

The New American Farm In a Sustainable Capitalist Economyⁱ

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We live in perilous times. At no time since the Great Depression of the 1930s has the U.S. economy been so vulnerable to economic chaos and collapse. We came pretty close to the brink in 2008 and we have not backed far from it since. Those in positions of political and economic power would like us to believe that the worst of the current recession is behind us. However, there is no sign of recovery in the “real economy,” where those in the middle class must make their living. A “jobless recovery” is only an economic oxymoron.

A *real* economic recovery will not come about until we find something to replace the good paying jobs that U.S. corporations have moved, and continue to move, to lower-wage countries of the world, such as Mexico, India, and China. Real economic growth cannot be sustained until American middleclass workers can again earn enough money to buy the things they “make in America.” They simply can't continue borrowing money to maintain consumer spending at levels needed for an economic recovery. Many Americans are already suffering from far too much debt, with “maxed out” credit cards and home mortgages larger than the deflated values of their homes.

The government is in no better financial condition than is the average taxpayer. With the federal financial bailout and the economic stimulus programs, the federal debt has skyrocketed to levels unthinkable a mere decade ago. The U.S. has been forced to resort to borrowing from other countries, particularly Japan and China, as our own citizens are unwilling or unable to lend money to their government. Furthermore, there is no indication U.S. taxpayers will ever be willing to tax themselves to pay off the mounting U.S. debts to other nations. An economic recovery fueled by government loans that taxpayers *won't* repay is no more sustainable than was the economic boom fueled by housing loans that borrowers *couldn't* repay.

Perhaps most worrisome, nothing of any real significance has changed since the recent financial meltdown. The large financial institutions remain essentially unregulated, even after the recent so-called “financial reform.” If anything, the government's response to the current crisis has increased the likelihood that something similar will happen again. A jobless financial

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recovery will likely be just another “house of cards.” If so, when the new house of cards begins to fall, with government credit maxed out and taxpayers tapped out, it's difficult to think of anything that might prevent a U.S. and global financial collapse.

We are not actually going to solve today's economic problems until we are willing to face the reality of what's causing them. Today's economic problems are direct consequences of decades of economic extraction and exploitation. All economic value is derived either from natural or human resources; there is simply nowhere else to get anything that has economic value. In our narrow pursuit of individual, economic self-interests – particularly over the past three decades – we have depleted the productivity of both nature and society. Sooner or later we must face the reality that we are rapidly depleting our only possible sources of *real* economic value. We are threatening the future of our economy, our society, and of humanity.

At no time in recorded history has humanity faced ecological risks comparable to those of global climate change and “peak oil.” Even the major oil companies now grudgingly admit that we are either at or near a peak in global oil production, the only source of *cheap* fossil energy. We have depleted approximately half of the world's total stocks of petroleum in just over a century. All of the remaining reserves of fossil energy – including oil, natural gas, and coal – will be less abundant and more difficult and costly to extract and use. With booming economies in the most populous nations of the world, particularly China and India, all of the economically recoverable stocks of fossil energy may be largely depleted by the middle of this century. All of the logical alternatives to fossil energy – biofuels, wind, water, photovoltaic, and nuclear – will be more limited in quantity and higher in cost. The days of cheap energy are over.

Meanwhile, our continuing reliance on fossil energy is creating a growing threat to the global environment. Ecological disasters such as the “blow out” of the BP oil well in the Gulf of Mexico may be commonplace as the energy companies go deeper under the seas and into ever more remote regions in search of earth's remnant fossil energy. In addition, the key chemical elements in greenhouse gasses are bound up in oil, natural gas, coal, and other fossil energy resources. These elements are released with the release of each calorie of fossil energy. No one can possibly predict the ultimate consequences of a rapid change in global climate. The cumulative impacts of these catastrophic threats could threaten the future of human life on earth. We simply cannot sustain our capitalist economy by relying on fossil energy.

Neither can we sustain the American economy on the backs of the American worker. After decades of corporate exploitation of the U.S. workforce, the economic disparity between the rich and the average American has reached levels unprecedented since the “gilded age” of the early 1900s. The annual income of the highest paid *one-percent* of U.S. workers is greater than the incomes of the poorest *one-half*. The disparity in *wealth* is even greater; the top 25% of American society being 33-times wealthier than the 25% that makes up the lower middle class. As Alan Greenspan wrote upon leaving his position as Chairman of the Federal Reserve System, “The income gap between the rich and the rest of the U.S. population has become so wide, and is growing so fast, that it might eventually threaten the stability of democratic capitalism itself.”¹ That eventuality has become a reality. The futures of both capitalism and democracy are in peril.

