

Introduction to Sustainable Economics

Our present economic system predicated on continuous, exponential growth is driving all of us towards a precipice. The entire economy is based on money created from interest-bearing debt which compels society into a “grow or die” situation. If we continue to grow the economy, we must consume more and more resources at an exponential rate. This means exponential rates in natural resource consumption, waste generation, population growth, biodiversity loss. If we do not grow the economy, debts cannot be repaid, bankruptcies loom, and production grinds to a halt. These are the only two options with the current system, both of which are disasters for humankind. Furthermore, the trend of increasing automation of production displaces workers and upsets the labor-for-income game at the very heart of capitalistic society. We simply need fewer and fewer people to work to provide ever higher amounts of output. So we encourage people to consume for no better reason than for the health of “the economy”. This is absurd and I think most people know it. Put simply, we must evolve.

Any new economic system must be a form of steady-state economics, one that utilizes interest-free money so economies are not under a pressure to grow. Most likely, there will be many different kinds of economies in a gradual transition to a [world based on access](#) (instead of ownership). The [sharing economy](#) helps people recognizing the [inherent inefficiencies in ownership](#) by helping them to utilize their resources more efficiently. Gift economies embody our natural desire to give and help to route resources to real needs, not through a government redistribution scheme but by recognizing collectively that when we give, we also receive the gift of gratitude. Resource-based economies put the focus back on the most efficient use of resources given the sustainable yield of local ecosystems.

Sustainable economics is not limited to just these ideas. Indeed, we are in dire need of new ideas. Time banks, LETS systems, local currencies, transition towns, social dividends, shifting taxation from income to natural resources are all some of the ways to transition out of the highly consumptive society and into resilient, local communities based on foundations of trust and [interconnection](#). Remember, the only thing that gives a system power is people believing in the system’s [stories](#). If we no longer believe in the story of growth, we can, as Gandhi says, begin “to be the change we want to see in the world.”

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