



Solutions

For a sustainable and desirable future

Published on *Solutions* (<http://thesolutionsjournal.com>)

[Home](#) > Towards a New Economy and a New Politics

Towards a New Economy and a New Politics

Gus Speth

If America's present system of political economy were performing well, there would be little need to question it or seek fundamental change. But that is not the case. Asked what the key goals of economic life should be, many would reply, "to enhance social well-being while sustaining democratic prospects and environmental quality." Judged by this standard, today's political economy is failing. It is a failure that reaches many spheres of national life—economic, social, political, and environmental. Indeed, America can be said to be in crisis in each of these four areas.^{1, 2}

The *economic* crisis of the Great Recession brought on by Wall Street financial excesses has stripped tens of millions of middle class Americans of their jobs, homes, and retirement assets and plunged many into poverty and despair.

A *social* crisis of extreme and growing inequality has been unraveling America's social fabric for several decades. A tiny minority has experienced soaring incomes and accumulated grand fortunes, while wages for working people have stagnated despite rising productivity gains and poverty has risen to a near-30-year high. Social mobility has declined, record numbers of people lack health insurance, schools are failing, prison populations are swelling, employment security is a thing of the past, and American workers put in more hours than workers in other high-income countries.³

An *environmental* crisis, driven by excessive human consumption and waste and a spate of terrible technologies, is disrupting Earth's climate, reducing Earth's capacity to support life, and creating large-scale human displacement that further fuels social breakdown.

And a *political* crisis is reflected in governmental paralysis and a democracy that is weak, shallow, and corrupted—the best democracy that money can buy.⁴⁻⁷

The case for fundamental change is underscored especially by the urgency of environmental conditions.¹ Here is one measure of that problem: All that human societies have to do to destroy the planet's climate and biota and leave a ruined world to future generations is to keep doing exactly what is being done today, with no growth in the human population or the world economy. Just continue to release greenhouse gases at current rates, just continue to impoverish ecosystems and release toxic chemicals at current rates, and the world in the latter part of this century won't be fit to live in. But, of course, human activities are not holding at current levels—they are accelerating dramatically. It took all of history to build the \$7 trillion world economy of 1950; recently, economic activity has grown by that amount every decade. At typical rates of growth, the world economy will now double in size in less than 20 years. We are thus facing the possibility of an enormous increase in environmental deterioration, just when we need to move strongly in the opposite direction.

Accelerating environmental deterioration is most starkly revealed in the global trends—trends in which the U.S. economy and U.S. politics are deeply complicit. About half the world's wetlands and a third of the mangroves are gone. An estimated 90 percent of the large predatory fish are gone, and 75 percent of

marine fisheries are now overfished or fished to capacity. Twenty percent of the corals are gone, and another 20 percent severely threatened. Half the world's temperate and tropical forests are gone. The rate of deforestation in the tropics continues at about one acre per second. Species are disappearing at rates about 1,000 times faster than normal. The planet has not seen such a spasm of extinction in 65 million years, since the dinosaurs disappeared. Over half the agricultural land in drier regions suffers from some degree of deterioration and desertification. Persistent toxic chemicals can now be found by the dozens in essentially each and every one of us.

Human impacts are now large relative to natural systems. The Earth's stratospheric ozone layer was severely depleted before the change was discovered. Most importantly, human activities have pushed up atmospheric carbon dioxide by more than a third and increased other greenhouse gases as well, with the result that we have started, in earnest, the dangerous process of warming the planet and disrupting the climate. Everywhere, Earth's ice fields are melting. Industrial processes are fixing nitrogen, making it biologically active, at the same rate that nature is; one consequence is the development of hundreds of dead zones in the oceans due to over-fertilization. Each year, human actions already consume or destroy about 40 percent of nature's photosynthetic output, leaving too little for other species. Freshwater withdrawals doubled globally between 1960 and 2000 and now represent over half of accessible runoff. The Colorado, Yellow, Ganges, and Nile Rivers, among others, no longer reach the oceans in the dry season.

