PATHWAYS TO SUSTAINABILITY: REFLECTIONS ON SOME WESTERN ATTITUDES AND INSTITUTIONS

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ABSTRACT

The goal of my study is to augment the ideas that are associated with sustainability. A particular aim is to link flourishing humanity and flourishing nature together in this concept. To achieve this, I discuss some beliefs, values and institutions that appear to hinder and some that appear capable of facilitating a shift towards ecological sustainability based on human well-being.

Key to this discussion is the concept of 'dematerialization' or the process of adjusting the economy and way of life to the shrinking access to natural resources; 'dematerialization' demonstrates the need to challenge many of the fundamental aspects of the dominant capitalist approach to our economy on social and environmental grounds. Ultimately these explorations lead to the final conclusion for this study: that rather than 'market mechanisms', 'planning' based on research, analysis, and policy is the most effective organizing method for achieving ecological sustainability.

Keywords:

Dematerialization, ecological sustainability, market and ecological sustainability, planning and ecological sustainability, freedom and ecological sustainability, equality and ecological sustainability.

DEDICATION

To my late uncle, Leonard Wolfe, who lived a full life based on integrity, generosity and, despite financial success, simplicity; this, together with his great appreciation of nature, demonstrated to his family and friends how to live in an ecologically sustainable manner.

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TABLE OF CONTENTS

INTRODUCTION

Science has long explained how the earth's ecosystems have evolved with the atmosphere, waters, soils, insects, birds, animals, plants and trees synergistically impacting on each other in ways that maintain the balance of the earth's natural processes. In recent decades, ecologists, biologists, climatologists and other scientists have explained the dangers undermining this balance. The list of problems relevant to this danger has been discussed repeatedly. Numerous cities and smaller human settlements are sprawling into vital farmlands and wild habitat areas. Earth's waters, soils, air, food supplies, fish, animals and our own bodies are polluted by the waste products of industrial processes and agriculture, and by the exhaust from our transportation methods, as well as by many of the materials used in healthcare and agriculture. As a result, many species of animals, plants, trees, birds, and fish, are facing extinction at unprecedented rates. In addition, there are the problems of climate change, ozone depletion, the die-off of coral reefs, desertification, non-renewable resource depletion, shortages of fresh water worldwide, mine tailing pollution and nuclear waste.

Yet, despite how often we in the well-off nations have been exposed to these issues, the problems are only partially solved, if at all. This is so even though in recent decades numerous major efforts to mitigate environmental degradation have become the norm in many parts of the world. Regulations and policies have been developed around the globe to protect various aspects of the natural world. The issue is that although there

has been much success at reducing the environmental impact by individuals, individual businesses and even entire sectors of the economy, the environmental gains keep being eradicated. Reductions in harm achieved through resource-use reduction, recycling, pollution controls, new technologies or resource substitution in some situations, do not offset increases elsewhere. The situation on the planet is getting worse in an aggregate sense.

There are many reasons for this inability to deal effectively with such problems. One is the range of understanding that people have regarding the causes and the seriousness of the problems. For instance, some believe that western capitalist economic systems will ultimately produce solutions that will end the degradation and depletion of nature. Others believe that this economic approach developed out of goals, values and ideas that move the economy away from sustainability; they advocate change to a different system.

There is no certainty that any combination of old or new ideas and efforts will lead to sustainable ways of living. However, because I believe that most environmental damage results from western economic approaches prevalent throughout most of the world, these approaches, and more specifically the western worldview that underlies these approaches, are the focus of this exploration. My aim in this exercise is to get clarity on those beliefs, values and ideas that appear to hinder, and those that appear capable of facilitating a change towards, ecologically sustainable ways of living. I will, therefore, explore a number of articles and books that may contribute to a better understanding of environmental problems. And I will explore whether humans can flourish in 'dematerialized' economies where societies are forced to function with

decreasing access to material resources.[1] Further, I consider the possibility that human populations and the environment can flourish together sustainably.

The phrase 'humanistic ecological sustainability' might best describe this possibility. This phrase reflects the belief that humans cannot do well without a flourishing nature. But what determines human well-being? This question underlies my exploration and will be dealt with through considering concepts like human freedom, equality and material consumption. To deal with it effectively requires a preliminary indication of the way in which I will use some of the key concepts I have here introduced. The term 'sustainability' is used in a variety of ways in the literature. Throughout this work, for brevity sake, the phrase 'ecological sustainability' will be used to denote an economic approach that allows people and nature to flourish. By 'flourishing nature' I refer to keeping healthy the life support systems of the planet and the ecosystem structure on which they depend. By 'flourishing people, or human well-being,' I refer to people having their basic material needs met and the opportunity to live full, rewarding lives. This meaning of 'flourishing human lives' will become clearer as this exploration unfolds in later chapters.

Because some western nations today hold economic philosophies differing from the dominant one, it is useful to explore the different effects of these contrasting approaches in order to glean a wider understanding of how humans can best obtain well-being while protecting nature. To this end the dominant economic philosophy, probably best illustrated in the US approach which reflects a neo-liberal/market society with its

[1] Ester van der Voet, Lauran van Oers, and Igor Nikolic, "Dematerialization Not Just a Matter of Weight," *Journal of Industrial Ecology*, Volume 8, Number 4 (2005): 122. http://mitpress.mit.edu/jie (accessed March 13, 2006).

focus on market mechanisms, will be contrasted with the approach of the Swedish social welfare state with its heavy reliance on planning as the organizing mechanism of the state. The concepts of freedom, equality, and material consumption are important to this comparison.

In outline, the following is the structure of my study. In the first chapter, 'A Perspective on Environmental Problems', I give an overview of various responses to environmental problems in order to facilitate their discussion later on. Here I also explore environmental problems in the context of the dominant western economic approach with its focus on economic growth and high levels of material consumption. Chapter two, 'Capitalism: A Social Perspective on Philosophical and Practical Grounds', examines whether the dominant western economic system is built on sound philosophical principles that reflect the most progressive human thought, and concludes that it is not, if only for the reason that it leads to a form of social organization that entails social and environmental failings. In chapter three, 'Organizing Principles and Ecological Sustainability: Comparing Sweden and the U.S.', I offer a more specific analysis.[2] I narrow down this comparison by focusing on the U.S. neo-liberal market-state approach with its emphasis on market mechanisms in order to see how well (if at all) it supports human flourishing, and on the organizing principles and goals of the Swedish system, again to consider how well (if at all) this system supports human flourishing.

[2] I acknowledge that Sweden presently has a high ecological footprint, in reference to the tool used for measuring sustainability developed by Mathis Wackernagel and Dr. William E. Rees. However, this point does not affect the purpose of this work. The aim here is to compare The Swedish and American social-economic approaches in order to determine which has the best possibility to support human well-being in an ecologically sustainable economy.

In this study I do not intend to lay out a blueprint for sustainability; to do this would require introducing more ideas and theories than the scope of my study allows. My goal is to look at sustainability through a range of thought in order to augment the still insufficient number of ideas and theories that are associated with sustainability. In particular, my goal is to tie the concept of flourishing humanity and flourishing nature together in the concept of sustainability.

CHAPTER ONE.
A PERSPECTIVE ON ENVIRONMENTAL PROBLEMS

Chapter one consists of two parts. In part one, 'Lessons Drawn from Environmental Responses', I explore the various responses to environmental problems and discuss the effectiveness of these responses. Here I demonstrate that responses fall into two categories; either they work entirely within the status quo or they consist of calls for fundamental change to a new economic system. I address this latter perspective in part two, 'A Specific Critique of Economic Growth', where I discuss environmental problems in relation to the western capitalist economic approach as I explore arguments against the economic growth and material consumption aspects of capitalist economies. I believe this analysis is key to this work in its quest to deepen understanding of ecological sustainability through a discussion of the concept of 'dematerialization'. I here also discuss what I think is a more accurate analysis of economic growth.

Part One. Lessons Drawn from Environmental Responses

This part is divided into two subsections. In (i), 'Responses to Environmental Problems', I provide an overview of the various responses to environmental problems in a spectrum format. My aim here is to show that there is no united effort to improve the environmental situation. In (ii), 'Reflections On the Range of Responses', I discuss reasons for this range and discuss arguments which I believe demonstrate that this range prevents dealing effectively with degradation, where I use 'degradation' as 'damage that

undermines the integrity of ecosystems'. This exploration fulfils my aim for this subsection, which is to demonstrate that environmental efforts fall into two categories: either they fit with the status quo, or they challenge many of the fundamental aspects of the western capitalist economic approach. The analyses that challenge the status quo are central to this study.

(i) *Responses To Environmental Problems.* It is helpful to arrange those holding various responses to environmental problems along a spectrum. At one extreme of the spectrum are the uninformed; there is no environmental problem at all for them. Next to them are the insufficiently informed; for them there is no serious problem. These are followed by the more or less informed but uncaring people who are not concerned about what is happening or what will happen to nature and humanity. Next to them are those who believe technology will suffice as a provider of life support systems; in this view nature is not vital, for human life can continue even if natural systems are destroyed. All those in this area of the spectrum have it easy, for their position in effect allows them to ignore the situation. All of these attitudes eliminate the need for soul searching about the modern way of life. Such people do not feel pressured on environmental grounds to consider making difficult changes in their beliefs and lifestyles.

Beyond these are people who are concerned about the environment. The first group in this area of the spectrum might highly value nature and fear for the future but because they do see the depth of the crisis they simply feel the situation is hopeless; thus for them there is no sense or use in trying to solve the problems. Next to them are those who do care for the environment and support some level of change and a more engaged approach, but they still basically continue to live as they have always lived. They tend to

be optimistic, believing that warnings about the environment are too dire and that, ultimately, despite pressure here and there from negative environmental situations, life will go on much as it has.

Beyond these, in turn, are people who, I have found, put their faith in technical advances and efficiencies, but who also insist that production processes be taken to the point where waste and pollution will be minimized enough to safeguard nature. They recognize that change is necessary and feel the need to recycle and to support more efficient use of the natural resource base. For them, humankind will likely be able to deal with environmental problems through technological advances that decrease resource use and pollution. They are committed to repairing, recycling and reusing resources as well as to reducing resource use at the manufacturing and personal levels. The green cities movement, alternative transportation, energy efficient buildings, and organic more localized food production are all part of this approach. Thus this approach includes changes of lifestyle, but the main aspects, the philosophical belief in individual consumption as a key part of the good life, and the dominant western economic approach with its emphasis on the production of consumer goods and on economic growth stay, for the most part, the same. In this view the dominant western economic approach remains highly valued for its ability to generate high levels of production that are seen as very necessary to maintaining a high standard of living and to producing the wealth needed to develop the environmentally crucial new technologies. This group also encourages wealth creation in the developing world as a means to lift those populations out of poverty so as to eliminate traditional sustenance practices which are often devastating to their local environment.

At the opposite end of the spectrum from where we started there are those who believe that the wealth-oriented western economic system together with the consumerist western way of life are the roots of environmental problems, that these are the factors that undermine ecological sustainability. In literature on this topic, those at this end, such as bioregionalists and permaculturalists, argue that the 'materialistic' way of life, as well as many aspects of society's institutions that support this way of life, are fundamentally flawed. In this view these flaws need to be addressed in any effort to evolve ecologically sustainable ways of living. In particular, it puts forth strong arguments for reducing the scale of production in the global economy. People who hold this view agree on using every means available, including science and technology, to solve environmental problems. But in addition their analysis demands that ecological sustainability requires deep social and economic change away from material consumption that impacts too heavily on nature.