We simply can't keep on doing the things we have been doing. The industrial era of economic development has brought tremendous material progress and no one would choose to return to pre-industrial times of widespread drudgery, deprivation, disease, and early death. However, we simply cannot continue depleting the natural and human resources upon which all economies ultimately must depend for their productivity. Reflecting on the current economic crisis, French President, Nicolas Sarkozy proclaimed, "A great revolution is waiting for us. For years, people said that finance was a formidable creator of wealth, only to discover one day that it accumulated so many risks that the world almost plunged into chaos. The crisis doesn't only make us free to imagine other models, another future, another world. It obliges us to do so."

Industrial economic development is not sustainable. It cannot meet the needs of the present without diminishing opportunities for the future. This is not a personal opinion. It is a conclusion based on the most fundamental laws of science and most basic principles of economics. Sustainability ultimately is a matter of energy. Our houses, automobiles, clothes, food, all things of use to us... require energy to make and energy to use. In fact, all material things are concentrated forms of energy. That's what Einstein's famous equation $E=MC^2$ is about: E equals energy, M is matter, and C is the speed of light. All useful human activities – working, thinking, creating... – also require energy. In fact, the brain accounts for about one-fifth of energy used by the human body. In addition, we are not born as productive individuals but as helpless babies. We have to be nurtured, educated, socialized, and civilized by families, communities, and society before we become “useful.” All of this requires energy, including “social energy.” The sustainability of human life on earth depends on sustaining the usefulness of energy.

According to the first law of thermodynamics, energy can neither be created nor destroyed, which might suggest that sustainability is inevitable. However, according to the second law of thermodynamics, each time energy is used, some of its *usefulness* is lost – the law of entropy. Whenever energy is used, it always changes in form, specifically from more concentrated, organized forms to more dispersed, disorganized forms, as when gasoline explodes in the engine of an automobile. In fact, this natural tendency to disperse is what makes energy useful. Each time it is used and reused, it becomes less concentrated, less organized, and thus, less useful. Some forms of energy can be reconcentrated and restored, but this requires energy, which is then unavailable for other uses. No matter how efficiently energy is used and reused, energy inevitably tends toward uselessness, toward entropy.

Solar energy is the only source of new energy available to offset the loss of useful energy to entropy. Consequently, the sustainability of human life on earth ultimately depends on capturing, concentrating, and storing sufficient quantities of solar energy to offset the usefulness of energy lost to entropy. This is the essence of sustainability.

Economists have shown little interest in sustainability because neoclassical economics is based on the unspoken assumption that science and technology will always be capable of finding substitutes for anything we use up and solving any problem we create. Most economists seem to believe all we need to do to ensure a sustainable economy is to provide the appropriate economic incentives. However, things have economic value only because they are useful, and their usefulness ultimately is derived from energy. All economic value must be derived from either

natural or human resources – from nature or society – the only sources of useful energy. Once all of the useful energy in nature and society is used up, there will be no source of economic value.

The fundamental problem in relying on economic incentives is that economic value is inherently individualistic; it places no value on purely social or non-instrumental relationships. To an economist, a rational relationship is always a means to an economic end. It makes no economic sense to do anything for the sole benefit of someone else or for society in general. Likewise, it makes no economic sense to invest in anything for the sole benefit of those of future generations. There is no way for an individual to realize economic value after he or she is dead. Since life is inherently uncertain, we value things we can enjoy today more highly than things we might or might not be able to enjoy in the future. There is no logical reason to believe that even the most pure of economic incentives will be adequate to ensure economic sustainability.

We are at one of those times that come along every few hundred years in human history when one era is dying a painful death and another is struggling to be born. Industrial economic development seemed appropriate for a world with relatively few humans and vast natural resources, including a seemingly endless capacity of nature to absorb our wastes. Our world of today is becoming crowded and its remaining resources are scarce and fragile. In such a world, our current approach to economic development is creating far more problems than it is solving.