To seek something new and better, a good place to begin is to ask why today's system of political economy is failing so broadly. Environmentally, the answer is that key features of the system work together to produce a reality that is highly destructive. An unquestioning society-wide commitment to economic growth at almost any cost; powerful corporate interests whose overriding objective is to grow by generating profit, including profit from avoiding the environmental costs they create and from replicating technologies designed with little regard for the environment; markets that systematically fail to recognize environmental costs unless corrected by government; government that is subservient to corporate interests and the growth imperative; rampant consumerism spurred by an addiction to novelty and by sophisticated advertising; economic activity now so large in scale that its impacts alter the fundamental biophysical operations of the planet—all combine to deliver an ever-growing world economy that is undermining the ability of the planet to sustain life.¹

This environmental reality is linked powerfully with growing social inequality and the erosion of democratic governance and popular control. Only a powerful democratic reality can guide and regulate the economy for environmental and social ends, and only a society that is cohesive and fair is likely to rise fully to shared challenges like the environment. Unfortunately, Americans today live and work in a system of political economy that cares profoundly about profits and growth and that cares about society and the natural world mainly to the extent it is required to do so. It is thus up to us as citizens to inject values of fairness, solidarity, and sustainability into this system, and government is the primary vehicle we have for accomplishing this. But typically, we fail at this assignment because our politics are too enfeebled and government is excessively under the thumb of powerful corporations and concentrations of great wealth. Consider the similarity between the recent financial collapse and the ongoing environmental deterioration. Both result from a system in which those with economic power are propelled, and not restrained by government, to take dangerous risks for the sake of great profit.

The prioritization of economic growth and economic values is at the root of the systemic failures and resulting crises America is now experiencing. Today, the reigning policy orientation holds that the path to greater well-being is to grow and expand the economy. Productivity, wages, profits, the stock market, employment, and consumption must all go up. This growth imperative trumps all else. It can undermine families, jobs, communities, the environment, and a sense of place and continuity because it is confidently asserted and widely believed that growth is worth the price that must be paid for it. Growth is measured by tallying GDP at the national level and sales and profits at the company level, and pursuit of GDP and profit is the overwhelming priority of national economic and political life.

But an expanding body of evidence is now telling us to think again.⁸⁻¹⁸ Economic growth may be the world's secular religion, but for much of the world it is a god that is failing—underperforming for most of

the world's people and, for those in affluent societies, now creating more problems than it is solving. The never-ending drive to grow the overall U.S. economy undermines communities and the environment. It fuels a ruthless international search for energy and other resources; it fails at generating the needed jobs; and it rests on a manufactured consumerism that is not meeting the deepest human needs. Americans are substituting growth and consumption for dealing with the real issues—for doing things that would truly make the country better off. Psychologists have pointed out, for example, that while economic output per person in the United States has risen sharply in recent decades, there has been no increase in life satisfaction, and levels of distrust and depression have increased substantially.^{1,19,20}

Writing in *Yes! A Journal of Positive Futures*, psychologist David Myers sees this pattern of soaring wealth and shrinking spirit as “the American paradox.” He observes that at the beginning of the 21st century, Americans found themselves “with big houses and broken homes, high incomes and low morale, secured rights and diminished civility. We were excelling at making a living but too often failing at making a life. We celebrated our prosperity but yearned for purpose. We cherished our freedoms but longed for connection. In an age of plenty, we were feeling spiritual hunger. These facts of life lead us to a startling conclusion: Our becoming better off materially has not made us better off psychologically.”^{21,22}

Before it is too late, America should begin to move to a post-growth society where working life, the natural environment, our communities, and the public sector are no longer sacrificed for the sake of mere GDP growth; where the illusory promises of continuous growth no longer provide an excuse for neglecting to deal generously with compelling social needs; and where citizen democracy is no longer held hostage to the growth imperative.

For the most part, advocates for change have worked within the current system of political economy, but in the end, this approach will not succeed when what is needed is transformative change in the system itself. The case for immediate action on issues like health care and climate change is compelling, but the social and environmental challenges just reviewed will not yield to problem-solving incrementalism. Environmentalists and other progressives have gone down the path of incremental reform for decades, and the results of that experiment are in. The roots of our environmental and social problems are deeply systemic and thus require transformational change—the shift to a new, sustaining economy ushered in by a new politics. George Bernard Shaw famously said that all progress depends on not being reasonable. It's time for a large amount of civic unreasonableness.