(ii) *Reflections On the Range of Responses.* It is important to ask why there is such a range of responses, if only because one of the reasons why environmental issues prove so intractable might be this lack of a more united response. Here it is not my aim to be critical of the fact that there are a variety of actions aimed at solving individual environmental problems, for there may well be a need to address each situation with different solutions. Instead, what I take to be a weakness here is the differences in people's interest in finding solutions and the difference in people's approach to finding solutions. The very range of these interests and approaches reflects a failure by many to grasp the serious nature of the problem. And I believe it reflects a lack in the analysis that people have been exposed to. Isn't there something amiss when populations have

more access to information than ever before in history and yet the range of understanding in the wealthiest nations on such a critical issue is so varied that many ignore the issue out of ignorance? There seems to be a 'disconnect' in people's minds, a 'disconnect' that may well be a result of modern life itself: its comforts have removed for many the ability to make concrete connections between various problems and their effects on people and their world.

It might be said that people respond to environmental issues according to the importance they place on nature, to the degree they think humankind is dependent on nature, and to their own sense of connection with nature. However, as anthropology has demonstrated, people draw their ideas from their cultural milieu. Thus all these reactions are developed through exposure to the repertoire of thinking in the wider culture that surrounds them. In this sense differences in people's thought largely reflect the differences in what each person has taken in from their cultural surroundings. I may, therefore, not neglect the existing cultural milieu as important to the development of a sustainable future.

To support this point, consider the following quotation from economist Peter Huber:

> Cut down the last redwood for chopsticks, harpoon the last blue whale for sushi, and the additional mouths fed will nourish additional human brains, which will soon invent ways to replace blubber with olestra and pine with plastic. Humanity can survive just fine in a planet-covering crypt of concrete and computers....There is not the slightest scientific reason to

> suppose that such a world must collapse under its own weight or that it will be any less stable than the one we now inhabit.[3]

If, like Huber, one has a strong faith in technological solutions to problems and little or no sense of dependency on nature, one might well have less fear about the future. When such ideas are powerfully present in our modern world it is probably no wonder that those exposed to them fail to focus on ecological sustainability unless they are also exposed to wider discussions that counter such ideas.

Introducing Huber highlights a further impediment to a sustainable future, namely, the fact that those who do focus on the environment struggle with those who do not. Now, more than nature is under assault. Views like Huber's, pointedly dismissing the seriousness of environmental problems, form an affront to the values and beliefs of those who cherish nature and understand that human life depends on the integrity of nature and on the earth's web of living biodiversity. And the views of the later may well, in turn, offend the former group. However this may be, for those who are convinced that societies must act now and make all the changes necessary to avoid a catastrophe, one of the most difficult elements in efforts to solve environmental problems is convincing western society as a whole that we have a serious situation that needs a focused societal effort to solve. Huber's view may well be the epitome of the thinking that sees the present way of life as on the right track for continual human progress. To the extent that people in the West share the sort of thinking that Huber advances, they

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[3] Peter Huber, *Hard Green: Saving the Environment from the Environmentalists*, (Basic Books [A Manhattan Institute Book] 2000), 81; quoted in Herman E. Daly, "Ecological Economics: The Concept of Scale and Its Relation to Allocation, Distribution, and Uneconomic Growth", A paper delivered at the Canadian Society for Ecological Economics Conference (Jasper, Alberta, Canada, 16-19 October 2003), 18-19.

dismiss the importance of nature. For them, efforts to solve the problems are unrealistic because they are unnecessary. For them, such efforts stand in the way of progress.

In asking why there is this spectrum of responses and why such efforts have so far failed to solve environmental problems, there is one last issue I want to introduce. It concerns the west's emphasis on individual freedom and responsibility. One of its consequences is that for the most part, people are basically on their own in initiatives to improve their understanding of the world. The freedom in this approach is therefore often accompanied by neglect. Most western countries lack an institutional framework that provides information on important problems for society, especially about the overlapping nature of these problems. (Sweden is one exception with its 'study circles'.[4]) Discussions of important topics such as overlapping problems concerning resource depletion and pollution can demonstrate the complexity of these issues as well as challenge people to refine their thinking, their attitudes and their behaviour with respect to them. Only if these kinds of deliberations take place will the serious nature of the situation become more comprehensible. Without an institutional framework for such discussion, I think people, other than intellectuals or social and environmental activists, lack opportunities to become informed. As a result they are often unaware of the issues and the impact of those issues on their lives. And they fail to act or to call for changes. This is the reason for my belief that people's freedom is often accompanied by neglect. In this ignorance they lose the opportunity to support or take part in efforts to improve their future security.

[4] Swedish study circles are part of a national effort in Sweden to provide ongoing adult education which enables people to understand the issues that affect their lives and thus to participate more effectively in the democratic process. Study circles have existed in Sweden since the late 1800s.

Let me illustrate this point by means of four examples about the character of environmental problems that I believe too few people are aware of. These examples also demonstrate a key point for this work in that they bring central aspects of western economic goals and activities into question. And in doing this they also show why many challenge the economic growth aspects of the western capitalist economic approach.

One. Fresh water is used extensively in the mining industry. This forges a link between water shortages and shortages of non-renewable resources. Grasping this point helps in recognizing the potentially calamitous future regarding access to non-renewable resources. Concern over fresh water shortage is a basic worry around the globe.[5] If people do not know about this overlap and therefore do not freely take responsibility for water use, and non-renewable resources are needed, then who will lay out the priorities?

Two. Oil shortages will affect agriculture and food supplies. John Gever, Robert Kaufmann, David Skole, and Charles Vorosmarty demonstrate how in the U.S. in the early stages of industrial farming 'Increased demand encouraged farmers to grow more food on the same acreage; but energy was so plentiful that the energy costs of more and bigger tractors, fertilizers, pesticides, and irrigation water were relatively unimportant.'[6] What will rising oil prices mean in this scenario?

Three. Poverty can only be addressed through a rise in the material consumption levels of those now in dire circumstances. To provide the needed infrastructure development and access to decent shelter and good nutrition for those now living in

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[5] Listed on the Internet are numerous sites that describe the use of fresh water and underground water in the mining of non-renewable resources. http://www.ualberta.ca/PARKLAND/research/studies/, April 12, 2006.

[6] John Gever, Robert Kaufmann, David Skole, and Charles Vorosmarty, *Beyond Oil: The Threat to Food and Fuel in the Coming Decades*, (Cambridge, Massachusetts: Ballinger Publishing Company, 1986), 95.

poverty worldwide requires economic activities which would further draw on nature. However, the environment is already seriously damaged at the present level of economic activity which provides well for only about 500,000,000 to 800,000,000 (in 1996 estimates).[7] Since world population is now estimated to be approximately 6,000,000,000, how can poverty be addressed through economic growth without overwhelming the environment unless there is a change in economic approach?

Four. The huge populations of China and India have expanding middle classes which are joining the global consumer society. The spread of consumer values will likely continue to grow throughout the world. How does this relate to already existing poverty? How can consumerism increase, poverty be eradicated, and the environment retain (or regain) its capacity to nourish humanity?

With respect to all four of these examples, there are two points of importance to this work. One is that many people are ignorant of very serious problems. The second is that it is the grim nature of these issues that causes many to argue that radical change is needed if humankind is to develop truly ecologically sustainable ways of living. I believe it is important that concerned people widen their understanding by becoming familiar with a wide range of criticism and solutions on offer—and that more join the ranks of the concerned. Hence the focus of this work is on introducing analyses and remedies that challenge the dominant economic approach. I also believe that the existing emphasis on economic growth, centred on material consumption, is at the root of environmental problems. However, I think this point needs to be made more specific. Therefore, in the second part of this chapter, I will now lay out arguments that enlarge on

[7] Douglas Dowd, *Against the Conventional Wisdom: A Primer for Current Economic Controversies and Proposals*, (Boulder, Colorado: Westview Press, 1997), 33.

the concept of 'dematerialization', a concept I take to mean both the pressures forcing economic activities away from production which draws too heavily on nature due to high cost and scarcity of resources, and the voluntary economic effort to move away from such production.

Part Two. A Specific Critique of Economic Growth

In this part of the chapter I build on the critique of the western economic approach which I began in the preceding section with the examples of overlapping problems. I propose that arguments calling for an end to economic growth are not really very useful and that, instead, the term 'dematerialization' is more helpful in describing the change that is needed. I also present analyses that, together with the earlier examples of overlapping problems, I believe justify calls for dematerialization and a move away from the dominant economic approach. I have divided my presentation into two subsections. In the first, (i), 'Dematerialization', I introduce four points which I argue support the call for 'dematerialization'. In the second, (ii), 'Malthus Today', I draw on analysis of Malthusian theory to further my argument.

(i) *Dematerialization.* Humans will always impact on nature. The need is for people to protect the ability of natural systems to rejuvenate so the earth's life support systems, including the necessary biodiversity, are maintained. As I understand the term, 'dematerialization' is a key concept in that it implies that an economy can expand in ways that do not degrade nature. I argue that the goal to enable environmental protection is to find social-economic mechanisms that meet people's needs through economic

activities that are restricted and dematerialized in order to protect the restorative capacity of nature.

On analyzing the call to dematerialize global economies, the following are four particularly important points. The first is based in mathematical logic. Consider the growth rate of 3% which is the unofficial minimal rate that western economists generally use as a mark of economic success. This rate results in a doubling of economic activities every 24 years. Gever, Kaufmann, Skole, and Vorosmarty point out that, 'As long as demand for nonrenewable resources grows, and as long as we don't have a 100 percent efficient recycling system, no use of nonrenewable resources is sustainable indefinitely.'[8] If humans are to inhabit the planet for millennia to come, human societies cannot aim for rates of economic activity that grow exponentially when there are no dependable means to end the degradation of nature.

Second, the need to dematerialize is indicated, as well, by the following question: How much of modern economic growth and success is still dependent on the sectors producing material goods? For in spite of the growth of the service and information sectors there is little evidence that the requirements of humans are being met in ways that are less stressing for the environment. We still depend heavily on resources. William Rees makes a number of observations that support this position.

> First, the resource-based and manufacturing sectors don't disappear, they simply become *relatively* less important. In B.C., for example, even as the information sectors ascend to relative prominence, the total "harvest" of our forests increases in absolute terms....
>
> Second, workers in the high-end knowledge sectors generally earn higher incomes than fishers or loggers and, as their money wealth increases, so does their per capita material consumption....In short, our total impact on

[8] Gever et al., 35.

> the environment has more to do with how much we consume than it does with how we earn our living.[9]

Third. Earlier I discussed how efforts to overcome the world's poverty, especially in the context of a growing population, could only increase the draw on an already degraded natural world if the economic approach remains the same and consumer values are encouraged throughout the earth's economies. This increase is occurring. Rees explains how '...the resource savings realized from efficiency gains and economic restructuring have been negated by population growth and increased per capita consumption. *Dematerialization is simply not occurring.*'[10] Humanity is on the wrong course and the only way to avoid a worsening situation is if poverty is addressed within an effort to dematerialize economies at the global level.

Fourth. Many goods produced are unnecessary to human well-being. Consequently, to conserve nature, an ecologically sustainable economy must focus directly on meeting people's key material needs. I will elaborate on this point in later chapters.

Economist Herman Daly makes a technical point that supports my four reasons for dematerialization. Daly argues that societal goals in economic endeavours should take the question of 'scale' into account,[11] and that the aspects of the economy which rely on the natural world cannot use up that world.[12] The term 'scale' is a key word that helps to clarify the link between dematerialization and ecological sustainability.