As Albert Einstein once wrote, we can't solve problems using the same thinking we used when we created them. Our current economy reflects a *mechanistic* way of thinking that emerged during the “enlightenment,” which began in the 1600s. The thinkers of those times visualized the world as a big complex machine – like a clock. Mechanisms are very efficient means of extracting useful energy, but they are fundamentally incapable of energy regeneration. No matter how efficiently they may use energy, *mechanistic organizations* of the future – businesses, governments, nonprofits – eventually will lose their ability to do anything useful for humanity.

Sustainable economic development will require an *organismic* way of thinking – the world as a complex living organism. Only living systems are capable of self-renewal and regeneration and thus capable of offsetting the loss of useful energy to entropy. Green plants have the ability to capture energy from the sun and store energy in their tissues. Plants are biological solar energy collectors. People also are capable of capturing solar energy; we use windmills, water impoundments, and photovoltaic cells. However, humans are inherently dependent on the biological energy collected and stored by green plants. Living things, including people, also have a natural inclination and ability to devote a significant portion of their life's energy to reproduction, meaning renewal and regeneration. Sustainable economic development must be based on the paradigm and principles of biological, living systems.

Agriculture provides a compelling metaphor for the inability of current thinking to address the real issues of economic sustainability and the necessity to rethink our view of the world and our place within it. Food is among the most basic of all human needs. We are biological beings. If we destroy the biological integrity of the earth, we destroy the future of humanity. There are already too many people on the earth to return to hunting and gathering. Therefore, the sustainability of human life – at any level remotely comparable to that of today – depends on the sustainability of our supply of food, specifically the sustainability of agriculture.

Today's dominant paradigm of industrial agriculture provides a useful metaphor for the perils of industrial economic development. Conventional American agriculture relies on the basic industrial strategies of specialization, standardization, and consolidation of control. In the quest for economic efficiency, farms have been transformed into factories without roofs and fields and feed lots into biological assembly lines. The industrialization of agriculture has yielded impressive results, at least in terms of productivity and economic efficiency. However, it has degraded its natural resource base, depleted its human resource base, and destroyed economic opportunities for the future. Today's industrial agriculture fails every test of sustainability.

As American agriculture has become more industrial, it has become increasingly dependent on fossil energy. The total food system currently claims about 20% of all fossil energy used in the U.S. with farming accounting for about one-third of the total. In fact, our industrial food system requires about ten calories of fossil energy for every calorie of food energy it provides. Agricultural pollution represents negative energy, in that it destroys the usefulness of other energy resources or requires energy to mitigate its negative impacts. Industrial agriculture pollutes the air, water, and soil with toxic agrochemicals and livestock manure. In fact, agriculture has become the number one source of nonpoint source pollution in the U.S., creating huge “dead zones” in the Chesapeake Bay and Gulf of Mexico. Industrial agriculture also is a major source of the greenhouse gases that contribute to global climate change. An industrial agriculture is not ecologically sustainable.

Industrial agriculture also is a significant contributor to the depletion of “social energy.” Farm workers today are among the lowest paid workers in the U.S., while working under dangerous and disagreeable conditions, most without adequate health care or other fringe benefits. A growing reliance on migrant farm workers also creates cultural and political conflicts in an economy where jobs are scarce. The pollution of air and water and threats to human health associated with large scale confinement animal operations or CAFOs also invariably rip the social fabric of rural communities apart. Industrial agriculture has meant larger farms and fewer farm families. Farming communities depend on farm families, not just to support businesses on Main Street but also to maintain viable local schools, health care, and other public services. As a consequence of industrialization, rural communities in agricultural areas have suffered decades of economic and social decline and decay. An industrial agriculture is not socially sustainable.

These negative ecological and social impacts are defended as being economically necessary – to ensure an adequate supply of safe and healthful foods at prices that are affordable to all. However, there are no fewer hungry people in the U.S. or in the world today than before the industrial era in agriculture began. The introduction of genetically modified organisms or GMOs as a means of addressing world hunger instead casts a pall over the future of global food supplies. While their ultimate impacts on human health and the environment are inherently uncertain, and thus risky, the prevalence of GMOs most certainly would place future global food production under the control of a few giant multinational corporations. There are also growing indications that many of today's industrially produced foods are not healthful or even safe to eat. Outbreaks of salmonella and E-Coli have become commonplace. Millions of Americans suffer from diet related illnesses, such as obesity, diabetes, heart disease, and various forms of cancer, all of which are most common among those with the lowest incomes.