What circumstances might make transformational change and the birth of a sustaining economy possible? A decline in legitimacy as the system fails to deliver social and environmental well-being, together with a mounting sense of crisis and loss—both occurring at a time of wise leadership and accompanied by the articulation of a new American narrative or story and by the appearance across the landscape of new and appropriate models—were all these to come together, real change would be possible. Most of all, what is needed is a new politics and a new social movement, powerful and inclusive. The best hope for such a new political dynamic is a fusion of those concerned about environment, social justice, and political democracy into one progressive force. They all have a shared fate because they face the same reality: a political economy that does not prioritize sustaining human and natural communities.

Policies for a New Economy

Americans are told routinely that the priority must be a strong economy. Yet many now appreciate that of equal or higher importance are a strong society, strong nature, and a strong democracy. Today's economy offers little help in these regards. We must move beyond it. We need to reinvent the economy, not merely restore it.

Americans now face a great imperative to build a new economy—a sustaining economy. Sustaining people, communities, and nature must henceforth be seen as the core goals of economic activity, not hoped-for byproducts of market success, growth for its own sake, and modest regulation. The watchword of the sustaining economy is caring: caring for each other, for the natural world, and for the future.²³⁻²⁵

America's open-ended commitment to aggregate economic growth is consuming environmental and social capital, both now severely diminished. That said, it is also clear that even in a post-growth America, many things do indeed need to grow: growth in good jobs and in the incomes of the poor; growth in the availability of health care and the efficiency of its delivery; growth in education, research, and training; growth in security against the risks of illness, job displacement, old age, and disability; growth in investment in public infrastructure and in environmental protection and amenity; growth in the deployment of climate-friendly and other green technologies; growth in the restoration of both ecosystems and local communities; growth in non-military government spending at the expense of military; and growth in international assistance for sustainable, people-centered development for the half of humanity that lives in poverty, to mention some prominent needs.

Jobs and meaningful work top this list because they are so important and unemployment is so devastating. Likely future rates of economic growth, even with further federal stimulus, are only mildly associated with declining unemployment. The availability of jobs, the well-being of people, and the health of communities should not be forced to await the day when overall economic growth might deliver them. It is time to shed the view that government mainly provides safety nets and occasional Keynesian stimuli. Instead, government should have an affirmative responsibility to ensure that those seeking decent jobs find them. And the surest and most cost-effective way to that end is direct government spending, investments and incentives targeted at creating jobs in areas where there is high social benefit. Creating new jobs in areas of democratically determined priority is certainly better than trying to create jobs by pump priming aggregate economic growth, especially in an era when the macho thing to do in much of business is to shed jobs, not create them.

Of particular importance for the new economy are government policies that will temper growth while simultaneously improving social and environmental well-being, policies such as shorter work weeks and longer vacations, with more time for children and families; greater labor protections, job security, and benefits, including generous parental leaves; guarantees to part-time workers; restrictions on advertising; a new design for the 21st-century corporation, one that embraces re-chartering, new ownership patterns, and stakeholder, rather than shareholder, primacy; incentives for local production and consumption; strong social and environmental provisions in trade agreements; rigorous environmental, health, and consumer protection, including full incorporation of environmental and social costs in prices; greater economic and social equality, with genuinely progressive taxation of the rich and greater income support for the poor; heavy spending on public services; and initiatives to address population growth at home and abroad. Taken together, these policies would undoubtedly slow GDP growth, but our well-being and quality of life would improve.

If the market is going to work for the betterment of society, environmental and social costs should be incorporated into prices, and wrong-headed government subsidies, a vast empire today, should be eliminated. Honest prices will ensure that people take into account the environmental and social impacts of their purchases, whether they are environmentally conscious or just minding their pocketbooks. High prices are a problem not so much because they are high but because people don't have the money to pay them and alternatives (such as truly fuel-efficient vehicles) are not readily available. Honest prices would be higher prices for many things, but that does not mean Exxon should pocket the difference or that equity issues should remain unaddressed.