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[9] William E. Rees, 'Mything out on Sustainability,' *Encompass,* 5.2 (2000): 17-19.
[10] Rees, 17-19.
[11] Daly, 5-7
[12] Daly, 5-6

(ii) *Malthus Today.* Malthusian analysis is worth considering when thinking of appropriate scale and dematerialization Even though Mathus is often discredited, I think a correction of his theory supports my argument for the need to dematerialize the global economy. To make my point, first I will describe Malthus' impact historically on developing capitalist thought and economic goals. Second, I will look at his perspective in the modern context.

Robert Heilbroner explains how in his *Essay on Population* (1798) Malthus argued that improved conditions for the poor would result in them having more children and thus overwhelming the food system. Consequently, Malthus believed efforts to seek agricultural reform in order to increase food supply would be meaningless. In effect Malthus was claiming that due to the impossibility of continually expanding the food supply the poor had to be abandoned. Heilbroner describes how with this analyses, ' In one staggering intellectual blow Malthus undid all the hopes of an age oriented toward self-satisfaction and a comfortable vista of progress.'[13] Thus with Malthus' thought an ideological contradiction emerged; Malthus undermined the classical liberal belief that a free economy could serve the population well; he argued, instead, that social marginalization and social injustice would continue. Thus the promise of the dividends to be paid by a free economy, first put forth in some of the ideas which promoted changes to a capitalist economy, was not held out to all because it could not accommodate all.

However, Malthus was wrong, the food supply did grow. Walter Lewellyn Youngquist explains how 'Mathus was wrong because he did not foresee the coming

[13] Robert L. Heilbroner, *The Worldly Philosophers: The Lives, Times, and Ideas of the Great Economic Thinkers*, (New York: Simon & Schuster, 1953; Quoted from Revised. 7th edition, New York: Simon & Schuster, 1999), 78.

industrial and scientific revolution....Huge resources not known to Malthus were discovered and developed.'[14] In the capitalist world, technologies were invented that facilitated the discovery and utilization of numerous resources, and the resulting wealth and ongoing innovation prevented or eradicated the starvation Malthus had predicted. As a result, many refer to Malthus' mistake as grounds to dismiss arguments, such as those in this study, that the earth's resources are under threat of being depleted.

In response, there are two perspectives on Malthus' mistake that I think both negate the latter argument and support a call for dematerialization. One is that Mathus was not wrong in his prediction about shortages, but rather, due to the low level of industrial exploitation of natural resources in his time, he emphasized the wrong resource problem; and, two, his analysis was out of pace—he was too early in his predictions. Youngquist supports this view by describing the present reality:

> In Malthus' time, there was a small population and huge undeveloped world energy and mineral resources. The situation is now reversing. The difference is the present peaking or declining energy and mineral production in many parts of the world, and an already huge and continually expanding population. We live on a finite globe which now has been rather thoroughly explored. There are no continents on which to continue to move as one region becomes depleted. The globe has been encircled. Malthus was simply ahead of his time.[15]

Thus while Malthus was wrong in his belief that increases in food supply and support for the poor would encourage population growth—the opposite has proven to be the truth, it has been well accepted that birth rates decrease when people obtain basic security and their life opportunities expand—he was correct in pointing out, in an indirect way, that nature is finite and there are limits to how much humans can draw from the natural world.

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[14] Walter Youngquist, *GeoDestinies: The Inevitable Control of Earth Resources Over Nations and Individuals*, (Portland, Oregon: National Book Co., 1997), 445.
[15] Youngquist, 446.

In this way Malthus provides the basis for a more accurate understanding of the place of humankind in nature.

With respect to the need to dematerialize the economy, Youngquist's warning about the present reality is dire, but speaking as a geologist he is not describing the entire situation. He does not refer to the depletion of renewable resources, the loss of biodiversity, or the levels of pollution globally. Nor does he take into account the damage that is being done to the life support systems of the planet: to ozone depletion, soil degradation, air pollution, water shortages and climate change. We need to expand on Youngquist's argument to include these factors. Consequently, I would argue that the staggering blow Malthus delivered in 1798 against social progress for the poor due to food shortages can now be voiced against the social progress of the world's population in general. For if social progress is defined as high levels of material consumption, then such progress is impossible if nature is to be safeguarded. This form of progress cannot be maintained in the well-off nations nor can it be a development goal for the rest of the world.

However, there is an irony in this predicament. For while it may have been possible for society in Malthus' day to use his analysis as grounds to avoid social reform pertaining to the destitute, the reverse is the case today. I refer again to the issue of poverty. Now, as many have stated, sustainability makes it an imperative to improve the lives of the poor around the globe because, as I mentioned earlier, poverty forces many into unsustainable practices that are destroying their ecosystems.[16] Once again the question arises, what is the balanced level of material consumption that will end poverty

[16] World Commission on Environment and Development, *Our Common Future*, (Oxford: Oxford University Press, 1987), 29-31.

without further degrading nature, and what economic mechanisms, if any, can take us to this balance? Dematerialization is key to finding this balance. To ignore this need for equilibrium by not making all possible efforts to find avenues of change appears to be impelling us toward the truth of amended Malthusian theory, to a modern Malthusian crisis.

In a scenario of resource restriction or dematerialization, no matter what the rate of change forced upon us or the reason, the question is: how can people begin to comprehend such change in ways that allow them to meet the demand for dematerialization in the most positive way possible? Gever, Kaufmann, Skole, and Vorosmarty make a point that leads me to my next level of analysis in the following chapter; they challenge the belief that market economies are structured so as to be neutral in regard to resource use.

> [Market economies are] not neutral at all: today's market was constructed over centuries to encourage the consumption of apparently inexhaustible resources....If society's best interests now lie in conserving resources, then the existing market works *against* those interests. In that case, those structures that encourage the consumption of resources need to be altered or removed. Leaving the system alone, making no changes in the way we do business or in government policies, is to make a choice—a choice to use resources as rapidly as possible....[17]

In this chapter I have described the various responses to environmental problems as well as a number of reasons why I think these responses have proven to be inadequate, and made the issues of dematerialization and a new economic approach of central importance. So far I have argued only on environmental grounds and, in my quest to discover the attitudes and institutions that support ecological sustainability, I have not addressed social factors. To such factors I will turn in the following chapter, where I

[17] Gever et al., 218.

discuss the prominent belief that the western capitalist economic approach is the most progressive social-economic system, and I criticize the argument presented by many that only this approach is capable of meeting the needs of people in complex societies where freedom and material well-being are highly valued.

CHAPTER TWO.
CAPITALISM: A SOCIAL PERSPECTIVE ON PHILOSOPHICAL AND PRACTICAL GROUNDS

My analysis in this chapter is based on the belief that one of the factors confining sustainability efforts to those that are compatible with capitalism is the prevalent thinking in the West that the Western capitalist system is built on sound philosophical principles that reflect the most progressive human thought. My sense of social change is that societies, when faced with serious problems, develop new institutions and new social goals by building on strengths of what exists while working to eliminate what they find to be problematic. And I think that insights into ways of meeting people's needs in a dematerialized economy can be drawn from analysis of both the successful and failing aspects of capitalism. Thus in this chapter I will analyze capitalism in these terms on both philosophical and practical grounds. To do this I will focus on important aspects that are expressed more or less in all forms of capitalism.

In part one, 'Capitalism and Human Progress', I focus on the strengths associated with capitalism. I will give a brief overview of what I consider to be the concepts in the capitalist worldview that legitimise the system. In part two, 'Capitalism and Human Well-Being', I lay out pertinent critiques of capitalism that analyze human well-being in capitalist societies and demonstrate weaknesses in the capitalist approach pertinent to this study.

Part One. Capitalism And Human Progress

I begin by presenting what I perceive to be the ideological link in the capitalist worldview where human well-being and human progress are equated with individual freedom, material consumption, free enterprise and technological advances. Doing so is important because of the likelihood that ecological sustainability evolves out of people's efforts to maintain their well-being both on individual terms and on a societal level. I define 'human well-being' as a state where people have their biological needs met and have worthwhile lives. Therefore, in order to gain insights into how social change resulting in ecological sustainability might come about, it is important to understand the state of human well-being in the capitalist system.

In the philosophical underpinnings of capitalism human freedom is the paramount human right, and consequently, other major aspects of society are shaped to promote such freedom. Human freedom is taken to entail free enterprise which is therefore valued as a key aspect of the good life. In theory, free enterprise means that people can contribute to the economy as they desire and, in turn, that this enterprise generates a high level of consumer choice for the population. The success of free enterprise has provided people with materially comfortable lives while allowing them the freedom to make their own decisions regarding their careers, where they will work, where they will live, how they will spend their money and time, what they will do, and where they will go.

Also, in most capitalist countries, in theory at least, free enterprise relies on market mechanisms as the key-organizing feature of society. I will evaluate the market mechanism as a tool to reach ecological sustainability in a later section of this work. For now the important thing to note is that, rather than dictates by government, markets

determine what entrepreneurs will produce. If items and services offered are not bought due to lack of consumer interest in a product, the entrepreneur is forced to innovate and create new goods or services in the hope that they will fill a need in society and will prove to be successfully selling items. In theory (advertising campaigns aside) the economy and the way of living is shaped according to the choices people make in producing, creating, selling, and buying in their own interests. This system is viewed as a way to keep people free from government interference in their lives.

At the same time, from this perspective innovative technology allows people to control much that was left to chance in the past. In general, people living in the well-off countries can easily obtain food, clothing, shelter, healthcare, and transportation. Opportunities for travel are readily available to many. On the level of individual lives, most in the Western world live in a comfortable fashion, surrounded by technology that eases housework and many aspects of their working lives as well as playing a major role in supplying material goods. Also, technology brings high level sports, arts, and other entertainments into homes and local communities.

On these grounds, it is understandable that those who subscribe to the western view of progress feel secure in the world despite the existence of serious environmental problems. As I mentioned earlier, such people have faith that a system based on technological innovation and the free market contains mechanisms that will ultimately reassess and correct any negative outcomes. Economic restraint due to resource shortages or due to planned or voluntary 'dematerialization' does not fit into this worldview. Consequently, within this milieu, a discussion on dematerializing the economy on behalf of the environment could be viewed as merely alarmist or even

heretical. Despite the environmental situation and looming resource shortages, it appears that it is difficult to question such an effective economic approach.

Part Two. Capitalism and Human Well-Being

However, does this economic approach really allow for human well-being? I have defined 'human well-being' as 'a state where people have their biological needs met and have worthwhile lives'. I use the term 'biological needs' instead of the concept of 'basic needs' because people worldwide have the same minimal biological requirements which determine their physical well-being. Biologically humans have fairly similar nutritional and health needs even though cultural patterns for meeting these needs vary. The term 'biological security' is helpful when thinking of how we might prevent the overuse of the natural world. Biological needs draw on nature thus in this sense human impact on nature cannot be avoided. In contrast, the criteria for people to have meaningful lives is more flexible and changeable, and can be met in a variety of ways, some that draw on nature and some that do not. It is helpful to have this distinction in mind in any critique of an existing economic system and in any theorizing about possible alternatives. The aspect of human well-being based on people having meaningful lives will be explored in the last part of this work.

