

# Spaceship Earth Economics

Beyond GDP  
September 21, 2022

## History of the Idea of Steady State Economics

John Stuart Mill (1806-1873)

“ It is scarcely necessary to remark that a stationary condition of capital and population implies no stationary state of human improvement. There would be as much scope as ever for all kinds of mental culture, and moral and social progress.”

John Ruskin (1819-1900)

“That which seems to be wealth may in verity be only the gilded index of far reaching ruin.”  
Unto this Last

Kenneth Boulding (1910-1993)

“Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist.”

## **What is a Steady State Economy?**

Herman Daly (1938- ) defines a Steady state Economy as: “an economy with constant stocks of people and artifacts, maintained at some desired, sufficient levels by low rates of maintenance throughput, that is by the lowest feasible flows of matter and energy from the first stage of production to the last stage of consumption.”

To get a feel of how it works, consider a mature forest. It does not grow in size, but it is a living system with a complex web of parts. Remarkably diverse species cooperate and compete within the forest, and new species and ecosystem functions develop over time. The system matures without growing.

## **Top 10 policies for a Steady State Economy**

### 1. Cap-auction trade systems for basic resources.

Caps limit biophysical scale by quotas on depletion or pollution. Auctioning the quotas captures scarcity rents for equitable distribution.

### 2. Ecological tax reform.

Shift the tax base from value added (labor and capital) to “that to which value is added namely resources extracted from nature (depletion) and returned to nature (pollution). Labor and Capital is something we want to encourage, so stop taxing them! Depletion and pollution are things we want to discourage, so tax them!

3. Limit the range of inequality in income and wealth distribution with a minimum income and wealth and maximum income and wealth. The Civil Service, the Military and the University usually range around a 20 to 1 ratio. Corporations can reach a 500 to 1 ratio! A “reasonable” ratio might be 100 to 1 to start with and see how we adapt to it.

4. Free up the length of the working day, week, and year. Allow greater options for part-time or personal work. More vacations and free time. Give people options so that they have the “freedom” to reject a job!
5. Re-regulate international commerce --move away from “free trade”, free capital mobility and globalization. Exchange “recipes” rather than goods.
6. Downgrade the World Trade Organization, the World Bank and the International Monetary Fund.  
Keynes’ original plan charging penalties on surplus balances.

7. Move away from fractional reserve banking toward a system of 100 percent reserve requirements. Favor the views of Modern Monetary theorists of transferring the the power to “create” money from banks to the Federal government. Also consider using Public Banks for state and city financial needs.

8. Stop treating the scarce as if it were free and the free as if it were scarce. Enclose the remaining open access commons of rival natural capital in public trusts as with the National parks and price them by cap-auction-trade systems. At the same time free from private enclosure and prices from the non-rival commonwealth of knowledge. Knowledge unlike goods and services multiplies with every use!

9. Stabilize population. There is one principal way of doing this. Provide added social security for every one!

10. Reform National accounts- Separate GDP into cost account and and benefit account. Start assessing wellbeing and NOT production. Government by the best. Best in Ethics and best in organizing ability

**Many answers are already here. We do not lack good and practical solutions. We lack the courage and sufficient sense of citizenship to go forward and put ideas into practice. If the above is true, then we must attend to our fear and our apathy not continue looking for answers in the realm of policies but in the realm of psychopathology!**

# Teilhard de Chardin

“Union Differentiates”

“If a union is to be successful, its individual parts must be able to perfect and fulfill themselves no matter how complex their grouping.

The individual parts, do not lose their identity and merge into the whole, but paradoxically become more themselves.”



# Definitions of Common Good

Common Good: Everybody's wellbeing counts equally.

Dignity signifies value: The same unconditional, inalienable value value of all human beings. I.e, independently of merit!

“The only legitimate reason for preserving anything is its goodness”

Simone Weil

# Diversity Trumps Ability

Technology now allows all people to Interact and Collaborate. Each of us contributes a part of the solution.

Collective wisdom cannot actually be found in individual themselves it exists only in the whole of us.

Individual decision making can be wrong due to misinformation, impulse or bias.

My own sense (Alec) is the the principal “passions” that are induced in order to manipulate are fear and anger, which inevitably lead to violence and stupidity.

What is being said here is that power and wealth must be transferred from the monarch not to the government that has been captured by money and power and capacity to deceive and to lie, but to “we the people”.

“Superanus”= Standing above all. We the people stand above individuals, corporations, groups, governments and armies.

That is “we the people” tell politicians what we want, tell generals to stop wars, tell corporations how much we will tax them and why.

This is of fundamental importance. Very difficult, yes, but absolutely necessary.

# Voting Systems for Direct Democracy

## Sources

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