Responsibly high energy prices—driven, for example, by a declining cap on carbon dioxide emissions—will help protect the Earth's climate, increase demand for efficient vehicles and public transportation, spur new renewable energy industries, decrease the supply vulnerabilities and international entanglements of imported oil, strengthen local communities, and encourage localization rather than globalization. But honest energy prices must be accompanied by measures that make them affordable for those on whom they would otherwise impose a serious hardship. Challenging America's growth fetish and consumerism will not go far when so many barely get by and are desperate for jobs and greater income security.²⁶ Clearly, addressing social and environmental needs must go hand in hand.

Conventional wisdom on the clash of economy and environment is that we can have it both ways, thanks to new technology and innovation. We do indeed need a revolution in energy, transportation, construction,

and agriculture technologies. This ecological modernization can be driven by quantitative restrictions that ensure extractions from the environment do not exceed its regenerative capacities and discharges to the environment do not exceed its assimilative capacities. But the rate of technological change required to deal with environmental challenges in the face of rapid economic growth is extremely high and rarely achieved. If pollution from an industrial facility is cut in half but growth spawns another, similar plant, there is no net gain. Housing, appliances, and transportation can become more energy-efficient, but the improvements will be overwhelmed if there are more cars, larger houses, and more new appliances – and there are. There's a limit to how fast and far new technology can take us; technological change alone is not enough.

Americans are struggling today with the combined impacts of lost financial assets, underwater mortgages, and layoffs. These problems are associated with a slowdown in GDP growth, but they were not caused by a failure of growth, and they will not necessarily be cured by more growth. We have had jobless growth before. As is now appreciated, the current Great Recession and its consequences are the result of government failing to intervene appropriately in the marketplace—in financial markets, in housing markets, in labor markets, and elsewhere. Today we are feeling the effects of misguided policies, including massive deregulation, that have led to deep structural maladies. One lesson is clear: Today's markets do not function well without strong and effective government intervention.

The economic crisis should also teach us to live more simply and focus more locally. It is time to move beyond consumerism and hyperventilating lifestyles. There has been too little focus on consumption and the mounting environmental and social costs of American “affluenza,” extravagance, and wastefulness. Being less focused on getting and spending (initially, in part, because there is less to spend) can help society rediscover that the truly important things in life are not at the mall nor, indeed, for sale anywhere.

Psychological studies show that materialism is toxic to happiness and that more income and more possessions do not lead to a lasting sense of well-being or satisfaction with life. What make people happy are warm personal relationships and giving rather than getting, things that are possible at a human scale.^{1,27-29}

The good news is that more and more people sense that there's a great misdirection of life's energy. In a survey, 83 percent of Americans said society is not focused on the right priorities, 81 percent said America is too focused on shopping and spending, 88 percent said American society is too materialistic, and 84 percent want to spend more time with family and friends.³⁰

These numbers, even if half right, suggest a powerful base on which to build exists. Indeed, new signposts are emerging: Confront consumption. Practice sufficiency. Create social environments where over-consumption is viewed as silly, wasteful, ostentatious. Establish commercial-free zones. Buy local. Revitalize local economies. Eat slow food. Downshift. Public policy should support these directions, and it should also devise new measures to track improvements in social welfare, a purpose for which GDP is a miserable failure.^{31,32}

Beyond policy change, another hopeful path into a sustainable and just future is to seed the landscape with innovative models. One of the most remarkable and yet under-noticed things going on in the United States today is the proliferation of innovative models of “local living” economies, sustainable communities and transition towns, and for-benefit businesses that prioritize community and environment over profit and growth. The community-owned Evergreen Cooperative in Cleveland is a wonderful case in point. An impressive array of new-economy businesses has been brought together in the American Sustainable Business Council and the B-Corporation program, and a new Fourth Sector is emerging, bringing together the best of the private sector, the not-for-profit NGOs, and government.³³⁻⁴¹

A New Politics

The transformation of today's economy requires far-reaching and effective government action. How else can the market be made to work for the environment rather than against it? How else can corporate

behavior be altered or programs built to meet real human and social needs? Government is the principal means available to citizens to collectively exercise their stewardship responsibility to leave the world a better place. Inevitably, then, the drive for transformative change leads to the political arena, where a vital, muscular democracy, steered by an informed and engaged citizenry, is needed.