As I stated in chapter one, many harmful realities that arise in thej capitalist world are ignored in the belief that eventually such problems will automatically be solved. The positive elements which people experience in their personal lives as flowing from capitalism work to uphold this sense of optimism. People who hold this view are not taking sufficient factors into account in analyzing what they experience. My critique of

this attitude is now called for because increased understanding of how the system fails us may give us the impetus to consider and accept changes that may be required in our effort to attain ecological sustainability. For more critical capitalists as well as for those critical of capitalism itself problems have been recognized to exist for a long time, a point that is demonstrated by the fact that major discourses on the social ills associated with capitalism have existed since its early stages of development. I will now build on these analyses in the remainder of this chapter as I consider four specific issues.

First. I will consider the concept of capitalist progress by discussing the societal contexts which people in many such societies experience in a way that is somewhat separate from their personal lives at home as well as in their social lives and their work lives. Second, I present an analysis drawn from literature that calls for people to develop a more critical perspective in judging the impacts that events in the world around them have on their lives. Third, I draw on the work of William Greider who argues that there has always been a clash between the values of capitalism and the values of society. These three analyses will, fourth, allow me more effectively to analyze capitalist enterprise and its goal of efficiency.

First. It seems to me that the negative aspects of modern life force the greater social and environmental reality of our lives into our awareness in ways we can only avoid through a form of denial. These environmental and social realities confront us with the demand that we attempt to understand them, to rethink our beliefs as to what constitutes human progress. It also seems to me that at this time in history, damage to nature brings a new urgency and dynamic to this need for understanding. I base this judgment on some of the literature that demonstrates how environmental problems have a

social impact by reducing people's general well-being. Understanding this linkage between environmental problems and well-being is a crucial step toward a worldview that supports ecological sustainability. In addition, long-standing *social* problems are now having a more generalized impact on society in general—a point that leads to analysis of the more optimistic social perspectives of those who uphold capitalism.

An additional reason for looking at individual lives in the greater societal context is that modern life is too complex to be judged only according to our individual experiences of it. We have become socialized to accept much that may be harming our sense of well-being in ways we are not able to recognize. American psychoanalyst James Hillman, for example, argues, in effect, that people are suffering emotionally in ways that require their therapists to take the effects of the societal context into account in their analyses of such suffering.[18] Let me raise a number of questions on the basis of his work, questions which I believe are important to this discussion.

What does the knowledge that the air, water, and food may be slowly poisoning us do to us on a deep level? How are we affected by the stress of traffic, of shopping in busy artificially lighted malls, and of living with high noise levels, experiences to none of which we have had time to adapt in evolutionary terms? What is the effect on persons when companies pollute and degrade the natural world or subdivisions eradicate the natural beauty of local areas? How are we able to deal with children who get sick breathing the air?

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[18] James Hillman, Michael Ventura, *We've Had a Hundred Years of Psychotherapy—and the World's Getting Worse*, (New York: HarperCollins, 1992), 5-13.

It is important to consider the concept of human progress both in relation to Hillman's sense of the effects of modern ills and in conjunction with descriptions of how earlier people are believed to have experienced life in the past. Theodor Adorno has warned that 'As long as the face of the earth keeps being ravished by utilitarian pseudo-progress, it will turn out to be impossible to disabuse human intelligence of the notion that, despite all evidence to the contrary, the premodern world was better and more humane, its backwardness not withstanding.'[19] This is a powerful statement that warrants careful consideration. For me it separates the technical advances that make work and life less physically demanding, from other aspects of modern life. What Adorno implies here, it seems to me, is that people in the past did not experience the ills discussed by Hillman or, at least, are believed not to have experienced them: and that many benefits from the past have disappeared or have been diminished in the capitalist era or are believed to have disappeared or been diminished.

At this point ideas offered by E. J. Mishan are particularly helpful. For instance, in terms of material consumption, Mishan points out that much of what is available to modern consumers simply replaces rather than augments what people had in the past, and that much that people valued in the past has been lost. Consider two of Mishan's examples: (i) while modern economic success allows for travel and thus wider 'personal contacts', the pace of life does not allow for the easy 'cultivation and nurture of friendships',[20] and (ii) the replacement of personal services with market services and the

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[19] Theodor Adorno ' As long as the face': Adorno, *Aesthetic Theory*, ed. Gretel Adorno and Rolf Tiedemann, trans. C. Lenhardt (London: Routledge and Kegan Paul, 1884; original German, 1970), 95; quoted in Jonathan Bate, *The Song of the Earth*, (Cambridge, Massachusetts: Harvard University Press, 2000), 36.

[20] E.J. Mishan, *The Costs of Economic Growth*, (Staples Press, 1967; Quoted from Revised Edition, London: Weidenfeld & Nicolson, 1993), 128-129.

formal contract has undermined personal interdependence and community on the local level.[21] The fact that many have written about the loss of and need for community in modern society supports Mishan.

There are many examples I think should be added Mishan's list—examples, though not as directly tied to physical nature but more of a social kind, are nevertheless likely symptoms of a capitalist market-economic lifestyle. People who live in apartments or neighbourhoods where they do not know their neighbours live very differently from the way humankind has lived throughout history. Community life of the past is often replaced vicariously by watching television programs and movies where the actors live and engage in active community life. This vicarious approach may also apply to family life. Furthermore, it appears that psychological counselling is replacing the lost, age-old practice of developing wisdom by learning about life through cultural myths, through the social support offered in extended families, and through the life lessons offered by the teaching of elders. The companionship available through personal engagement in sports or in the arts in the local community is often replaced by watching professional sports and the arts on television—often alone. Workouts in gyms replace physical activities of the past, much of which took place out in nature. Expensive travel and hobbies are often used as a means to reconnect with nature—with the very nature that once was at people's doorstep, so to speak. And the nutrition lost when food is grown using industrial practices and is transported long distances while still unripe, is often replaced by multi-vitamins. What people in the past experienced may well have been a kinder version of life. It was largely devoid of the social ills pointed out by Hillman.

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[21] Mishan, 132.

So it is possible to say that aside from technical inventions, it is difficult to substantiate claims that the capitalist social system is the epitome of human progress.

Second. Still focusing on the concept of progress, but now more explicitly from the perspective of judging interrelated environmental and social issues, I will substantiate the point that environment problems are social problems and that it is important to view these problems in this way if we are accurately to analyze our modern way of life. Mishan discusses ways to be more accurate in how we evaluate environmental problems. He argues that we should question the view that environmental malaise and disruption are the price of progress. For Mishan this is important because adversities do not occur in some form of balance where benefits accrued offset the harms suffered. And he states that there are no grounds for holding such a belief because there is no guaranteed 'social net gain'.[22] Like Hillman, Mishan supports the point that our 'societal context' affects our well-being. He warns that the human psyche and body may not be able to adjust to the negative impacts and the rapid pace of modern life.[23]

In addition, Mishan questions the legitimacy of one of the key tenets of capitalism, namely, that capitalism is valued for the choice it affords citizens. Yet, where is the choice when people simply have to accept the positive and negative consequences of modern living that come their way? If we had a choice would we choose all our possessions rather than safeguarding the natural world? Would we choose to put so much of that world under concrete? Would we work long hours in substitution for time spent with families, enjoying our communities and in self-development? And with respect to the many negative aspects of modern life mentioned earlier, Mishan

[22] Mishan, 45.
[23] Mishan, 188.

writes 'Business economists have ever been glib in equating economic growth with an expansion of the range of choice facing the individual: they have failed to observe that as the carpet of increased choice is being unrolled before us by the foot, it is simultaneously being rolled up behind us by the yard.'[24] So the further failure that Mishan exposes in the system is that capitalist economic processes provide no means for people to control much that affects their lives. This point will be further developed in the next chapter.

Mishan also points out that when evaluating the quality of our life it is important to realize that the negative aspects are beginning to overshadow the positive aspects. This point substantiates the claims of so many who have argued that the existence of negatives and positives has been part of all cultures throughout the ages and that western culture is no exception to this reality—a point that also makes it difficult to define human progress using today's criteria where consumer goods and technical ease are believed to have vastly improved people's lives in comparison with that of those who lived in the past. This is tantamount to demonstrating the inaccuracy of seeing the capitalist system as the epitome of human progress.

I will adopt one last idea from Mishan. He shows that, as early as the 1700s in Britain in the first stages of industrialization and capitalism, technology reached a level of sophistication and consumption levels rose to a point where the negative impacts became '...more complex, far reaching and unpredictable.'[25] Thus he suggests that since the very inception of the capitalist factory system until today, many people and the environment have suffered from the impact of the production processes. And today

[24] Mishan, 44.
[25] Mishan, 101.

Hillman's and Mishan's analyses can be extended globally to the developing world when people work in inhumane conditions, when wages are inadequate for providing even the basics of life, and when the environment and communities are destroyed in numerous ways because of capitalist enterprise. All these reasons add to my point that it is problematic to simply equate capitalism with human progress and human well-being.

My third point considers human progress through a more specific evaluation of how well capitalist enterprise supports societal well-being. Here I draw from the work of American William Greider who takes Mishan's and Hillman's arguments further. As I mentioned earlier, Greider argues that there has always been a clash of values between society's needs and the needs of the economy in the capitalist world—a clash which undermines people's well-being. In his work, Greider pointedly separates US capitalism from the capitalism of many other countries, a factor that fits with my next chapter when some of these differences will be explored. However, it is important here to keep in mind America's influence globally, and in this sense much of Greider's appraisal contributes to understanding capitalism in general.

To explain his position, I present two of Greider's statements. The first concerns capitalism.

> THE LOGIC OF CAPITALISM [sic] is ingeniously supple and complete, self-sustaining and forward-looking. Except for one large incapacity: As a matter of principle, it cannot take society's interests into account. The company's balance sheet has no way to recognize costs that are not its own, no reason or method to calculate the future liabilities it causes but that someone else will have to pay. The incentives, in fact, run hard in the opposite direction. The firm will be rewarded with greater returns and higher stock prices if it manages to "externalize" its true operating costs. It does this (by) pushing the negative consequences off on someone else: the neighbors who live downstream from a factory's industrial pollution or its own workers, who lose job security and pension rights, or the

> community left with an empty factory, shattered lives, a ruined environment.[26]

Here Greider's describes how capitalist businesses operate on the micro level with processes and goals that are not focused on meeting the needs of society. This statement brings out an important point. Capitalist economies consist of individual companies working in their own interests. Thus a description of how each firm works is, in effect, an important factor in describing how capitalism works. Consequently, there is a need to consider the role of profit maximization in the greater economy, particularly its impact on social well-being. In capitalism, the wealth created by enterprise facilitates a circular process where wealth finances innovations that in turn provide new consumer items, the sale of which starts the process again. From this perspective, the investment of capital creates jobs that give people livelihoods. In turn, the sale of these consumer goods and services provide people with needed items. In a redistribution system such as ours, profits are taxed and pay for the development of the infrastructures and public services that are necessary in complex societies.

Greider highlights the harm hidden in this process. In doing so he makes a point that parallels what Mishan said earlier, that in appreciating the benefits that arise from capitalism, people fail to recognize how society and nature are negatively impacted. In the following lengthy quotation Greider describes what really matters to people, items that are, too often, left out in capitalist society operating mainly according to economic values.

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[26] William Greider, *The Soul Of Capitalism: Opening Paths to a Moral Economy*, (New York: Simon & Schuster, 2003), 39.

