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DISCUSSIONS ABOUT ENERGY AND OUR FUTURE

Life After Growth--Managing our Way to a Desirable Future

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This is a guest post by Richard Heinberg. It is a shortened version of a longer post published by the Post Carbon Institute.

What if the economy doesn't recover?

In 2008 the U.S. economy tripped down a steep, rocky slope. Employment levels plummeted; so did purchases of autos and other consumer goods. Property values crashed; foreclosure and bankruptcy rates bled. For states, counties, cities, and towns; for manufacturers, retailers, and middle- and low-income families, the consequences were—and continue to be—catastrophic. Other nations were soon caught up in the undertow.

In late 2009, the economy showed some signs of renewed vigor. Understandably, everyone wants it to get "back to normal." But here's a disturbing thought: What if that is not possible? What if the goalposts have been moved, the rules rewritten, the game changed? What if the decades-long era of economic growth based on ever-increasing rates of resource extraction, manufacturing, and consumption is over, finished, and done? What if the economic conditions that all of us grew up expecting to continue practically forever were merely a blip on history's timeline?

It's an uncomfortable idea, but one that cannot be ignored: The "normal" late-20th century economy of seemingly endless growth actually emerged from an aberrant set of conditions that cannot be perpetuated.

That "normal" is gone. One way or another, a "new normal" will emerge to replace it. Can we build a different, more sustainable economy to replace the one now in tatters?

Let's be clear: I believe we are in for some very hard times. The transitional period on our way toward a post-growth, equilibrium economy will prove to be the most challenging time any of us has ever lived through. Nevertheless, I am convinced that we can survive this collective journey, and that if we make sound choices as families and communities, life can actually be better for us in the decades ahead than it was during the heady days of seemingly endless economic expansion.

Four Propositions

The following summary statements are fundamental both to grasping our current situation and managing our way toward a desirable future:

1. We have reached the end of economic growth as we have known it. The "growth" we are talking about consists of the expansion of the overall size of the economy (with more people being served and more money changing hands) and of the quantities of energy and material goods flowing through it. The economic crisis that began in 2008 was both foreseeable and inevitable, and it marks a *permanent, fundamental* break from past decades—a period in which economists adopted the unrealistic view that perpetual economic growth is necessary and also possible to achieve.

As we will see, there are fundamental constraints to ongoing economic expansion, and the world is beginning to encounter those constraints. *This is not to say the U.S. or the world will never see another quarter or year of growth relative to the previous year.* Rather, the point is that when the bumps are averaged out, the general trend-line of the economy (measured in terms of production and consumption of real goods) will be level or downward rather than upward from now on.

2. The basic factors that will inevitably shape whatever replaces the growth economy are knowable. To survive and thrive for long, societies have to operate within the planet's budget of sustainably extractable resources. This means that even if we don't know exactly what a desirable post-growth economy and lifestyle will look like, we know enough to begin working toward them.

3. It is possible for economies to persist for centuries or millennia with no or minimal growth. That is how most economies operated until recent times. If billions of people (cumulatively) through countless generations lived without economic growth, we can do so as well—now and far into the future. The end of growth does not mean the end of the world.

4. Life in a non-growing economy can be fulfilling, interesting, and secure. The absence of growth does not imply a lack of change or improvement. Within a non-growing or equilibrium economy, there can still be a continuous development of practical skills, artistic expression, and technology.

In fact, some historians and social scientists argue that life in an equilibrium economy can be superior to life in a fast-growing economy: while growth creates opportunities for some, it also typically intensifies competition—there are big winners and big losers, and (as in most boom towns) the quality of relations within the community can suffer as a result. Within a non-growing economy it is possible to maximize benefits and reduce factors leading to decay, but doing so will require pursuing appropriate goals: instead of *more*, we must strive for *better*; rather than promoting increased economic activity for its own sake, we must emphasize whatever increases quality of life without stoking consumption. One way to do this is to reinvent and redefine growth itself.

The transition to a no-growth economy (or one in which growth is defined in a fundamentally different way) is inevitable, but it will go much better if we plan for it rather than simply watching in dismay as institutions we have come to rely upon fail, and then try to improvise a survival strategy in their absence.

In effect, we have to create a desirable "new normal" that fits the constraints imposed by depleting natural resources. *Maintaining the "old normal" is not an option*; if we do not find new goals for ourselves and plan our transition from a growth-based economy to a healthy equilibrium economy, we will by default create a much less desirable "new normal" whose emergence we are already beginning to see in the forms of persistent high unemployment, a widening gap between rich and poor, and ever more frequent and worsening financial and environmental crises—all of which translate to profound distress for individuals, families, and communities.

Journey to a New Economy

The propositions described above are the starting points for a search that can be summarized in a single question: *What are the guideposts toward a livable, inviting post-growth society?*

This search has in many instances entailed a literal, geographic journey. During the past few years, as I traveled the lecture circuit, I met thousands of people who had already concluded on their own that the global stage was being set for an economic crash of epic proportions. They had passed through the psychological stages of grief—denial, anger, bargaining, depression, and acceptance. They were thinking creatively, building new lives, and experimenting with a wide range of strategies for meeting basic human needs while using much less of just about everything.

