

A Statement on  
Economics, Ecology  
& True Wealth  
Juliet B. Schor

# Plenitude

## The financial panic of 2008 was horrible, but it did have one good result: *the nation began its first interesting conversation about economics in more than 25 years.*

Suddenly the professionals didn't have all the answers. They were genuinely unsure about what was happening, and while they were scratching their heads, sensible new ideas started popping up. Previously un-thinkable options such as breaking up huge financial institutions, or large-scale subsidies for clean energy were being considered. There was talk about forcing the auto companies to convert to cleaner vehicles or even to produce mass transit vehicles. A variety of economic paradigms were being taken seriously. Within six months, people under thirty were divided on whether capitalism or socialism was a better system. (Among all adults, the pro-capitalism faction was 53%, with 20% preferred socialism, and 27% were undecided.)

Like the GNP, this conversation collapsed, especially within the Beltway. There has been just enough growth in certain indicators, and in GNP overall, that the business-as-usual, "let's put Humpty together" crowd has again prevailed. President Obama has no stomach for another substantial intervention like the stimulus, and has turned his attention to the deficit. If he makes any progress on reducing it—which is unlikely—that would only drag the economy back into the doldrums. Republicans have nothing to offer but tax cuts, which a mountain of economic evidence predicts won't do much of anything to generate confidence, demand, or jobs, especially in the short run. Congressional Democrats are right to focus on emergency measures such as extending unemployment insurance benefits, but are myopic beyond this. Progressives, one group we might expect to be engaging in a genuinely innovative conversation, are stuck in New Deal 2.0. As if anyone could seriously think that the economic policies of 80 years ago are the best we can do in the globalized, hyper-technologized, ecologically-challenged world of 2010.

Does the shut-down of an interesting conversation on economics mean that our economic problems have been, or at least are on track to be solved? Certainly the Administration, Wall Street and others would like us to think so. But a variety of indicators suggest otherwise. Unemployment—the most important economic indicator for most people—remains officially at double-digit levels and, unofficially, perhaps twice its official number. One in eight Americans is receiving food stamps. Foreclosures are going strong, credit remains tight and states and municipalities are in crisis. Our economic problems will not just melt away. Stimulus dollars will dry up over the coming year and Census jobs will end. To return to pre-collapse levels of employment, the economy would have to generate half a million jobs a month for two years. That's not going to happen.

Business-as-usual economics relies on stimulating GNP to solve virtually all problems. But GNP is increasingly de-linked from the well-being of most Americans. Since the mid 1970s, it has diverged from most social well-being indicators. So even if GNP does continue to grow, and the recession is officially declared over, the implications for most households are different from in the past. First, a greater number of the jobs that will be created will be located outside the country, because companies are so much more globalized. Second, consumers will not be spending freely again, and the nation's large excess of imports over exports is likely to be a thing of the past. This means that rising production will be filling up filling the refrigerators, closets and garages of foreigners rather than consumers at home. Finally, history strongly suggests that the profitability of businesses, having risen since the early 1980s, has entered a long-term downward slide. Those most likely to suffer from this are employees, whose wages and benefits will be squeezed to make up for the shortfall. Business-as-usual (BAU) is likely to yield more austerity.

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There's another reason that relying on growth in GNP to provide well-being is a faulty strategy: climate change and ecological crisis. Emissions of greenhouse gases, which pollute the air and de-stabilize the climate, move closely with production. That's a major reason why U.S. emissions declined in 2008, as the economy dived. Output growth is also degrading natural assets such as forests, arable soils, and water eco-systems at an unprecedented rate. Business-as-usual is taking us off a cliff, particularly on climate. Scientists and the sustainability movement recognize this. Many in the public do as well. But economists, and especially macro-economists are in denial about it.

Indeed, even in standard economic terms, BAU makes little sense. Until we shift out of fossil fuels and into clean production technologies, much of what we call growth in GNP is growth in name only. It's a run-down of the natural assets of the planet: atmosphere, oceans, forests and land. We're not accounting for eating into that capital. Twenty-five years ago the Bureau of Economic Analysis tried to get a handle on exactly how much of this was going on, by creating a set of expanded national income accounts. But Congress prevented them from doing so, courtesy of the same corrupt group that is leading the climate denial industry, blowing up mountaintops and enabling mine disasters: king coal. As we make our way through their smokescreen, people will realize we can't just "grow" our way back to economic health with business-as-usual. We have to clean up our act, quite literally, and make some very fundamental changes in how we use the precious resources of the planet.