Yet, merely to state the matter this way suggests the enormity of the challenge. The ascendancy of market fundamentalism and anti-regulation, anti-government ideology has been particularly frightening, but even the passing of these extreme ideas would leave deeper, more long-term deficiencies. It is unimaginable that today's American politics will deliver the transformative changes needed.

There are many reasons why government in Washington today is too often more problem than solution. It is hooked on GDP growth—for its revenues, for its constituencies, and for its influence abroad. Government has been captured by the very corporations and concentration of wealth it should be seeking to regulate and revamp. And it is hobbled by an array of dysfunctional institutional arrangements, beginning with the way presidents are elected.

Building the strength needed for change requires, first of all, a unified agenda among progressives. As mentioned, the best hope for a new political dynamic is a fusion of those concerned about environment, social justice, and political democracy into one progressive force. A unified agenda would embrace a profound commitment to social justice and environmental protection, a sustained challenge to consumerism and commercialism and the lifestyles they offer, a healthy skepticism of growth-mania and a new look at what society should be striving to grow, a challenge to corporate dominance and a redefinition of the corporation and its goals, and a commitment to an array of major pro-democracy reforms.

The new agenda should also incorporate advocacy of human rights as a central concern. For example, though environmental justice has gained a foothold in American environmentalism, it is not yet the priority it should be. Many established environmental issues should be seen as human rights issues—the right to water and sanitation, the right to sustainable development, the right to cultural survival, freedom from climatic disruption and ruin, freedom to live in a non-toxic environment, and the rights of future generations.

The new politics must turn major attention to the urgent need for political reforms in campaign finance, elections, the regulation of lobbying, and much more. In their book *Off Center*, political scientists Jacob Hacker and Paul Pierson have developed an important and innovative agenda for political reform, including the revitalization of large-scale membership organizations that give citizens more leverage in the political process and measures that could increase voter turnout, open primaries, pursue nonpartisan redistricting, guarantee a minimum free TV and radio time for all federal candidates meeting basic requirements, reduce the perks of incumbency, and bring back the Fairness Doctrine requiring equal air time for competing political views.⁴² Meanwhile, Common Cause, Americans for Campaign Reform, and others have developed a powerful case for clean and fair elections through public financing, a case now even stronger due to the Supreme Court's decision in *Citizens United v. Federal Election Commission*.⁴³⁻⁴⁵

Successful political reform will also depend on addressing issues of social justice. In his book *On Political Equality*, America's senior political scientist Robert Dahl concludes it is "highly plausible" that "powerful international and domestic forces [could] push us toward an irreversible level of political inequality that so greatly impairs our present democratic institutions as to render the ideals of democracy and political equality virtually irrelevant."⁴⁶ The authors brought together by political analysts Lawrence Jacobs and Theda Skocpol in *Inequality and American Democracy* document the emergence of a vicious cycle: Income disparities shift political access and influence to wealthy constituencies and businesses, which further imperils the potential of the democratic process to correct the growing income disparities.⁴⁷

If the first watchword of the new politics is "broaden the agenda," the second is "get political." Lawyering and lobbying are important, but what the new politics must build now is a mighty force in electoral politics. Building the necessary muscle will require major efforts at grassroots organizing; strengthening groups working at the state and community levels; and developing messages, appeals, and stories that inspire

and motivate because they speak in a language people can understand, resonating with what is best in both the American tradition and the public's values and presenting compelling visions of a future worth having for families and children.