Industrial agriculture certainly hasn't been economically viable for most farmers. The total number of farmers in the U.S. has dropped from more than six-million in the 1930s to around two-million today, and a large majority of farm household incomes today come from something other than farming. In fact, many farm families fare little better than migrant farm workers, as independent farmers are periodically forced out of business to make room for further consolidation. Much of today's agricultural production is carried out under comprehensive contracts with multinational agribusinesses which leave farmers little better off than serfs on their own land. An industrial agriculture is not economically sustainable.

There is no scarcity of information today concerning the impacts of industrial agriculture. Best-selling books, such as *Fast Food Nation*² and *Omnivore's Dilemma*,³ are awakening mainstream society to the dramatic changes in the ways our foods are being produced, processed, distributed, and marketed. *The End of Food*⁴ and *America's Food*⁵ covers virtually all aspects of the industrial, corporately-controlled, global food system. Video documentaries such as *Future of Food*,⁶ *Broken Limbs*,⁷ *Food Inc*⁸ and *Fresh; The Movie*⁹ provide gripping images of the negative ecological and social impacts of an industrial food system on nature, society, and on the future of humanity. They all tell the same story of an unsustainable food system – lacking in ecological, social, and economic integrity. Specialization, standardization, and consolidation are not the future of American agriculture but they could well mean the end of American agriculture.

Thankfully, the food and farming books and video documentaries also tell the story of a hopeful future for farming and food production – the story of agricultural sustainability. Sustainable agriculture provides a metaphor for the promises or possibilities of creating sustainable economies. Sustainable farmers rely on green plants to capture and store solar energy and to regenerate the organic matter and natural productivity of the soil. They use crop rotations, cover crops, intercropping, managed grazing, and integrated crop and livestock systems to manage pests and maintain the fertility of their soils. They manage their farms as living organisms, of which they as decision makers are integral parts. By relying more on nature, they are able to rely less on purchased inputs, many of which are derived from fossil energy, reducing economic costs and environmental impacts while maintaining their productivity and profitability.

Sustainable farmers build personal relationships with their customers, not just to create a market but also because they value their friendships. Farmers and their customers find a renewed sense of community at farmers markets, community supported agricultural associations (CSAs), and community gardens, and other direct marketing venues. Sustainable farmers give priority to their local communities in marketing their products and purchasing products and local consumers give priority to local farmers – both value community and society. Farmers are able to increase product value and profitability while helping to build stronger local economies and communities.

Most important, sustainable farmers accept an ethical and moral commitment to preserve the natural productivity of their land and their communities by leaving them as good as or better than they found them. Sustainable farmers realize direct value from their relationships with their land and with people, not just the instrumental or economic value. They work in harmony with nature, not just to maintain productivity, but also to respect their honored role as stewards of the land.

They work in harmony with society, not just to create new markets, but to respect their honored role as responsible members of the human community.

The new sustainable approach to farming has many names, including organic, biodynamic, holistic, bio-intensive, biological, ecological, and permaculture. Such farmers and their customers share a common commitment to sustainability – to creating a new food system that meets the needs of the present without diminishing opportunities for the future. They are committed to relying on solar energy to renew, regenerate, and sustain the productivity of the natural and human resources that must support human life on earth, now and in the future. They are committed to agricultural and economic sustainability. They are the future of farming in America – the New American Farm.

These New American Farmers are real farmers. Real farming is a way of life as well as a way to make a living. Real farming is as much about family, community, society, and humanity as it is about production and profits. A real farmer is a good provider for his or her family, but also a good neighbor, a responsible member of society, and a responsible caretaker of the earth, and the living things of the earth, for the future of humanity. Industrial agriculture is agribusiness; sustainable agriculture is farming.

Public perceptions of the New American Farmer are being shaped by a few *Celebrity farmers*, such as *Joel Salatin*¹⁰ (*Polyface Farms, Inc.*) of Swope, VA and *Will Allen*¹¹ (*Growing Power Inc.*) of Milwaukee, WI. However, there are tens of thousands of these new American farmers scattered across the country. At least six “sustainable agriculture” conferences in the U.S. and Canada draw 1,500 to 2,500 people each year. Conferences drawing 500 to 700 people are becoming almost commonplace and virtually every state in the U.S. has an organic or sustainable agriculture organization hosting conferences that draw 100 to 250 people annually.