So how could we move forward, in a way that reduces emissions, protects the planet, and yields jobs and livelihoods? I call it plenitude, because it's a pathway, not to sacrifice and austerity, but to investment in sources of true wealth that have been neglected in recent decades. It reclaims time, promotes creativity and innovation, and invests in the social capital we're all going to need as the market and the climate get more unstable in coming years. Its beauty is that it doesn't require the government to make it happen (although government policy can certainly accelerate it). It's a way forward that individuals can get started on right away. **At the scale of the individual or household, plenitude has 4 main principles.**

**The first is that the strategy which optimized individual wealth and well-being over the last 25 years has changed.** I am referring to the use of one of our most precious resources: time. For a quarter century, individuals have been devoting an increasing number of hours to the market. Jobs are more demanding and people spend more hours per year in paid employment. More people joined the labor market. Second jobs became more common. Commutes got long. The average individual or household devoted more time and energy to the market, in order to earn money. Fair enough. These were boom times, and many were profiting from them. But that devotion to the market had a price. Social ties frayed, as there was less time available to reproduce them. Community eroded. Household production—an important component of a good life—collapsed, especially for certain activities. An excessive market orientation led to more ecological degradation.

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Now the external environment has changed dramatically. If my analysis above is correct, and jobs will be less plentiful and returns from the market more meager, the old strategy no longer makes sense. The relative benefits from market and non-market activity have changed, and the savvy strategy is to begin diversifying out of a market-centric lifestyle into new ways of spending time and energy that will yield higher returns and more satisfaction. Concretely, that means working fewer hours in a primary job and freeing up time for some novel, high value activities. It's a shift that an increasing number of people are making, gaining tremendous satisfaction in the process.

As people shift out of the “business-as-usual” economy, they are opting into a range of new, ecologically light, high-satisfaction activities and ways of creating livelihood. **This brings us to the second principle of plenitude. Academics call it self-providing, but it’s more popularly known as DIY, or Do-It-Yourself.** For most people, devoting less time to the market means earning less, so that income has to be replaced in some way. One strategy is to produce some of what you need by making it yourself. Millions of Americans have started vegetable gardens, which like all DIY activities, yield multiple benefits. Gardening yields healthy, tastier food with little cash outlay. It provides exercise and great satisfaction. Those who are in community gardens are building social relations and friendships. But vegetable gardening is just the tip of the iceberg. Self-provisioning is booming in other forms of food production, especially in urban areas. There’s an urban poultry movement, an urban bee-keeping trend, mushroom and herb cultivation, roof gardening and a range of other practices.

Wait a minute, you may be thinking. People flocked into the market because its division of labor yielded higher productivity and more production. Isn’t the trend to self-provisioning going backwards, to a time of back-breaking labor and low returns? How can this make economic sense?

What makes the current trend to self-provisioning different from the low-productivity past is a new set of technologies and knowledges that have made small-scale production far more efficient and high-return than ever before. This is not your grandmother’s DIY.

The philosopher Fritjof Bergmann has termed the new trend high-tech self-provisioning, because it relies on ways of producing that require far less labor, especially less brawn and low-skill labor than in the past. In the realm of food production there’s the emergence of permaculture, a knowledge-intensive form of production that relies on synergies among crops and between crops and animals. Chickens eat insects. Manure fertilizes plants. The results are high yields with less backbreaking labor than in the past. There are new “miracle-gro” systems that use nutrients to grow vegetables,

and circumvent the arduous practice of weeding. And these innovative ways of producing extend far beyond food into energy, construction and even small-scale manufacturing.

Small, computerized prototyping machines are now available at reasonable cost that allow individuals to produce almost anything. Pioneered at MIT for public use, “fab labs,” which are combinations of the essential machines needed to reproduce an entire lifestyle, are spreading around the globe. Using scrap materials and brain power for the programming, people are deploying these machines to make toasters, alarm clocks, furniture, computers, bicycles, clean energy, even pre-fab, low-cost housing. In Afghanistan, they’re making prosthetics. In India, they’re working on solar devices. In the US, the range of products is wide, and even includes programming these amazing machines to replicate themselves. The National Science Foundation has teamed up with community groups in the New York Metropolitan Area to teach low-income high school students how to use these technologies. It’s a whole new world of skills that enable self-reliance, creativity, and ultimately entrepreneurship.

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In construction, we've seen the emergence of a range of techniques that rely on local and low-cost or free materials, such as compressed earth, scrap, stone, and straw. Knowledge of these options has enabled a growing number of households to bypass expensive builders and hefty mortgages, which tie them into the BAU economy for decades to come. Instead they're going DIY, often joining with neighbors and friends to build ecologically friendly, innovative houses. In New England they're constructing yurts. In the Southwest, it's adobe. What's common to them is that they rely on smart design, "unpaid" labor, and low-impact designs. The homes range from funky to spectacular.