Our environmental discourse has been dominated thus far by lawyers, scientists, and economists. It has been too wonkish, out of touch with Main Street. Now, we need to hear a lot more from the poets, preachers, philosophers, and psychologists. And indeed, we are. The world's religions are coming alive to their environmental roles—entering their ecological phase, in the words of religious leader Mary Evelyn Tucker. And just last year, the American Psychological Association devoted its annual gathering to environmental issues. The Earth Charter text and movement are providing a powerful base for a revitalization of the ethical and spiritual grounds of environmental efforts.

The final watchword of the new politics is “build the movement.” Efforts to build strength in America's electoral process and to bring together a wider array of constituencies embracing a broader agenda should contribute to the emergence of a powerful citizens' movement for change. The new politics must be broadly inclusive, reaching out to embrace union members and working families, minorities and people of color, religious organizations, environmentalists, the women's movement, and other communities of complementary interest and shared fate. It is unfortunate, but true, that stronger alliances are still needed to overcome the “silo effect” that separates progressive communities, including those working on environment, domestic political reforms, the liberal social agenda, human rights, international peace, consumer issues, world health and population concerns, and world poverty and underdevelopment.

An Agenda for Analysis and Action

Building a new economy and a new politics must be an ecumenical endeavor open to many progressive perspectives and ideas. Progress requires concerted efforts from many communities in at least three areas: challenging the current order of things, envisioning a new order and identifying the initiatives needed to realize it, and building capacity to promote change.

Challenging the current order. A great many Americans remain enthralled by a reigning mythology now deeply embedded in the national consciousness: GDP growth is an unalloyed good. Government regulation and other interference in the economy must meet the test of economic benefit. America is a land of economic opportunity and consumer sovereignty. The poor are poor because they deserve to be. We are well on our way to solving our environmental problems. America is the most democratic nation on Earth, and also the most generous, with the best health care.

The reality, of course, is far from these propositions. It is important that this mythology be dethroned and that accurate information about actual conditions and trends be brought to an ever wider audience. Real life in America too often sharply conflicts with the country's best values and highest aspirations.

Envisioning a new order. Envisioning the new economy and a new politics involves three linked projects:

1. *The Values Project.* What are the core values to be prioritized and harmonized?
2. *The Transformations Project.* What transformations are needed in order to realize core values? What measures would best characterize and carry forward these transitions? It is not difficult to identify areas where transformative change is essential:
 - The market: from *laissez-faire* to regulation and governance in the public interest;
 - The corporation: from shareholder primacy to stakeholder primacy, from one ownership and motivation model to many;
 - Social conditions: from economic insecurity to security, from vast inequities to fundamental fairness;
 - Economic growth: from growth fetish to post-growth society, from mere GDP growth to growth in human welfare and democratically determined priorities;
 - Indicators: from GDP to accurate measures of social and environmental health and quality of life;
 - Consumerism: from consumerism and “affluenza” to sufficiency and mindful consumption;

- Communities: from ruthless runaway enterprise to vital local economies, from rootlessness to rootedness and solidarity;
 - Dominant cultural values: from having to being, from getting to giving, from richer to better, from separate to connected, from apart from nature to part of nature, from transcendent to interdependent, from now to forever;
 - Politics: from weak democracy to strong, from corporatocracy to true popular sovereignty;
 - Global vision: from economic globalization to planetary civilization worthy of the name, from invidious division to global citizenship;
 - Foreign policy and the military: from exceptionalism to interdependence, from hard power to soft, from war economy to peace economy.
3. *The Synthesis Project*. Presenting a positive, integrated vision of life in a world transformed is a powerful motivator of change. Narrative is important—telling a new American story and forging a new American dream.

Building capacity to promote change. Much needs to be done to strengthen capacities for transformative change. Areas needing attention include:

- “Progressive fusion” in politics: overcoming silos, forging a common progressive agenda, and uniting unexpected allies with shared values;
- Social movements: building a powerful movement for transformative change;
- Community actions: seeding the landscape with innovative “new economy” models;
- Key institutions: engaging religions, local governments, youth, colleges and universities, and others;
- International solidarity: building ties to those abroad with common concerns;
- Crisis anticipation: getting ready for crises that will surely come;
- Ideas, research, and writing: building think-tank capacities and linking ideas to action.