Some of these folks, like me, had been thinking along these lines for a long time—since the 1970s. Many were much younger, though, had learned about Peak Oil or climate change just within the past few years, and had recently decided to devote their lives to building a post-hydrocarbon world. Some were clearly members of what was known in the 1970s as the "counterculture." Others were mainstream citizens—investment bankers, real estate sellers, high school teachers, small business owners, corporate middle managers—who had chanced upon information that awakened them forcibly from their routines. Many of these folks lived in large cities, but others in small towns or on farms; some were rich, some poor (a few by choice); some were devout, others agnostic or atheist; some were working alone on survivalist projects, while others were building community organizations; some saw the transition as a business opportunity while others were working through non-profit organizations. Here are just three examples that stand out.

In 2005, while on a lecture tour in Ireland, I met a young college teacher named Rob Hopkins who believed that life could be better without fossil fuels. He had led his students in developing an "Energy Descent Action Plan" for their town, and believed he had the seed for something larger and more significant. He soon moved back to his native England to earn his Ph.D., and designed his thesis project around helping the village of Totnes begin a cooperative, phased process of transitioning away from its dependence on fossil fuels. This project in turn led to the start of a series of Transition Initiatives in villages, towns, and neighborhoods throughout the U.K. In 2007, a version of Rob's written Ph.D. thesis was published as a book (The Transition Handbook) that quickly began inspiring others to take up this strategy. Today there are hundreds of Transition Initiatives at various stages of development in a dozen countries (including about 60 in the U.S.).

While in Montana for a speaking engagement at the University of Montana in Helena in spring 2009, some local Peak Oil activists drove me to the town of Ronan and introduced me to Billie Lee, who had helped start Mission Mountain Food Enterprise Center. The Center is housed in a fairly small, non-descript building and features medium-scale food processing equipment that local small food producers can rent at reasonable rates. This enables small farmers to produce value-added products (everything from canned soups to herbal tea bags) that are profitable and are price-competitive with those made by industrial food companies located hundreds or thousands of miles from Ronan. Local food has become an obsession for the sustainability-minded during the past few years, and local food systems will be a necessary pillar of post-growth economies. Yet aspiring small-scale farmers often have a hard time getting started because they cannot afford the equipment to enable them to produce profitable value-added products. Here in the tiny hamlet of Ronan was an ingenious solution to the problem, and one that deserves to be replicated in every agricultural county in the nation.

On a trip to New England in 2007, I met Lynn Benander, a community energy activist and entrepreneur who had started a project called Co-op Power to bring renewable energy to low-income and multi-ethnic communities throughout the Northeast. Typically, renewable energy projects cost more to get going than conventional coal or gas power projects, and so they tend to be found in wealthier communities and regions. Conversely, the most polluting energy projects tend to be sited in or near poor neighborhoods or regions. Co-op Power aims to change that imbalance of power—in a way that *any* community can copy. A typical project: You help four people put up a solar hot water system and everyone comes to help you put up yours; you save 40 to 50 percent off your total system price, get to know your neighbors, and learn how your system works. Co-op Power had also pioneered a cooperative financing method that cuts through the usual roadblocks to renewable energy projects in poorer neighborhoods by leveraging member equity.

Individually, these initiatives and projects may seem to be on too small a scale to make much of a difference. But multiplied by thousands, with examples in nearly every community, they represent a quiet yet powerful movement.

Few of these efforts have gained national media attention. Most media commentators who address economic issues are focused on the prospects—positive or negative—of the existing growth-based economy. These projects don't seem all that important within that framework of thinking. But in the new context of the no-growth economy, they may mean the difference between ruinous poverty and happy sufficiency.

The trends are already in evidence: as the financial crisis worsens, more people are planting gardens, and seed companies working hard to keep up with the demand. More young people are taking up farming now than in any recent decade. In 2008, more bicycles were sold in the U.S. than automobiles (not good news for the struggling car companies, but great news for the climate). And since the crisis started, Americans have been spending much less on non-essentials —repairing and re-using rather than replacing and adding.

Many economists assume these trends are short-term and that Americans will return to consumerism as economic crisis shifts into recovery. But if there is no "recovery" in the usual sense, then these trends will only grow.

This is what the early adopters are assuming. They believe that the nation and the world have turned a corner. They understand something the media either ignore or deny. They're betting on a future of local food systems, not global agribusiness; of community credit co-ops rather than too-big-to-fail Wall Street megabanks; of small-scale renewable energy projects, not a world-spanning system of fossil-fuel extraction, trade, and consumption. A future in which we do for ourselves, share, and cooperate.

They're embarking on a life after growth.

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The realization that growth is at an end raises many questions. Will the financial impact be inflationary or deflationary? Will some nations fare better than others, leading to protectionist trade wars? Will the "down-sizing" of social and economic complexity lead also to a substantial die-off of the human species? How quickly will all of this happen?

There simply are no hard and fast answers to such questions. The financial, energy, food, transport, and political systems on which we rely are complex, so it is almost impossible to reliably model their response to a shock such as a resource limits-imposed end to economic growth. The only reasonable response, it seems to me, is to act as if survival is possible, and to build resilience throughout society as quickly as can be, acting locally wherever there are individuals or groups with the understanding and wherewithal. We must assume that a satisfactory, sustainable way of life is achievable in the absence of fossil fuels and conventional economic growth, and go about building it.