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Fab labs, permaculture and other knowledge-intensive, clean technologies make it possible for individuals and households to get much of what they need at low financial cost, and therefore without heavy reliance on the BAU economy. They also represent a pathway to small-scale, green entrepreneurship. As people acquire the skills to make things efficiently and well, they begin to produce more than they need for their own use. They barter and sell, and turn these avocations into small businesses. Self-reliance becomes a route to incubate a swathe of new enterprises. This is already happening around the country. A couple that builds a house with free or ecological materials (straw, stone, scrap) turns their experience into a business helping others do the same. An avid permaculturist develops a livelihood selling foodstuffs. An aspiring fashion designer starts with DIY and turns her passion into an income. These examples suggest another benefit of the plenitude path: it fosters human creativity. All of us have the urge to make and do, but many are stuck behind

desks, pushing papers. The practitioners of plenitude are integrating the work of the mind with the work of the hand. They're practical, smart, and creative. It's a holistic vision of economic life.

A small-scale green sector has two other key virtues: it's far lighter on the earth than the BAU economy, because it's more localized and its production technologies are cleaner. And it's a jobs engine. Virtually all the job growth the US has had in recent decades has come from small and medium-size businesses, not the giants that dominate the global economy.

## It's a holistic vision of economic life.

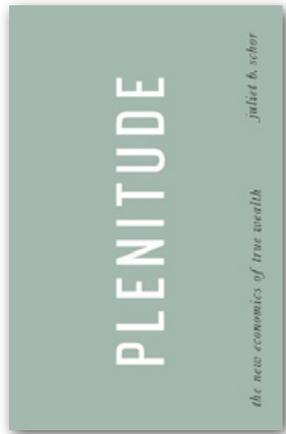
The plenitude future is in some ways the antithesis of the economy that crashed in 2008. That system relies on highly centralized, concentrated economic power, in large corporations and the government. The Republican version of it is more big corporations, less government. The Democratic version shifts that balance toward the state. New Deal 2.0 shifts it even more. But a centralized, big-corporation or big-state solution fails to take advantage of the opportunities afforded by the 21st century. What's different now? We've had an information revolution and an education revolution. The population—especially young people—is highly versed in numeracy and literacy. Households can adopt advanced technologies, share information on the web, and adapt and improve design specs and software. The combination of technology and human learning make possible a de-centralized economy in which people have far more control over their daily conditions of life, can determine their own economic fates, and can connect with each other in on-line networks that replace the coordination functions that centralized institutions provided in the 20th century. Add some mechanisms for sharing risk (eg., insurance schemes), and this small-scale, independent entrepreneurial system becomes the ideal way forward under current circumstances.

As I said earlier, plenitude has 4 principles for the individual, and I've only described two in this manifesto: the shift of labor out of the BAU market and self-provisioning. The other two are described in more detail in my book *Plenitude: The New Economics of True Wealth*, but I'll briefly describe them here. **The third is a new attitude toward consuming.** The plenitude consumer will have less excess cash, so she's not a devotee of shop 'til you drop. Rather than an orientation to buying new, she's more ecologically conscious in her purchases, and more involved in economies of sharing, re-use and re-sale. These are growing rapidly, in part, because the web facilitates them and because their low costs make them more appealing.

**The final tenet is re-building social capital and community.** It's a potent economic investment, because the assets we invest in each other are now understood to be a core element of successful economies and societies. We've run those down in recent years. Plenitude practitioners are re-connecting with their neighbors, revitalizing communities, and building a human safety net. This is especially important to create resilience, one essential characteristic of economies that gets eroded in centralized systems. As the climate gets more unstable, and the financial system continues to have its ups and downs, the ability to withstand, and even thrive in these times will be essential. Social connections are key to that resilience.

I said above that plenitude is my vision of a way forward. That's true. But it's also a way of living and producing that is proliferating around the country. The combination of recession, new technologies, and a commitment to sustainability is propelling this high satisfaction, low impact style of life.

**Plenitude is emerging, and with it the chance to re-start an economic conversation that can be interesting once again. 📖**



## BUY THE BOOK

Get more details or buy a copy of Juliet Schor's [Plenitude](#).

## ABOUT THE AUTHOR

Juliet Schor's new book *Plenitude: The New Economics of True Wealth*, is a breakthrough statement on economics and ecology. She describes how individuals can participate in an emerging small-scale decentralized economy that harnesses new technologies and entrepreneurial energy while meeting people's needs for livelihood. Schor counsels investing in neglected sources of wealth, such as time, creativity and connection, and divesting from the failing activities and paradigms we've gotten trapped in.

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