An important initial step is to identify and elaborate on early initiatives and objectives that are plausible and not seemingly utopian, but that create momentum towards long-term goals and shape future paths.

Conclusion

Historian Richard Hofstadter made the following interesting observation in *The American Political Tradition*:⁴⁸

“Although it has been said repeatedly that we need a new conception of the world to replace the ideology of self-help, free enterprise, competition, and beneficent cupidity upon which Americans have been nourished since the foundation of the Republic, no new conceptions of comparable strength have taken root and no statesman with a great mass following has arisen to propound them...”

"Almost the entire span of American history under the present Constitution has coincided with the rise and spread of modern industrial capitalism. In material power and productivity the United States has been a flourishing success. Societies that are in such good working order have a kind of mute organic consistency. They do not foster ideas that are hostile to their fundamental working arrangements. Such ideas may appear, but they are slowly and persistently insulated, as an oyster deposits nacre around an irritant. They are confined to small groups of dissenters and alienated intellectuals, and except in revolutionary times they do not circulate among practical politicians."

Times change. It is now clear that American society is no longer in “good working order.” It is time to foster ideas that challenge the “fundamental working arrangements.”

References

1. Speth, JG. *The Bridge at the Edge of the World: Capitalism, the Environment, and Crossing from Crisis to Sustainability* 1–78, 126–164 (Yale University Press, New Haven, 2009).
2. New Economy Working Group [online]. www.neweconomyworkinggroup.org .

3. Wilkinson, R & Pickett, K. *The Spirit Level* (Bloomsbury Press, New York, 2009).
4. Greider, W. *The Soul of Capitalism* (Simon and Schuster, New York, 2003).
5. Barnes, P. *Capitalism 3.0*. (Berrett-Koehler, San Francisco, 2006).
6. Wolin, S. *Democracy Inc.* (Princeton University Press, Princeton, 2008).
7. Kaiser, R. *So Damn Much Money* (Alfred Knopf, New York, 2009).
8. Jackson, T. *Prosperity Without Growth* (Earthscan, London, 2009).
9. Victor, P. *Managing Without Growth* (Edward Elgar, Northampton, MA, 2008).
10. Spratt, S et al. *The Great Transition* (New Economics Foundation, London, 2009).
11. Brown, P & Garver, G. *Right Relationship: Building a Whole Earth Economy* (Berrett-Koehler, San Francisco, 2009).
12. Daly, HE. *Beyond Growth* (Beacon Press, Boston, 1996).
13. Hamilton, C. *Growth Fetish* (Pluto Press, London, 2004).
14. Korten, D. *Agenda for a New Economy* (Berrett-Koehler, San Francisco, 2009).
15. Simms, A et al. *Growth Isn't Possible: Why We Need a New Economic Direction* (New Economics Foundation, London, 2010).
16. Costanza, R. Stewardship for a "full" world. *Current History* 107, 30–35 (2008).
17. Beddoe, R et al. Overcoming systemic roadblocks to sustainability: the evolutionary redesign of worldviews, institutions and technologies. *Proceedings of the National Academy of Sciences* 106, 2483–2489 (2009).
18. DeGraaf, J & Batker, D. What's the Economy for, Anyway? [online]. www.bullfrogfilms.com .
19. Barber, BR. *Consumed* (W.W. Norton, New York, 2007).
20. The Worldwatch Institute. *State of the World 2010: Transforming Cultures, From Consumerism to Sustainability* (W.W. Norton, New York, 2010).
21. Myers, DG. What is the good life? *Yes! A Journal of Positive Futures* 15 (2004).
22. Myers, DG. *The American Paradox: Spiritual Hunger in an Age of Plenty* (Yale University Press, New Haven, 2000).
23. New Economy Network [online]. www.neweconomynetwork.org
24. New Economics Institute [online]. www.neweconomicsinstitute.org
25. Eisler, R. *The Real Wealth of Nations* (Berrett-Koehler, San Francisco, 2007).
26. Ehrenreich, B. *Nickel and Dimed: On (Not) Getting By in America* (Henry Holt, New York, 2001).
27. Kasser, T & Kanner, AD, eds. *Psychology and Consumer Culture: The Struggle for a Good Life in a Materialistic World* (American Psychological Association, Washington, DC, 2004).
28. Diener, E & Seligman, MEP. Beyond money: toward an economy of well-being. *Psychological Science in the Public Interest* 5 (2004).
29. Layard, R. *Happiness: Lessons from a New Science* (Penguin, New York, 2005).
30. Center for a New American Dream. New American Dream: A Public Opinion Poll [online]. (2004). www.newdream.org/about/PollResults.pdf .
31. Costanza, R et al. *Beyond GDP: The Need for New Measures of Progress* (Pardee Center, Boston University, Boston, 2009).
32. Schor, JB. *The Overspent American: Why We Want What We Don't Need* (Harper Collins, New York, 1998).
33. American Sustainable Business Council [online]. www.asbcouncil.org
34. B Corporation [online]. www.bcorporation.net
35. FourthSector [online]. www.fourthsector.net
36. Evergreen Cooperatives [online]. www.evergreencoop.com
37. The E.F. Schumacher Society [online]. www.smallisbeautiful.org
38. Transition Colorado [online]. www.bouldercountygoinglocal.com
39. Transition Santa Cruz [online]. transitionsc.org
40. Transition Network. Transition Initiatives Directory [online]. transitiontowns.org/TransitionNetwork/TransitionCommunities
41. McKibben, B. *Deep Economy* (Henry Holt, New York, 2007).
42. Hacker, JS & Pierson, P. *Off Center* 185–223 (Yale University Press, New Haven, 2005).
43. Dworkin, R. The 'devastating' decision. *New York Review of Books* (2010).
44. Kirkpatrick, DD. Democrats try to rebuild campaign-spending barriers. *New York Times* (2010).
45. Americans for Campaign Reform. You Street [online]. www.youstreet.org
46. Dahl, RA. *On Political Equality* (Yale University Press, New Haven, 2006).