People assume responsibility:

> for realizing one's own mortal potential, the hard work and joy of uncovering what is within us and learning how to use our lives fully, productively;
>
> for adhering to the society's common code of right and wrong in personal behaviour and relations with others;
>
> for the nurture of children and family; the enthralling and somewhat mysterious task of sustaining the human cycle beyond one's own mortality;
>
> for husbanding the collective inheritance from the past, a society's accumulated wealth of knowledge, beauty, and wisdom, the common riches that is always far greater than personal fortunes or great buildings;
>
> to [sic] the future as well as the past, the obligation to build beyond our own needs and leave something valuable behind for those yet unborn;
>
> for the natural world that sustains all life, the great green earth that infinitely delights and intrigues us, as it also supports us and other living things;
>
> for the sacred (though sacred meaning is defined in conflicting ways), to honor humanity's transcendental expectations, to respect eternal mysteries forever beyond the understanding of mere mortals.[27]

In making the distinction between the values of business and the values of society, Greider demonstrates that people have a wider set of needs than those that can be met through the work, the goods, the services and the infrastructure provided through the economic system. And in so doing he reveals how people's values are being undermined because business ethics hold supremacy in society. It seems to me that Greider is describing an underlying cause of many of the ills that I have discussed throughout this study.

This brings me to my fourth point, which is that the focus on capitalist efficiency is a key cause of the clash of values that Greider describes. It is important to analyze the social impacts when businesses are forced to compete to be efficient. Individual

[27] Greider, 42-43.

businesses must compete to stay in business and this in turn stimulates the wealth that ultimately benefits society in the ways I mentioned earlier. However, while contributing to the social good in this narrow sense, efforts to be efficient often have negative impacts on people. For instance, peoples' work methods and lives are usually adjusted to the technical processes and the needs of their workplace and not vice-versa. Further, technology often replaces labour in the drive to achieve greater efficiencies. And where technology is insufficient and workers are necessary, labour costs need to be as low as can be without jeopardizing the ability to attract workers. Many have analyzed the impacts of these requirements; people bear the stress of over-employment, unemployment, underemployment, keeping pace with machines, low wages, and the sense of being expendable. On this point, economist Richard Ayres concurs with Greider when the former writes that '...efficiency often conflicts with other highly valued social norms—goals such as equity, or fairness, and the desire to promote "altruistic," or unselfish, behaviour.'[28]

In different language Marjorie Kelly endorses this position. 'In accounting terms, employees have no value. Money has value, objects have value, ideas (intellectual property) have value, even some airy thing called goodwill has value. Employees, by contrast, have a negative value: They appear on the income statement as an expense—and expenses are aimed always at a singular goal: to be reduced.'[29] Thus Kelly exposes how much people lose in the effort to increase business efficiency. These

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[28] Richard E Ayres, "Forward." In Steven Kelman, *What Price Incentives?: Economics and the Environment*, (Boston: Auburn House, 1981), viii; quoted in Amitai Etzioni, *The Moral Dimension: Toward a New Economics*, (New York: The Free Press, 1988; Quoted from First Free Press Paperback Edition, 1990), 245.

[29] Marjorie Kelly, *The Divine Right of Capital: Dethroning the Corporate Aristocracy*, (San Francisco: Berrett-Koehler, 2001), 24.

attitudes certainly do not add to human well-being. An important consideration here is that it is the competitive aspects of the system that force businesses to act in this way. For that reason employers who do find ways to provide better for their employees and at the same time achieve success in business are the exception.[30]

Greider, Ayres and Kelly are important to this study. There is no doubt that efficient production methods would be a key aspect of ecological sustainability. However, such efficiency would need to be very different from that described by Greider, Ayres, and Kelly if human well-being is to be part of this future. Nor could the goal of such efficiency be to generate wealth in order to finance constant economic growth if these related aims depend upon an ever-expanding use of nature. Instead, the goal of efficiency in an ecologically sustainable world would be to use nature as sparingly as necessary while providing for people as well as possible.

Finally, with respect to the clash of values between capitalism and society, Greider argues that 'Government has not succeeded in reconciling the clash because, though it issues many rules of dos and don'ts for enterprise to follow, it [does not] attempt to alter the underlying values that shape capitalism's behavior.'[31] However, Greider takes the issue deeper when he says that since '...human society cannot surrender its deepest values, it must try to alter capitalism's.'[32] I add here that since the state of the environment is crucial to human well-being capitalism must also alter its approach to the environment. In the next chapter I explore the societal values, organizing principles and

[30] I think this success demonstrates that employers with differing values, perceptions and priorities can sometimes find alternative ways to be efficient in order to deal with the pressures of competition.
[31] Greider, 33.
[32] Greider, 35.

mechanisms that carry the promise of altering capitalism's values for the good of people and the natural world with the goal of achieving ecological sustainability.

CHAPTER THREE.
ORGANIZING PRINCIPLES AND ECOLOGICAL SUSTAINABILITY: COMPARING SWEDEN AND THE U.S.

The analyses of Hillman and Mishan expand the long existing social critique of capitalism. If we grant them a strong degree of validity—as I do—then, through critiques like theirs we now know that environmental problems have far-reaching effects impacting on people globally. We now know as well that these problems are not just the concerns of special interest groups—everyone's well-being depends on finding solutions to these matters. And we know that dematerialization of the economy will have further impacts, and they will require the capitalist system to evolve extensively.

There have been many calls for such transformative change to the capitalist system. To clarify the focus of this chapter I think it is helpful to first note some of the key changes that are discussed in the literature by those critical of capitalism on ecological grounds. There are calls for changes in the way wealth is created, invested and used; for co-operatively owned enterprises; for production methods adjusted to dematerialization; for simplified less consumer-oriented behaviours; for changes in the goals and nature of work; for localized economies, political structures and currencies; for more evolved forms of democracy in all institutions; and for a spiritual and ethical revival centered on humanist thought and on nature. All the above are based on well-developed analyses of the various shortcomings of capitalism. It is highly probable that many of

these changes are essential to an ecologically sustainable system. The question is: how to assist such change? The focus of this chapter is to discuss societal organizing mechanisms as avenues to change and to determine which are most capable of taking capitalism to a higher state of evolution. Through this discussion I will compare the 'market mechanism' and 'governmental planning'.

In this chapter, I argue that the mechanisms of the social welfare state based on planning that utilizes research, policy and regulation are capable of facilitating an evolution to ecological sustainability, and that free market processes lack this ability. I will present my argument in two parts. In part one, 'A Comparison', I describe pertinent failings of the market mechanism and relevant examples of accomplishments achieved through 'planning'. In part two, 'Market Critique', to further support my position I draw from literature which critically assesses the liberal approach to the market mechanism.

I compare these approaches by focusing on examples taken from the United States and Sweden because the former is the world's dominant market economy and the latter exemplifies for many a successful social welfare state. Both the U.S. and Sweden encourage markets and have governments actively involved in the state's economies. And both highly value individual freedom and equality. However, they differ in the emphasis they place on these factors and on how they express them in the workings of their social-economic systems. They also have differing interpretations of which aspects of society best qualify for state support and, as a result, American and Swedish social systems are almost opposite to each other. Where I find these two states to differ most is in the outcomes of their attempts to solve social, economic and environmental problems. I argue that this variance in their organizing principles and mechanisms, and the

worldviews that underlie them, are the cause of these different outcomes. These are points I will demonstrate in this chapter.

Part One. A Comparison

This part is divided into eight subsections. (i), 'The neo-liberal view', describes present day America's neo-liberal approach and states why I argue it is incapable of facilitating the needed changes. (ii), 'The differences', compares the Swedish and American forms of state organization. (iii), 'Sorelian Myths', explores the main cultural myths of each country. (iv), 'Mis-rationalisation', looks at Sweden's effort to protect its citizens from specific deleterious workings of the market. (v), 'Nation as home', gives practical examples of Swedish social policy. (vi), 'The American and Swedish historical divergence', offers an explanation of why Sweden and the U.S. are very different capitalist countries. (vii), 'Arguments for and against equality', discusses the difference between the U.S. and Swedish approach to equality. (viii), 'Taking change into account', compares the evolution of American thought to that of Sweden.

(i) *The neo-liberal view.* In recent decades there has been a dramatic shift in the U.S. as it has come under the ever-increasing influence of neo-liberal thought. Neo-liberals hold strongly to many aspects of the classical liberal doctrine that was informed by both an economic and a humanistic critique aimed at the powerful institutions which historically controlled society. In classical liberalism sovereignty is ascribed to the individual rather than to government. Its neo-liberal adaptation has resulted in stricter adherence to free-market principles and less emphasis on government action to solve economic, social and environmental problems in America.

An important question for me is: how do governments, enterprises and people in free market countries actually address social and environmental concerns? Amitai Etzioni offers the following answer: 'What provides for social organization, for the coordination of millions of activities that make up society and the body economy? Neoclassicists tend to see exchanges as the prime basis of social organization and to view the market as a system unto itself.'[33] My question then becomes: how does the necessary change derive from millions of individual exchanges in the market place? Only if we commit ourselves to reading into the market mechanism something like the economic doctrines that derived from, say, Adam Smith's 'invisible hand' might this make sense. But if we do not buy into some such assumption, then the following considerations become relevant. In their market activities, people do not need to explain or even to think through their actions, and there is no coordinated effort to make the best choices on a societal level; thus it is difficult to understand how these expressions of individual freedom in the market influence people's societal aspirations. Moreover, how do people who lack the means to freely take part in the economy influence this process? When relying on market mechanisms, the only way to arrive at meaningful societal change is if the majority of people, either by luck, or by each having a good knowledge of the issues and the required level of wisdom, all act in the market in similar ways, specifically, in ways that resolve the problems. This is an unlikely result. (And I question how this method could have any effect in solving relevant problems that lie outside the sphere of the markets, problems such as, for example, when people lack the income necessary to afford decent housing.)

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[33] Amitai Etzioni, xi.

A major goal of a democracy is to have the output of political, economic and social institutions work to support and protect the interests of society in general. However, achievement of this goal becomes at least problematic when people have no societal mechanisms that both help them to understand the issues and give them a say in a wide range of concerns that affect them.[34] For this reason, I conclude that all the influences shaping society through neo-liberal free markets fall outside the realm of democratic decision-making. And because voting and representative forms of government might be considered as only the beginning and limited expressions of democracy in themselves, to constrict the role of government to them contributes significantly to reducing the democratic avenues open to people. In a democratic society based on human freedom, I would hold that the people who experience the problems have a right to a say in the development of the solutions, and that this right to a say is best—if not only—achieved through less limited and more interactive forms of democratic government.

Part of the reason for the difficulty is that in liberal thinking, precisely because of the paramount importance it places on individual freedom and individual rights, the link between democracy and freedom is not a comfortable fit. For now it becomes a problem to accommodate group decisions that expand some human freedoms and restrict others, and institutions that justly tend to place limits on individuals.[35] In classical and neo-liberal thought, the market mechanism is esteemed in part precisely because it supposedly eliminates such interference. I argue that if the sum of individualized actions in the

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[34] The aim of the Swedish study circle concept was to meet this need in a democracy.

[35] Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, (Boston Massachusetts: Beacon Press, 1944; Quoted from Second Beacon Paperback Edition, 2001), 262.

market does not provide useful solutions to societal problems, then democracy is falling victim to the freedom liberalism, particularly neo-liberalism, aims to protect.