Smaller independent food processors and retailers are beginning to form alliances with these new farmers to compete with the large, corporate agribusinesses, which increasingly dominate both national and global food markets. A growing number of progressive retail food chains, such as *New Seasons Market*¹² in Portland, OR and *Hen House Markets*¹³ in Kansas City, MO are building their reputations and growing their businesses around locally grown foods. Discriminating restaurants, such as *Judy Wicks' White Dog Café*¹⁴ in the Philadelphia area and *Jesse Z. Cool's*¹⁵ restaurants in northern California are redefining really good food as local and sustainable. They are committed to the principles of sustainability, sourcing as much food as possible from local growers and keeping integrally connected with their local communities.

The movement is certainly not limited to restaurants and supermarkets. Multi-farm CSAs and food cooperatives such as *Grown Locally*,¹⁶ *Idaho's Bounty*,¹⁷ and *the Oklahoma Food Cooperative*¹⁸ range from local, to regional and state-wide in scope and offer a variety of local products under various purchase and delivery options. *Good Natured Family Farms*¹⁹ not only provide local foods for *Hen House Markets* but also operates their own multi-farm CSA in the Kansas City area. These innovative *agripreneurs* are creating the template for the New American Food System.

Over time, with supportive changes in public priorities and policies, a global network of sustainable, community-based food systems can and eventually must replace the current

industrial, corporately controlled global food system. Various natural food retailing surveys have shown that approximately one-third of American consumers today are looking for alternatives to industrial foods, specifically foods that have ecological, social, and economic integrity, and their numbers are growing rapidly.²⁰ A sustainable alternative to the current fossil energy dependent, industrial food system is an absolute necessity in a world that is filling up with industrial wastes and running out of fossil energy.

The emergence of the New American Farm opens new opportunities for America's small farms. Many of today's farms are too specialized, too standardized, and too large to meet the growing necessity for sustainably produced foods. Thus, farms of the future will be more diversified, individualized, and smaller in size. They will be individually owned and operated, rather than corporately controlled, because there will be no advantage to consolidation of control. Sustainable farming must balance the ecological, social, and economic dimensions of farming. There are sound, practical reasons to believe the balance and harmony needed to achieve agricultural sustainability will result in a larger number of smaller, more diverse, independent family farms rather than a smaller number of large, standardized, corporate farms.

Nature is inherently diverse. Geographic regions are different, watersheds are different, farms are different, and even fields on given farms are different. Industrial agriculture treats different fields, farms, watersheds and even regions as if they were all pretty much the same. Industrial farming systems can be tweaked a bit here and there, but the same breeds and varieties, same fertilizers and feeds, pesticides and antibiotics, machinery and equipment, and the same business and marketing strategies are used across fields, farms, and watersheds, in all regions of the country. The current environmental problems associated with industrial agriculture provide strong and growing evidence that most farms have already outgrown their ecological niches. Sustainable farms will respect the diversity of nature; they will be smaller ecologically.

The markets for food are also inherently diverse. Today's mass markets are made up of individual consumers, and being individuals, we are all different. We don't all need or want the same things. In fact, each of us actually prefers something just a little bit different, and thus, values the same things a bit differently. Mass markets are created by lumping together a lot of people who are willing to accept the same basic things. The explosion in markets for locally grown foods indicates that many consumers not only prefer but demand something different from today's industrial foods. Sustainable farms will respect the diverse tastes and preferences of their customers; they will be smaller economically.

Small farms are real farms. Small farmers care about families, customers, communities, and humanity. They committed to finding ways to make a decent living without compromising their social or ethic values. This gives small farms a comparative advantage in meeting the unique needs of individuals and small groups of consumers without compromising their ecological integrity. That's why the numbers of farmers markets and CSAs have been more than doubling during each ten year period over the past couple of decades. That's why the organic farming movement was initiated and led by small farmers and why organics has been the fastest growing segment of the food retailing for the past twenty years, doubling every three to four years. That's also why *local* foods have replaced organic foods as the most dynamic sector of the food market,

as large-scale, industrial production has become more common in organics. Small farms, real farms, are the American farms of the future.

The same things that are happening in agriculture are happening all across our economy and society. Everything of economic value, not just our food, must be derived from either the resources of nature or society. We are depleting not only the productivity of agricultural land and rural people but also the productivity of all natural and human resources. The relationships are just more direct and easier to see in agriculture. The environmental, social, and economic challenges confronted today by American and global society are a direct consequence of the lack of sustainability of today's paradigm of industrial economic development. We are systematically destroying the future of humanity.