47. Jacobs, LR & Skocpol, T, eds. *Inequality and American Democracy* (Russell Sage Foundation, New York, 2005).
48. Hofstadter, R. *The American Political Tradition and the Men Who Made It* vii–ix (Vintage Books, New York, 1948).

Key Concepts:

America's present system of political economy is failing across a broad front—economic, social, political, and environmental.

The prioritization of economic growth and economic values is at the root of the systemic failures and resulting crises America is now experiencing. But an expanding body of evidence is now telling us to think again. Before it is too late, America should begin to move to a post-growth society where working life, the natural environment, our communities, and the public sector are no longer sacrificed for the sake of mere GDP growth and where the illusory promises of continuous growth no longer provide an excuse for neglecting to deal generously with compelling social needs.

Of particular importance for the new economy are government policies that will temper growth while simultaneously improving social and environmental well-being, policies such as shorter work weeks and longer vacations, with more time for children and families; greater labor protections, job security, and benefits, including generous parental leaves; guarantees to part-time workers; restrictions on advertising; a new design for the 21st-century corporation; incentives for local production and consumption; rigorous environmental, health, and consumer protection; greater economic and social equality; heavy spending on public services and initiatives to address population growth at home and abroad.

The best hope for a new political dynamic is a fusion of those concerned about environment, social justice, and political democracy into one progressive force. A unified agenda would embrace a profound commitment to social justice and environmental protection, a sustained challenge to consumerism and commercialism and the lifestyles they offer, a healthy skepticism of growth-mania and a new look at what society should be striving to grow, a challenge to corporate dominance and a redefinition of the corporation and its goals, and a commitment to an array of major pro-democracy reforms.

The U.S. political economy is failing across a broad front—environmentally, socially, economically, and politically. Deep, systemic change is needed to transition to a new economy, one where the acknowledged priority is to sustain human and natural communities. Policies are available to effect this transformation and to temper economic growth and consumerism while simultaneously improving social well-being and quality of life, but a new politics involving a coalescing of progressive communities is needed to realize these policies.



5

Policy

Source URL: <http://thesolutionsjournal.com/node/619>