For neo-liberal thinkers it might be difficult to grasp let alone accept the argument that a self-regulated market undermines the people's ability to shape their lives. Richard Schmitt is very critical of this form of decision-making because it

> ...transforms economic processes that could be under collective control, however tenuously at times, into quasi-natural processes that are said to be self regulating: No human devices can resist their force so that they run roughshod over the goals and projects of individuals and groups. The often unexpected vagaries of the self-regulating market are just one more source of contingency depriving human beings of the possibility of directing and owning their lives.[36]

On the basis of my work up to this point, I can now draw three important conclusions. First, market mechanisms do not have the capacity to perform an orderly and just dematerialization process, for there simply is no guarantee that enough people will act together to bring about the needed change. Second, market mechanisms cannot promote human well-being for which a dematerialized economy is necessary, because capitalist social well-being depends both on efficiencies which undermine society (as Greider demonstrated), and on constantly increasing consumption that results in an expanding rather than a diminishing use of nature. Third, since markets adjust only to current prices, they do not have forward looking abilities that can prevent nature's degradation from reaching levels where ecological sustainability becomes impossible and people and nature lose the opportunity to flourish together. Theses three conclusions lead to a further one, namely that instead of the market, 'planning' is the most viable process for

[36] Richard Schmitt, *Alienation and Freedom*, (Boulder: Westview Press, 2003), 31.

bringing about needed changes. To demonstrate the plausibility of this conclusion I will now compare Sweden and the U.S.

(ii) *The differences.* The U.S. and Sweden are very different capitalist countries. Whereas Sweden is a social welfare state, the U.S. is a market state. I have described the market state as a society that is mostly formed by neo-liberal doctrine. Thus the profit-motive of the market highly influences the social system. For instance, in the U.S. many aspects of society traditionally provided by the government, community or family have become commodities; not the least among these are prison services, healthcare, education and homecare. The impetus that brought about this shift came from neo-liberal belief that people are best supported when business is supported to be self-regulating.

In contrast, Sweden is a social welfare state. I define a social welfare state as one that purposely facilitates a comprehensive state effort to meet society's needs. It adheres less to liberal principles, therefore sees a confined role for markets and allows other institutions their role in shaping society. In these ways, a social welfare state differs substantially from nations that are more liberal in approach and have at best welfare programs. J. Magnus Ryner points out that while liberal thought, in general, focuses on individual freedom expressed through the marketplace, there is an exception which he refers to as 'compensatory liberalism'. Compensatory liberalism allows limits to be placed on the market in order to meet collective goals.[37] Even when the U.S. was in its 'compensatory liberal' stage (as during Roosevelt's 'New Deal') it was not operating with the aims that are important in Sweden. Collective goals include government policies to provide a safety net for citizens, infrastructure requirements and education.

[37] J. Magnus Ryner, *Capitalist Restructuring, Globalisation and the Third Way: Lessons from the Swedish Model*, (London: Routledge, 2002), 116.

These goals are not profit oriented but rather focus on meeting specific needs. In contrast to periods of America's 'compensatory liberalism', Sweden's programs are more comprehensive and consistently focused on the whole of society.

Yet Sweden is still a capitalist country. It adheres to the key liberal principles of equality and individual freedom and it values markets; generation of wealth is important; people can choose their entrepreneurial activities, can own businesses and can invest where they choose; Swedish citizens are free in their coming and goings and in their everyday lives do much as they wish. In other words, contrary to critiques that contrast the Swedish and capitalist approaches, Sweden could be thought of as an example of a socialist approach to capitalism. For true to capitalist theory, Sweden's social reforms are still embedded in private property, and Swedes prefer to use economic policy, social policies and public control rather than, for example, to nationalize industries.[38] In other words, Sweden is not totally planned nor is it totally free enterprise.[39] But planning and government policy pay the lead role in shaping the Swedish system.

(iii) *Sorelian Myths*. A comparison of American and Swedish 'Sorelian Myths' is helpful in understanding the ideological differences that inform these two distinct societies. A 'Sorelian Myth' is a narrative that gives credence to a particular social-economic system. Such myths need not be sinister if they describe reality fairly accurately and if that reality serves the needs of citizens well; they can then be looked upon as a tool to help people understand how their social system works or could work.

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[38] Norman Furniss and Timothy Tilton, *The Case for the Welfare State: From Social Security to Social Equality*, (Bloomington: Indiana University Press, 1977), 39-43.
[39] Furniss et al., 41.

Most people are familiar with the concept of 'The American Dream', which I interpret as the belief that any American can do well financially, even become wealthy, because all Americans have the civic freedom to do what they can to build their financial security. 'The American Dream' concept was expressed in the 1800s in extremely popular 'rags to riches' children's stories written by Horatio Alger in the effort to encourage poor immigrant children. The message in his stories was that if people worked hard they could reach their goals. Articulating in popular and accessible form an underlying classical liberalism, the effect of these stories in shaping a major part of the American worldview was immense;[40] American culture is very wealth and success oriented. In the early days of American history the abundance of available land and resources also contributed to this perspective. 'The American Dream' could be termed a Sorelian myth.

Ryner describes Sweden's Sorelian myth, introduced in the 1930s, as very different from the American.

> On the level of mass politics, a term coined by Prime Minister Per-Albin Hansson, 'People's Home' (folkhemmet), where no one was to be treated either as a 'favourite' or as a 'stepchild', proved to be particularly enduring and politically compelling. Articulating more traditional conceptions of family justice and the 'harmony of interests', it showed the Social Democratic project to be beyond class interests and equivalent to more universal conceptions of fairness. It is no exaggeration to label the notion of the 'People's Home' a Sorelian myth, which gave direction and cohesion to the labour movement and enabled it to project its political concepts beyond itself to the 'ethico-political moment' of civil society at large.[41]

These two forms of the Sorelian myth not only represent very different worldviews but also, in terms of dematerialization, ultimately represent very different

[40] Listed on the Internet are pages of individuals and groups that work to promote the essence of the Horatio Alger message in the U.S.
[41] Ryner, 66.

impacts on nature. Of value to this discussion is the possibility that Sweden's notion of 'nation as home' may be adapted to dealing with increasing environmental problems where the need is to share scarce resources and to focus their use directly on meeting people's needs. The desire to care well for people is given a helpful frame of reference by means of the concept of home. At the same time, I think that 'The American Dream' could become impossible in a dematerialized economy if wealth generation is centred on material consumption.

(iv) *Mis-rationalisation.* Beyond the sense of nation as 'home', the concept of 'mis-rationalisation' has had considerable influence on Swedish governance efforts and Swedish society. This concept provides a further example for this study. Mis-rationalisation refers to the difficulties facing a society when enterprises rationalize their production systems and cut employment to gain efficiencies. The term 'mis-rationalisation' was taken from the writings of Austro-Marxist Otto Bauer.

> What Swedish social democrats took from Bauer as a guiding principle in their pragmatic search for appropriate welfare state mechanisms, was the idea that economic and social rationalisation had to be viewed from an integral and holistic perspective. Furthermore, they accepted the argument that a common organisational meta-principle was needed (often referred to as 'planning')....What was required was an *integral welfare state* (*pace* Mishra 1984), that had at its regulatory core institutions that could promote economic rationalisation at the same time as this rationalisation was checked for social concerns....From this vantage point, they enquired empirically and experimentally what form of social organisation was the most suitable to meet the ends in a given instance.[42]

Swedish trade unionists in the 1930s were addressing the problem of 'mis-rationalisation'.[43] The upshot is that, from the first half of the 19th century on, the Swedes shaped their particular form of capitalism to address some of the key concerns

[42] Ryner, 25.
[43] Ryner, 24.

that, in 2003, Greider described in American capitalism as the clash between the values of the capitalist system and the values of society.[44] In contrast, these concerns are still not being addressed in the U.S. where, as Greider described, efforts to keep enterprises efficient are given a higher priority than maintaining the welfare of employees.

The following is a specific example of how the Swedish state addressed the problem of 'mis-rationalisation'. A key Swedish labour principle is that people should not be treated as commodities in the economy. Ryner describes how the Swedes incorporated a de-commodification principle into their labour market.[45] The aim was to give workers needed support to avoid insecurity when thrown out of work. In many western countries, businesses must meet a regulated minimum wage in order to safeguard workers. In Sweden this wage level was high enough to provide a good living for employees and was determined not through government decree but by union negotiations run according to a solidaristic wage policy.[46] As a result, the Swedish definition of an efficient business would include providing well for its workers; in fact, because the ability to pay living wages was a criterion of efficiency, businesses that could not pay this level of wage would fail and be replaced by others. And if enterprises did fail, workers were retrained or supported in their efforts to find new work.[47] Ryner explains that 'A selective labour market policy was to ensure that labour power was channelled from

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[44] The early Swedish policies were modified somewhat when Sweden was forced to deal with globalisation and other pressures from the 1970s onward, however the intent and effect was maintained.

[45] Ryner, 82.

[46] In the late 1900s, globalisation and other pressures have moved Sweden away from formal solidaristic wage bargaining, however large union membership and informally co-ordinated bargaining practises have, for the most part, upheld this method of reducing human commodification.

[47] This process can be viewed from another perspective. The elimination of inefficient businesses, which could not do well enough to provide good wages, not only benefited employees but also helped to build Sweden's success as a capitalist nation. Only strongly performing businesses survived and business success was not built at the expense of the employees—thus a strong tax base was created which in turn supported state programs. And in this way capital did not 'trickle down' through the system as in the U.S. Instead it circulated throughout the population.

stagnant sectors into dynamic sectors, by providing education, information, generous grants for families to move, and so forth.'[48] Through this state policy the Swedes pragmatically addressed the problem of mis-rationalisation while still allowing enterprise as much freedom as was possible.[49] And although governmental power was used to check business enterprise for social good, it did not interfere in the actual workings of businesses.

An important point here is that while in the U.S.'s liberal view people's rational abilities are best expressed individually in the market, in Sweden the rational abilities of individuals have long been expressed collectively in an institutional framework. In the latter instance, people work together to analyze reality, to confer, and to draw on each other's knowledge to plan and develop policies and regulations to deal with and solve various problems. And these same processes are used to make changes in policy when it becomes apparent that they are needed.

There are other lessons to be drawn from this example that would be helpful on the pathway to ecological sustainability. For the same principle could be utilized to protect the environment—heavy restrictions on the use of the natural world may become necessary, but aside from such restrictions, people could be left free to develop their entrepreneurial efforts as they choose. The Swedish approach would then demonstrate what would be required as dematerialization unfolds—entrepreneurial private property rights could not hold priority over social needs or the responsibility to protect nature. As economies become restricted due to dematerialization it will be crucial that nations, including Sweden, demand that enterprise meet people's needs in ways that somewhat

[48] Ryner, 83.
[49] Ryner, 82-86.

parallel what Sweden did in its efforts to address mis-rationalisation. (Failing to do so would result in ever-increasing marginalization within national populations). I say this while recognizing that the focus on production will be very different in a dematerialized world from what it presently is in Sweden. But the main point here is that the Swedes successfully directed enterprise to meet the criteria of human well-being in the instance of a business' social impact. My extrapolation is that they might be equally successful when this principle is applied to the well-being of the environment.

(v) *Nation as home*. Winkler provides a good overview of the thinking of Sweden's leaders that lead to the adoption of the concept of 'nation as home':

> [The leadership in Sweden] emphasized the notion of equality as solidarity in the "People's Home." This notion of equality determined the prerequisites of freedom as an aspect of equality; none would be free until all were free. Equality was not so much an achieved state as a process, marked by a sense of solidarity....Solidarity is a sharing of the burdens as well as the benefits of society, from the health costs of children to the support of retired workers. This is an active process stretching beyond the "fair shares to all" type of equality of outcome, based on the life cycle of each individual. As lives move, so do burdens and benefits. Equality of opportunity was essential, but this meant that parents must be given the tools for equality. It was difficult to speak of equality of opportunity for children without equalizing their living conditions—and thence the living conditions of their parents.[50]

This concept offers us specific lessons concerning visions and policies that a governing body could adopt with the goal of supporting people in their effort to achieve well-being. Winkler has argued that Sweden made 'care' a state issue.[51] Furniss and Tilton substantiate this by describing how in Sweden, 'primary poverty' and slums were eradicated, how there was a focus on the distribution of wealth, and how community

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[50] Celia Winkler, *Single Mothers and the State: The Politics of Care in Sweden and the United States*, (Lanham: Rowman & Littlefield, 2002), 274.
[51] Winkler, 29.

planning was highlighted as a contribution to the 'quality of life'.[52] So the contrast here is that whereas the U. S. focused on civil rights, the social welfare state in Sweden was built on the sense of social rights.