The same opportunities that are emerging in American agriculture are emerging throughout the U.S. economy. Businesses, governments, and all other organizations of the future must be managed as living organisms, rather than the inanimate mechanisms. The basic principles of sustainable farming also must permeate societies, economies, and communities. The most fundamental of these principles are those of self-renewing, regenerative, living systems. At the most basic level, every living thing is defined by selective boundaries. Every healthy living cell is defined by semi-permeable or selective membranes. Living organisms and organizations are defined by boundaries that are also semi-permeable, meaning they are selective in what they allow in and out. This selectiveness – this ability to let some things in, keep some things out; keep some things in, let some things out – allows living organisms and organizations to live, renew, and reproduce.

The great transformation in our economy and society will bring new opportunities to revitalize America's rural and urban communities. Industrialization has destroyed the economic and social boundaries that once defined America's communities, making their natural and human resources vulnerable to economic extraction and exploitation. Sustainable communities of the future must reestablish the boundaries that once defined local social networks and local economies to protect their resources from outside exploitation. The purpose of such boundaries is not to prevent communications or economic transactions with those outside the community, but instead to allow communities to be selective in their social and economic relationships with outsiders. Sustainable communities need not be self-sufficient but must have sufficient sovereignty, including food security, to participate only in relationships of choice rather than relationships of necessity.

The same kinds of opportunities that are emerging in agriculture are also emerging for businesses in other sectors of the economy. As a consequence, most businesses in sustainable communities of the future will be individual proprietorships or partnerships – independently owned and operated. Smaller family-owned or locally-owned corporations may have places in the future, but large publicly-owned corporations will be seen as a relic of the old industrial past. Even today, small businesses provide more than half of the new jobs and the proportion will likely be far higher before the current economic recession is actually over. The people who own and operate small businesses in the future will be real people, not faceless corporations, and most will be responsible members of their local communities. Their business decisions will reflect not only their individual self-interests but also their interests in the well-being of their communities

as a whole – and the future of humanity. Many of the owners and operators of these new businesses will choose to locate in rural communities.

People in sustainable communities will show preferences for local businesses whenever such preferences are in the long-run best interest of the community. Thus, government policies of the future must allow communities to give priority to sustaining their local economies over the economic efficiency of interstate commerce and international trade. Inter-community and interstate commerce will take place only when it's mutually beneficial. Rural communities will no longer be the dumping grounds for animal waste, solid wastes, or toxic substances created and discarded by the rest of society. Communities must demand the right and accept the responsibility to protect their natural resources and their people from extraction and exploitation.

This is not some idealistic dream. A growing number of *eco-municipalities* in Sweden, Canada, and the United States are working to develop “ecologically, economically, and socially healthy communities for the long term.” The Natural Step²¹ community development process seeks to minimize wastes from both naturally occurring and manufactured substances while maintaining natural ecosystems and sustaining a healthy, productive local society. More than 70 communities in Sweden, ranging in size from 300 to 700,000 and representing about 25% of all Swedish municipalities, have adopted the Natural Step process. At least three eco-municipalities in Canada and twelve in the United States, mostly in Wisconsin, have adopted sustainability planning objectives based on Natural Step principles and their numbers are growing.

The Business Alliance for Local Living Economies is an international alliance of more than 50 independently operated local business networks dedicated to building local living economies.²² A *living economy* is defined as one in which economic power resides locally, for the purpose of sustaining healthy community life and natural life as well as long-term economic viability. There is no shortage of programs to guide development of sustainable local economies. The challenge is to convince people of the advantage and necessity of investing their time, energy, and money locally, rather than continuing to support the unsustainable paradigm of industrial development.

Sustainable farms, businesses, and communities can persist only if they exist within the context of sustainable economies. Many prominent people around the world are beginning to realize the current neoclassical conception of capitalism is not sustainable. French Prime Minister Nicolas Sarkozy, in responding to the meltdown in global financial markets stated, “The idea that the markets are always right was mad.” He blamed the crisis on a betrayal of the “spirit of capitalism.” He argued that capitalist economies should never have been allowed to function without strict government oversight and regulation. He was right. It remains to be seen whether capitalism can survive the betrayal.

