the entire world. The need to do so results from the terrible dangers of modern weapons and from global economic interdependence. The progress of science has created this need, but science has also given us the means to enlarge the political unit: Our almost miraculous modern communications media, if properly used, have the power to weld all of humankind into a single supportive and cooperative society.

It is useful to consider the analogy between the institution of war and the institution of slavery. We might be tempted to say, “There has always been war, throughout human history; and war will always continue to exist.” As an antidote to this kind of pessimism, we can think of slavery, which, like war, has
CHAPTER 9. A NEW ECONOMIC SYSTEM; A NEW SOCIETY

existed throughout most of recorded history. The cultures of ancient Egypt, Greece and Rome were all based on slavery, and, in more recent times, millions of Africans were captured and forced into a life of slavery in the New World and the Middle East. Slavery was as much an accepted and established institution as war is today. Many people made large profits from slavery, just as arms manufacturers today make enormous profits. Nevertheless, despite the weight of vested interests, legal slavery has now been abolished throughout most of the world.

Today we look with horror at drawings of slave ships, where human beings were packed together like cordwood, and we are amazed that such cruelty could have been possible. Can we not hope for a time when our descendants, reading descriptions of the wars of our own time, will be equally amazed that such cruelty and stupidity could have been possible? If we use them constructively, the vast resources now wasted on war can initiate a new era of happiness and prosperity for the family of man. It is within our power to let this happen. The example of the men and women who worked to rid the world of slavery can give us courage as we strive for a time when war will exist only as a dark memory fading into the past.

New ethics to match new technology

Modern science has, for the first time in history, offered humankind the possibility of a life of comfort, free from hunger and cold, and free from the constant threat of death through infectious disease. At the same time, science has given humans the power to obliterate their civilization with nuclear weapons, or to make the earth uninhabitable through overpopulation and pollution. The question of which of these paths we choose is literally a matter of life or death for ourselves and our children.

Will we use the discoveries of modern science constructively, and thus choose the path leading towards life? Or will we use science to produce more and more lethal weapons, which sooner or later, through a technical or human failure, may result in a catastrophic nuclear war? Will we thoughtlessly destroy our beautiful planet through unlimited growth of population and industry? The choice among these alternatives is ours to make. We live at a critical moment of history, a moment of crisis for civilization.

No one living today asked to be born at such a moment, but by an accident of birth, history has given us an enormous responsibility, and two daunting tasks: If civilization is to survive, we must not only stabilize the global population but also, even more importantly, we must eliminate the institution of war. We face these difficult tasks with an inherited emotional nature that has not changed much during the last 40,000 years. Furthermore, we face the challenges of the 21st century with an international political system based on the anachronistic concept of the absolutely sovereign nation-state. However, the human brain has shown itself to be capable of solving even the most profound and complex problems. The mind that has seen into the heart of the atom must not fail when confronted with paradoxes of the human heart.
WAR NO MORE
Eliminating Conflict in the Nuclear Age
ROBERT HINDE AND JOSEPH ROTBLAT
Foreword by Robert S. McNamara
War is not healthy for children and other living things.
No Time To Wait!
We must replace the old world of international anarchy, chronic war and institutionalized injustice, by a new world of law. The United Nations Charter, the Universal Declaration of Human Rights and the International Criminal Court are steps in the right direction, but these institutions need to be greatly strengthened and reformed.

We also need a new global ethic, where loyalty to one’s family and nation is supplemented by a higher loyalty to humanity as a whole. The Nobel laureate biochemist Albert Szent-Györgyi once wrote:

“The story of man consists of two parts, divided by the appearance of modern science.... In the first period, man lived in the world in which his species was born and to which his senses were adapted. In the second, man stepped into a new, cosmic world to which he was a complete stranger.... The forces at men’s disposal were no longer terrestrial forces, of human dimension, but were cosmic forces, the forces which shaped the universe. The few hundred Fahrenheit degrees of our flimsy terrestrial fires were exchanged for the ten million degrees of the atomic reactions which heat the sun.”

“This is but a beginning, with endless possibilities in both directions: a building of a human life of undreamt of wealth and dignity, or a sudden end in utmost misery. Man lives in a new cosmic world for which he was not made. His survival depends on how well and how fast he can adapt himself to it, rebuilding all his ideas, all his social and political institutions.”

“...Modern science has abolished time and distance as factors separating nations. On our shrunken globe today, there is room for one group only: the family of man.”

7http://www.countercurrents.org/zuesse050815.htm
https://www.youtube.com/watch?time_continue=16&v=hDsPWmioSHg
http://www.commondreams.org/views/2014/04/14/us-oligarchy-not-democracy-says-scientific-study
http://www.treehugger.com/renewable-energy/striking-chart-showing-solar-power-will-take-over-world.html
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https://www.youtube.com/watch?v=1244v=9_L1pN9S3Vg
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http://www.footprintnetwork.org/ecological_footprint_nations/
http://ecowatch.com/2015/08/16/earth-overshoot-day/2/
http://islamicclimatedeclaration.org/islamic-declaration-on-global-climate-change/
http://ecowatch.com/2015/06/29/dalai-lama-pope-encyclical/
http://ecowatch.com/2015/07/02/naomi-klein-people-planet-first/
Suggestions for further reading

80. United States Arms Control and Disarmament Agency, Arms Control and Disarmament Agreements: Texts and Histories of Negotiations, USACDA, Washington, DC, (updated annually)
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