Winkler makes this point as follows. '[In Sweden]...people have a social right to certain basic necessities. "Social Rights" transcends the notion of fixing the deficients. This is an important distinction because it clarifies the existence of a relationship between the individual and society and locates an obligation in the state.'[53] The principles underlying Swedish housing policy demonstrate this sense of social rights in a particular area, and (as in my earlier extrapolation) as applicable at the same time to the environment.

> In the 1999-2000 parliamentary session, the Housing Committee of the Parliament enunciated the principles underlying Swedish housing policy: "Housing is a social right and housing policies should create the preconditions for all to live in good housing at a reasonable cost and in a stimulating and secure environment within the limits of ecological sustainability."[54]

In addition, Winkler highlights Swedish awareness that people are not necessarily to blame for the circumstances they find themselves in and that instead a sociological analysis is called for when people find themselves in negative situations. 'If it is difficult for a low-income earner to afford housing, then the problem is low wages and high housing costs, possibly an inadequate amount of housing in certain areas. The state's response is to inquire into measures necessary to increase wages, decrease housing costs, and increase the housing stock.'[55]

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[52] Furniss et al., 124.
[53] Winkler, 276.
[54] Bostadsutskottet 1999/2000: BoU11; quoted in Winkler, 276.
[55] Winkler, 276.

Another important aspect of the Swedish approach to social policy and programs is its universalism; this aspect is important if human well-being is a political-economic aspiration in a context where resources are limited. Sweden uses means-testing for some programs, but those tested programs exist on top of numerous universally applied social and economic programs which have ensured a good standard of living for the vast majority of the population.[56] This differs from the usual approach to welfare programs in most countries which use means testing in order to limit support programs to those with lower incomes—often only to those with extremely low incomes.

Lastly, there is one further aspect of universalism which is of use to those working toward ecological sustainability. Given the Swedish sense of social rights, universalism is also an aspect of individual freedom, not only for providing each person and family a foundation of security and support on which to build their lives, but beyond this. As Ryner puts it, the Swedes recognize that, 'Universalism with high levels of entitlement are [sic] required to ensure that policy implementation remains simple (and hence avoids bureaucratic "governability crisis"); to ensure that state intervention does not become intrusive and infringe on diverse lifestyles....'[57] In other words, universalism works to eliminate bureaucratic interference in people's lives, seeking to allow people to live as they choose.

A web of programs, including one entitled the 'Right to be Human,'[58] reflected important goals of the Swedish social-economic system. Not only was the degradation of children due to poverty eliminated, but in sharp contrast to countries where no such

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[56] Winkler, 276.
[57] Ryner, 27.
[58] Hilda Scott, *Sweden's "Right to be Human" Sex-Role Equality: The Goal And The Reality*, (Armonk: M.E. Sharpe, 1982), 43-44.

programming existed, this program worked to directly lift families above many financial stresses, allowing parents more energy and time to spend nurturing their children.[59] This surely is a key requirement for promoting human well-being. If, as I have argued (following Greider), capitalism's values have to be changed, then it seems to me that Sweden has demonstrated a way in which this can be accomplished.

When searching for the means to conserve nature while also caring for people, the Swedish concept of nation as 'home' can be expanded, or, more correctly, narrowed down, to demonstrate a way to visualize and develop an ecologically sustainable system based on human well-being. The Swedes' efforts to care for people rather than concentrating on providing opportunities for them to accumulate private wealth and expand their material consumption, presents a conceptual method for narrowing economic activity while focusing on the needs of all citizens. For instance, if or when economic and material pursuits are limited by the need to 'dematerialize' the economy, then the sharing of home life and career time offers adults more opportunity for seeking fulfillment with less emphasis on work and its rewards of material gain. Also, a focus on home life provides a chance to develop a simplified everyday existence, possibly with closer ties to community and more creative expression—this approach will be important as limited resource access restricts economic activities based on consumerism.

All the examples I have given throughout this part of my study demonstrate that Sweden has long been confining its capitalist economy within social criteria. I think these examples substantiate my argument that the Swedish system provides sound conceptual and practical examples to draw on in the movement toward an ecologically

[59] Globalisation and other pressures have somewhat weakened these programs but, relatively speaking, especially in comparison with the U.S., their intent and effectiveness remains intact.

sustainable future. And I believe these examples hold validity although the Swedish culture has unique historical influences that have determined its social and economic path. All cultures will be forced to change enormously to deal with environmental and dematerialization pressures. To speedup and ease this process, Sweden's lessons offer proven methods for addressing such issues.

(vi) *The American and Swedish historical divergence.* There are also insights to be gained about ecology through understanding why modernizing Sweden moved away from many key liberal principles while the U.S. embraced them. Sweden could have adopted a more liberal US form of state organization. In its early stages, Sweden had the wealth to build its system on citizens' entrepreneurial freedom and market activity as happened in the U.S. Ryner describes how Sweden entered the industrial revolution period with raw lumber and steel to export to Britain.[60] Like the US, Sweden financed its industrialization with its natural resource base. Yet Sweden chose another path.

One reason for this, which is a vast study in itself, is that Sweden had very different historical influences than those of the U.S. and those of England—whose early capitalist ideology heavily influenced the developing American worldview.[61] Another factor, which is relevant to the theme of this study, is that Swedish society experienced high levels of poverty before its industrial revolution—a reality which would have been embedded in its cultural memory. The development of study circles demonstrates this point.

> ... the study circles arose in the bleak conditions facing late nineteenth-century Sweden: a poor, underdeveloped nation unable to support its

[60] Ryner, 67.

[61] For instance, during medieval times Swedish peasants were afforded substantial levels of equality and freedom. Thus the Swedish worldview has long focused on both these values.

> growing population and burdened with large-scale social and economic inequalities, rural poverty, rigorous living conditions, high rates of illiteracy, and threats of social unrest....The popular movements acted to overcome these formidable obstacles....[62]

In modern Sweden it has always been important to address poverty issues directly through the development of institutions and programs aimed at overcoming such problems.[63]

In the U.S. poverty came into existence at the time when much wealth was being generated and when the abundant land supply and natural resources held promise of huge future gains. Thus poverty was generally viewed on individual rather than systemic terms. People were at fault for being poor; they were not taking advantage of the opportunities on offer. Also, as many critics of capitalism have argued about poverty issues, the dominant place that economic ideology holds in American thought also contributed to this externalisation—most liberal economists place poverty issues outside the system.

Another pertinent example,[64] modern Sweden also evolved out of a long established philosophy that the state should be strong.[65] Early in its industrialization and early in its transformation to a capitalist system, state goals were already being expressed.[66] For instance, very early on modern Sweden developed an extensive state financed rail system; it did not rely on private investment for it. Also early on, it

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[62] Leonard P. Oliver, *Study Circles: Coming Together for Personal Growth and Social Change*, (Cabin John, Maryland: Seven Locks Press, 1987), 2-3.
[63] The level of equality that historically existed in feudal Sweden would also have affected this aspect.
[64] This emphasis on the state which exists despite the history of 'citizen empowerment', that has been an aspect of Sweden's social reality since medieval times, is an interesting study in its own right.
[65] Ryner, 67.
[66] Ryner, 67.

educated its population.[67] This demonstrates what I think is the key difference in the Swedish and American perspectives; Furniss and Tilton make my point: 'The liberal fears concentrated political power and tries to restrict the scope of the political; the social welfare statist, while respecting the notion of a balance of social powers, tries to democratize authority rather than privatize it.' [68] In Sweden, people have long been empowered by government action on many levels in their lives. In this approach, Sweden demonstrates that the liberal effort to limit government in order to promote freedom is outdated and unnecessary. To substantiate this point further, I will now discuss the connections between freedom and equality and between equality and ecological sustainability.

(vii) *Arguments for and against equality.* Furniss and Tilton explain that Sweden used policies aimed at gaining equality, solidarity and cooperation to build general security.[69] The Swedish philosophy provides an important example when trying to find that balancing point where the activities of enterprise enhance both society and the economy rather than simply expanding economic development or gradually undermining social needs. This approach reflects the value Swedish society places on equality; in practical terms as well as conceptually it is the main factor driving its approach and separating it from the American one. A focus on equality will be crucial to human well-being in dematerializing economies—thus it is essential to explore the concept here. It is also important to understand that different cultures express the concept differently, thus giving 'equality' different contents. Liberal thought provides the main argument against an institutionally imposed equalizing of society: that all individuals in free societies have

[67] Ryner, 67.
[68] Furniss et al., 39.
[69] Furniss et al, 18-19.

equal opportunity and therefore should not need assistance. Because people are responsible for themselves there is no obligation on the institutional level to help others to reach their goals, nor should they expect such support themselves. Individuals can be generous and community minded on a personal level if they choose, but the use of tax money for such purposes is often seen as an infringement on people's freedom to use and share their funds as they personally desire. Thus, in the market-oriented view, many institutionalised efforts to reach equality are seen as affronts to people's freedom. This liberal interpretation views the ideals of freedom and equality as factors that limit one another.

Others, however, recognize that the individual and collective needs we all share are important to each individual's quality of life. For them, what is important is to find the meaningful balance of freedom and equality and opportune ways to express this balance. The argument for implementing measures that increase equality states that human freedoms are expanded when people have more equal access to resources of all types, social and natural. On this view a society guarantees its citizens 'freedom of opportunity' only when it provides a concrete support system on a physical and intellectual level; everyone needs developmental support before they are able to express their talents and find their way in the world as free individuals. The Swedish sense of equality reflects this view; and the manner in which equality is expressed in Swedish culture demonstrates a mechanism for sharing resources in a dematerializing world. Since ecological sustainability will require processes aimed at equality if all humans are to enjoy well-being, a question pertinent to my exploration is how to attain an

equilibrium where equality and freedom provide individuals the best opportunity to maintain themselves, their families, and their communities without destroying nature.

(viii) *Taking change into account.* I have one last point to discuss that increases understanding of the values and the organizing principles that could support ecological sustainability. The social welfare state worldview is built on some liberal principles but is also influenced by other analyses and philosophical positions. The result of this worldview has been that states such as Sweden[70] have developed a flexible pragmatic approach that enables them to evolve as needed to support a humanist agenda. In contrast, liberalism is a somewhat static belief system relative to the social welfare state; the resurgence of neo-liberalism demonstrates that the core elements of liberalism have become entrenched. Perhaps proponents of these liberal views are well served by them and are seeking nothing more than personal gain. But there also seems to be an underlying faith in liberal thought to the effect that the great thinkers of the seventeenth and eighteenth centuries developed principles valid for all time and for all people. To clarify this underlying faith and indicate how it might have come about, we must focus for a moment on England and France.

The U.S worldview was greatly influenced by the evolution of English thought. To understand this development it is helpful to contrast different influences that shaped the British and French worldviews. France evolved under historical circumstances and philosophical influences different from those that affected England. Larry Siedentop

[70] An exploration of the various factors that influenced Swedish decision-making regarding a variety of social and economic issues throughout the 20th century demonstrates the ability of the Swedish leaders to be pragmatic.

describes one of these important differences which, I think, sheds some light on the American and Swedish divergence in political-economic approach.