The critics of capitalism are correct in their conclusion that *unbridled, neoclassical* capitalist economies are fundamentally incompatible with economic sustainability. The founders of *classical* economics, including Adam Smith, Thomas Malthus, David Ricardo, and John Stewart Mills, understood the necessity for social and ethical constraints on market economies.²³ Adam Smith wrote in his 1776 classic, *Wealth of Nations*, “improvement in the circumstances of the lower ranks” should never be regarded as “an inconvenience to the society... what improves the

circumstances of the greater part can never be regarded as an inconvenience to the whole.”²⁴ He also wrote that *land*, meaning natural resources, “constitutes by far the greatest, the most important, and the most durable part of the wealth of every extensive country,”²⁵ suggesting that the *public* must accept responsibility for protecting the land -- their common wealth.

While the ecological and social risks of capitalism are real, no other economic system has been found that can rival its efficiency in carrying out economic activities that are legitimately private, personal, or individual in nature. Societies that have tried communism, socialism, and religious theocracies have never been able to meet the physical and material needs of their people. They are ultimately rejected by their people because they are not economically sustainable. Most individual economic decisions do not deprive anyone of their basic human rights or violate any moral imperative. These decisions legitimately belong in the individual, private economy, where there is no logical alternative to free markets. Capitalism, with all of its inherent risks, is still humanity's best hope for economic sustainability.

That said, the current *neoclassical* concept of capitalism is not consistent with economic sustainability. *Classical* economists understood that economies also must function within semi-permeable or selective bounds that allow the economy to meet our needs as individuals but does not allow it the economy to extract more energy from either nature or society than it renews and regenerates. A capitalist economy is sustainable only to the extent that it renews and regenerates the ecological and social capital from which it must extract its economic capital. We must be selective in what we expect the economy to do to meet our individual needs and what we must do collectively to meet our common needs as members of communities, societies, and humanity.

An effective government is absolutely essential for economic sustainability. The most fundamental purpose of any government is to ensure the rights of the people it governs. The economy will not ensure equal access to those things to which all people have equal rights. As Americans, we don't have equal rights to all things, but we do have equal rights to some things, including life, liberty, and the pursuit of happiness. Happiness doesn't require equal income or wealth, but it does require some minimum level of material well-being as well as an ability to relate freely with others and to pursue a purposeful, meaningful life of dignity and respect. The economy rewards people in relation to their ability to produce economic value, not in relation to their rights or needs. People are inherently unequal in their abilities to create economic value.

If people have a right to the pursuit of happiness, they must be able to live in a clean and healthy environment and be protected from economic exploitation. To ensure life and liberty, not only of ourselves but of our posterity, those of future generations must be afforded the same rights as those of current generations. To ensure these rights, people must be willing to work together for the common good through government. The most important single act of government to support economic sustainability would be to adopt a constitutional amendment assuring equal rights for all people of future and current generations. Every piece of legislation and every economic transaction would then have to consider the possible implications for opportunities of future generations. That said, constitutional changes cannot be imposed upon the governed, but instead must reflect the consent of the governed. The people of America must choose sustainability. This is not socialism or communism; this is grass roots democracy.

To create a sustainable economy, we must abandon our pursuit of individual material wealth for the pursuit of a more enlightened concept of self-interest. Certainly, we are material beings and we need to accept responsibility for our individual, economic well-being. But we are also social beings. We need purely personal relationships that are not predicated on the expectation of economic benefits in return. We also are ethical and moral beings. We need to feel a sense of rightness and goodness in the things we do – to give purpose and meaning to our lives. Sustainability will require only that we choose a *more enlightened* concept of self-interest, meeting the needs of the present without diminishing opportunities for the future. This is not some radical, new idea. In the early 1800s, in his classic book, *Democracy in America*, Alex De Tocqueville called it “self-interest rightly understood,”²⁶ deeming it necessary for democracy.

Real economic recovery will be achieved, not by resuming an unsustainable rate of economic growth but through a more equitable sharing of economic rewards among those who create things of “real” economic value. The government budget deficit will be erased, not by future economic growth but through a more equitable allocation of the *economic* burden of government among those who benefit *economically* from an equitable and just society. A new era of human progress will be born when Americans realize that true prosperity – happiness, well-being – does not require continual, unsustainable economic growth. This is not socialism or communism; this is sustainable capitalism. Sustainability is not about government ownership of land or other means of production; it is not about central planning by government. It's about ensuring that free markets do what markets are capable of doing, and working together through government to do those things markets can't do – to ensure the common good. This is true democratic capitalism.

We are in the midst of a great transformation in human history. We simply cannot continue doing what we have been doing because we are rapidly depleting the natural and human resources upon which the survival of humanity ultimately depends. Today's capitalist economies are not sustainable. Economic sustainability is no longer an option; it is a necessity, if there is to be a future for humanity. The recreation process must begin with each of us, as individuals, as farmers, as business people, as members of local communities and of human society. We must begin with a new ecological understanding of the *living* world and of our place within it. We must then create new sustainable farms, businesses, and communities capable of sustaining our economy. The good news is that by working together we can create new sustainable farms, new sustainable communities, and a sustainable economy, and in so doing, we can create a fundamentally better way of life, not only for ourselves and also for those of future generations. We don't have to wait for someone else; we can begin making changes in our own lives, on our own farms and businesses, and in our own communities today. Together we can create a better way of life in America; hopefully, we still have time.

End Notes

¹ Alan Greenspan, as quoted in Christian Science Monitor, “Gap Between Rich and Poor Gaining Attention,” <http://www.csmonitor.com/2005/0614/p01s03-usec.html> , June 15, 2005.

² Eric Schlosser, *Fast Food Nation: The Dark Side of the All-American Meal* (Boston & New York: Houghton Mifflin Co., 2001).

³ Michael Pollan, *The Omnivore's Dilemma: A Natural History of Four Meals* (New York: The Penguin Press, 2006).

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- ⁴ Paul Roberts, *The End of Food* (Boston & New York: Houghton Mifflin Co, 2008).
- ⁵ Harvey Blatt, *America's Food: What You Don't Know About What You Eat* (Boston: The MIT Press, 2008).
- ⁶ *The Future of Food* <<http://www.thefutureoffood.com/>>
- ⁷ *Broken Limbs*, <<http://www.brokenlimbs.org/endorsements.html>>
- ⁸ *Food Inc.*, <<http://www.foodincmovie.com/>>
- ⁹ *Fresh; the Movie* <<http://www.freshthemovie.com/>>
- ¹⁰ *Polyface Farms Inc.* <<http://www.polyfacefarms.com/>>
- ¹¹ *Growing Power*, <<http://www.growingpower.org/>>
- ¹² *New Seasons Market*, <<http://www.newseasonsmarket.com/>>
- ¹³ *Hen House Markets*, Buy Fresh, Buy Local, <http://www.henhouse.com/cnt/BFBL_Homepage.html>
- ¹⁴ *White Dog Café*, <<http://www.whitedog.com/>>
- ¹⁵ *Jesse Z. Cool*, <<http://www.cooleatz.com/about/jesseziffcool.htm>>
- ¹⁶ *Grown Locally*, <<http://www.grownlocally.com/>>
- ¹⁷ *Idaho's Bounty*, <<http://www.idahosbounty.org/>>
- ¹⁸ *Oklahoma Food Cooperative*, <<http://www.oklahomafood.coop/>>
- ¹⁹ *Good Natured Family Farms*, <<http://www.goodnatured.net>>
- ²⁰ Allison Wortington, *Sustainability, the Rise of Consumer Responsibility*, The Hartman Group, Bellevue, WA, Spring, 2009.
- ²¹ Sarah James and Torbjorn Lahti. *The Natural Step for Communities: How Cities and Towns Can Change to Sustainable Practices* (Gabriola Island, BC: New Society Publishers, Inc., 2004).
- ²² BALLE, *Business Alliance for Local Living Economies*, "Mission and Principles Statement," <<http://www.livingeconomies.org/aboutus/mission-and-principles-1>>.
- ²³ Adam Smith and Herbert W. Schneider, *Adam Smith's Moral and Political Philosophy* (New York: Hafner Publishing Company, 1948).
- ²⁴ Adam Smith, 1904, original copyright 1776, *An Inquiry into the Nature and Causes of the Wealth of Nations, fifth edition*, ed. Edwin Cannan (London: Methuen and Co., Ltd), Book I, Chapter 8, paragraph 55, also available at <<http://www.econlib.org/library/Smith/smWN.html>> .
- ²⁵ Smith, *Wealth of Nations*, I, 11, 237.
- ²⁶ Alexis de Tocqueville, *Democracy in America*, (New York: Bantam Books, 2000, original copyright, 1835), 646-649.