> Perhaps because the changes in French society were more sudden and violent, French liberal thought has since the early nineteenth century accepted that questions of political theory cannot be divorced from questions about social structure. The result has been a more historical, less a priori mode of argument from Tocqueville to Raymond Aron, with less attention paid to fine logical points and definition, it is true, but with more concern to show how concepts are joined together in points of view or ideologies, and how these in turn spring out of particular social conditions and help to transform them. 'Change' is thus central to political theory for French liberals as for Marxists, and both offer a sharp contrast to the static model of argument which goes far back in the history of English liberalism.[71]

The U.S. appears to be wedded to an approach parallel to the 'static' English model, a linkage that could be blocking needed change in the U.S. Psychologist Jim Hillman describes how Americans, from de Tocqueville's critique in the early 1800s up to the present, have been know as implementers rather than thinkers and philosophers. In more succinct terms Hillman says that 'Europeans think and Americans apply'.[72]

Swedish society, from the early modern era through to the present, was consciously shaped by knowledge gained through empirical and theoretical analysis of reality rather than by principles developed under the circumstances of an earlier era. Thus ideas were developed, expanded and changed as circumstances changed or as the need for changes in direction became apparent.[73] The American conceptual system appears to have proven to be more rigid as it aimed at holding society to economic

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[71] Larry Siedentop "Two Liberal Traditions" in *The Idea of Freedom: Essays in Honour of Isaiah Berlin,* ed. Alan Ryan (Oxford: Oxford University Press, 1979), 174.

[72] Hillman, 141

[73] Many Swedes and analysts have criticized the degree to which globalisation and other forces have influenced the development of Swedish policy since the 1970's. However, the emphasis on societal support for the individual remains intact and has now been extended to support for the environment. This emphasis is reflected in policies covering numerous issues. And, just as Americans focus on freedom, the population of Sweden continues to place a high value on equality and the institutional framework which upholds this value.

principles and ideals that developed out of the social analysis of an early capitalist period. One consequence is that under these circumstances the considerable research and analysis that does exist in the U.S. is largely under-utilized in comparison to that of Sweden.[74] And there is no effective way of using such information if the underlying belief in society is that most institutions are to be limited in their effect on society because the institutions of business will provide for society and better safeguard human freedom.

Thus while liberalism was evolving in its compensatory stage, I see neo-liberalism with its push for the market state as a step backwards. I recognize that capitalist monopolies have matured to the stage where they have sufficient influence to impose neo-liberal factors onto the U.S. agenda because these principles suit their goals. But the dynamics I have described here work to block people's understanding of how their system might improve, understanding that could lead to meaningful challenges and social improvements.

Part Two. Market Critique

In this part I draw on literature that allows me to further my case for embedding the market in institutional controls in order to prevent the processes of individual expression and entrepreneurial wealth creation from undermining human well-being and degrading the environment. The influential thinkers of the seventeenth and eighteenth centuries provided the philosophical basis for viewing freedom as a fundamental aspect of human well-being, but they did not describe workable mechanisms for bringing about such freedom on a society-wide basis; they did not provide the definitive answers on how to promote human freedom and well-being. Sweden has shown a workable way to

[74] Winkler, 15.

address their shortfall. Through the development of mechanisms that both encourage and restrict human freedom, the Swedes addressed the complexity of modern life and the difficulty of shaping human society with freedom as a key principle. With its focus on equality, the Swedish system has demonstrated that freedoms come with shared responsibilities that are best expressed through an institutional framework which ensures that the workings of society facilitate individual well-being.

Economic historian Karl Polanyi addresses the difficulty of holding human freedom as the major tenet in society. He argues that power and compulsion are unavoidable in any society and that what is missing in the liberal view is an analysis of the dilemma that this reality causes.

> Clearly, at the root of the dilemma there is the meaning of freedom itself. Liberal economy gave a false direction to our ideals. It seemed to approximate the fulfillment of intrinsically utopian expectations. No society is possible in which power and compulsion are absent, nor a world in which force has no function.[75]

For Polanyi freedom can only be expressed through an institutional framework that controls expressions of power which threaten the social fabric while also creating and enforcing laws and policy that work for the good of all in society. Peoples' freedoms can only be protected if they exist within a bundle of institutional restrictions which prevent some forms of freedom from eradicating others which better serve the goal of individual well-being.

Polanyi here challenges all thinkers who believe institutions by their nature pose a threat to human freedom. And in calling for institutional frameworks to safeguard

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[75] Polanyi, 266.

freedom he widens our understanding of freedom beyond a simplistic understanding to a multifaceted interpretation.

> Institutions are the embodiments of human meaning and purpose. We cannot achieve the freedom we seek, unless we comprehend the true significance of freedom in a complex society.
>
> On the institutional level, regulation both extends and restricts freedom; only the balance of the freedoms lost and won is significant. This is true of juridical and actual freedoms alike.[76]

Polanyi's points are difficult to accept for a western mindset engulfed by liberal ideas. It takes a drastic change in thought to appreciate Polanyi's directive to find societal organizing mechanisms other than the market. However, if one accepts Polanyi's argument that power and compulsion in society are unavoidable, it becomes impossible to put faith in market mechanisms alone. To the extent that Polanyi's position has merit, it makes indefensible the point made earlier regarding the liberal fear of 'concentrated political power'.[77] Political power has a larger role in safeguarding people's interests than that put forth in most forms of liberalism. Thus the need is not to limit such power but rather it is to find ways to keep such power on track with a society's goals. Swedish institutions demonstrate that governments shape and in turn are shaped by the ideological contexts that they work within; they demonstrate that governments in themselves are intrinsically neither good nor bad.

Nobel prize winner economist Amartya Sen shifts Polanyi's focus somewhat, but in a way that keeps it on human well-being.

> Individuals live and operate in a world of institutions. Our opportunities and prospects depend crucially on what institutions exist and how they function. Not only do institutions contribute to our freedom, their roles can be sensibly evaluated in the light of their contributions to our freedom.

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[76] Polanyi, 262.
[77] Furniss et al., 39.

> To see development as freedom provides a perspective in which institutional assessment can systematically occur.[78]

Sen, like Polanyi, believes institutions are crucial for safeguarding freedom. But Sen adds an extra nuance, namely, that all institutions should in turn be judged by how well they actively support freedom. The focus of Sen's work is on international development, but I believe I can fairly use his argument and extend it to include an advance toward ecological sustainability.

But to return to Polanyi. While he demonstrates that the view of freedom that exists in liberal market countries is overly simplistic, he also opens the door for another way of viewing freedom. For by stating that freedom lies in the balance of freedoms gained and lost, Polanyi creates an opening for those who both value freedom and the human fulfilment that freedom underpins, but know there is a necessity to place restrictions on many human activities.

Implicit in my argument of this last section is the view that there is a range of freedoms that can exist in isolation or in juxtaposition to one another. Societies have a choice on which freedoms to focus on. The important point here is the need for people who are concerned about ecological sustainability to consider the possible combinations of freedoms that would allow people to have meaningful lives even if some freedoms were curtailed. When thinking of protecting the environment while facilitating humanistic goals it is important to recognize which freedoms coincide with both these goals. For instance, in order to protect the natural world, freedom of enterprise or other individualistic behaviours which degrade or overuse nature, freedom of access to

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[78] Amartya Sen, *Development As Freedom*, (Oxford: Oxford University Press, 1999; Quoted from First Oxford University Press Paperback, 2001), 142.

environmentally sensitive places, and freedom of choice in the market place may all have to be curtailed.

However, under such conditions of curtailment of some freedoms, other human freedoms can expand if institutions focus on human well-being and support individuals in their efforts to achieve many of the things that are important to people. For instance, even when restricted in their use of the natural world, people can discover and express their talents to live life more fully. They can nurture their families, friends, community ties and their own spiritual growth. They can connect to nature and to the wisdom and history of their culture—a wisdom and history that have more to offer than individualistic self- assertion. Such freedoms and others like them, together with the economic and personal restrictions for the sake of safeguarding nature, have the potential to create human well-being and to allow nature the opportunity to flourish.

CONCLUSION

Sweden is not a utopia. As in other countries, its people and institutions struggle with a wide range of issues. Its economy is over-materialized, based as it is upon exports, production and production-related services. Relative to most other countries, however, especially those with strong neo-liberal leanings, the Swedish system has proven to be incredibly successful in its efforts to solve problems and to promote needed change. Thus, it demonstrates an approach which promises to stand that country in good stead if dematerialization pressures increase substantially. Sweden's institutional flexibility, together with its reliance on planning mechanisms and research, has demonstrated that human ingenuity can directly affect a society's social and economic success. As discussed earlier, the Swedes' ability to research, analyze, confer, and plan policy in all its institutions, has proven to be more effective in developing a well-working society than reliance-on-markets has been able to provide in neo-liberal focused social systems.

Sweden, presently, has ecologically conscious forestry and agricultural policies as well as other environmentally focused initiatives in place. This should provide its small population a degree of self-sufficiency and, thus, an opportunity to develop an ecologically sustainable society in all but the worse case scenarios (that is, aside from climate change threats to crops and forests and/or global competition for ever-dwindling resources). I argue that, in order to safeguard nature, economies will need to focus

directly on meeting the necessities of the population and heavily curtail material consumption—a need that is contradictory to the hyper-consumer goals of modern capitalism. The focus on meeting necessities will be particularly important when the impact of the dematerializing process becomes obvious. Sweden has never developed hyper-consumerism or a cultural propensity to place a high value on such, which may contribute to easier acceptance of the changes still needing to come and, thus, ease the transition. Swedish culture, furthermore, with its emphasis on equality and universal programming, displays a comfort with the age-old human institution of 'sharing' that will benefit it as access to resources and other environmental pressures come to the fore. I also argue that American culture, in contrast, has evolved to the point where it has the propensity to block needed change because of its hyper-developed consumer and individualistic values, un-evolved liberalism, and faith in capitalism. If my argument has validity, dematerialization-forced changes will create considerably more hardship in that country than they will in Sweden; furthermore, the emphasis on rugged individualism in American culture has the potential to increase competition within that country for its ever-dwindling resources.

Historically, the successes of Swedish planning processes have demonstrated that, when actions are based upon an analysis of the workings of capitalism, it is possible to develop policy that restrains capitalism's worst features.[79] If the path to ecological sustainability demands further moves away from the capitalist approach, then Sweden sets a fine example of how to begin that process. Human freedom needs to be viewed as separate from, and not dependent upon, entrepreneurial freedom. Modern Sweden,

[79] Ryner, 174-187.

despite its continuous encouragement of capitalist endeavour, has demonstrated fundamental support of the separation of these freedoms. Through its philosophical stance toward governmental/institutional processes, particularly through its interpretation of liberalism, modern Sweden has been successful in forcing compromise from the capitalist system. Such compromises on capitalist activities, until the 1970's, had been forced in a time of nationally based industries. As a result of modern globalisation these compromises have become difficult to maintain and efforts to bring about ecological sustainability will face progressively more-powerful forces and increased resistance. Given that dematerialization pressures threaten all world economies, Sweden's planning approach may well prove to continue to be a successful example of how countries might best move forward with human well-being in mind; and I extrapolate from that potential success that its planning process continues to offer a realistic hope for all nations for building the institutions capable of protecting that well-being and safeguarding the environment.

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