

The Perverse Paradox of Scarcity

[Toby Russell](#), February 2009

“The resistance to a new idea increases as the square of its importance.” Bertrand Russell

*“[F]ood stocks were destroyed because hungry workers could not afford to buy them”
Norman Davies discussing *The Great Depression* in “Europe, a History” p966.*

*“We shut the country down because of monetary reasons. We had manpower and abundant raw materials. Yet we shut the country down.”
[M King Hubbert discussing The Great Depression](#)*

The current financial crisis is a great, most likely civilizational opportunity. The lack of effective suggestions as to what to do now, the paucity of vision as to how to structure the economy in a new and humane way, the unimaginative calls from politics and business for a return to the very lend/spend conditions that led to the mess, the depth of corruption being exposed, are all clear signs of decay and impending change. I sense the closing of a chapter, the coming to an end of an old way, I believe at a global level. The challenge is to reach consensus of sufficient potency and effectiveness to proceed in a new direction *while* preventing total collapse. It is not a small one.

As ever at such historical junctures we are confronted with a choice. Are we going to face it wisely or hysterically, boldly or just blindly unleash our rage? In this short article I lay out my thoughts on a key element of the paradigm that has led us to this choice: scarcity (a more thorough laying out of my thoughts can be found [here](#)). While I am no expert, I do feel keenly we are each responsible for the state our societies are in, and that open, adult discussion is desperately needed. We are each obliged to do our bit. We are *not* powerless. We are *all* contributors.

Right from its inception, money has been intimately intertwined with civilization’s progress. Now, after centuries of being mainly beneficial to that progress, it is causing [great societal dissonance](#), as the profit motive directs technology’s application (that is, human ingenuity) down paths too damaging to the ecosystem, and human dignity, to ignore. This is because money’s consequences, arising from money’s insoluble bond with scarcity, have become in sum incompatible with fair and intelligent progress. The technology we call money has become a predominantly destructive force as it fails to adapt to swiftly changing conditions: automation, peak oil, [the death of consumerism](#), the growing demand/need for true sustainability, the rampant power of the corporation, globalisation, robotics, Artificial Intelligence.

Thanks to the coming together of various technologies, there is now a chance to relearn the feasible alternative to money: abundance, scarcity’s opposite – money is a tool only necessary for rationing out *scarce* goods and services. I know the standard, knee-jerk reaction to the idea of global abundance is “go away you moron!”, but I beg a moment of your precious time nevertheless. Indeed, I find the idea that abundance – as a goal or attitude for putting us on a path towards a non-monetary society – pragmatic rather than idealistic. It would most certainly not be an easy path, and would present us with enormous challenges, but we are a highly inventive animal, one I still believe in.

For example, in considering oil and its deep entanglement with consumerism’s spread across the globe, its underpinning of almost everything modern society does, imagine the global economy were to return, as so dearly longed for in most quarters, to 2007 growth levels, that China and India were to continue, reinvigorated, with their expansion programmes. What would happen to the price of oil? \$200, \$250 a barrel? Is this sustainable? Of course it isn’t, but how quickly we forget the difficulties of expensive oil, how dearly we hope for a return to “normal.” Even before we consider the cost to our future of burning fossil fuels at ever increasing rates, even if we ignore their irreplaceable nature, the economics of the 2007 world no longer make sense. Deep down we all know it. If we fail to act on this truth quickly enough and in sufficient numbers, we will pay dearly for our cowardice.

Put bluntly, we can no longer afford oil as our source of energy, regardless of when the global mind recognizes peak. Something has to give. Do we go backwards, or forwards? Do we shun technology and progress etc., and seek some return to nature, or do we redirect human ingenuity, embrace technology and yoke it to an humane, non-monetary, non-profit harness, deploy it so that it benefits all people equally? I believe some mix of the two will yield the best chance of building a new civilization out of the decay of the old. We cannot ignore nature of course, but we should not throw the baby out with the bath water. *Healthy* technology is key, as is the recognition of the power of human ingenuity, its naturalness, its inevitably, and the sheer fun of it.

The twenty minute film found [here](#) (The Story of Stuff) informs us that consumerism, far from being the natural state of things, has a very human, almost deliberately engineered history. The film presents consumerism as a needed boost for the too-slow recovery from The Great Depression, whose effects were still evident in the late 1940s. Automation and other technology through the twenties and thirties had rendered much manual labour redundant, a process which had developed further as a consequence of WWII-inspired developments in manufacturing and elsewhere. The US needed some way of improving people's purchasing power to get growth going again, some process to busy them with *en masse*, and pumping up consumerism, along with its twin poisons of built-in and perceived obsolescence, proved to be the "magic" cure. US citizens were to consume their way to prosperity.

But consumerism is unsustainable, has wrought havoc across the globe. It is tied to an economic orthodoxy and monetary system systemically dependent on perpetual growth, and devours at an increasing rate the resources of a finite planet. Now humanity has amassed a productive power, which, allied to uninhibited consumption, threatens such damage to the ecosystem as to render it incapable of supporting us. We are consuming ourselves not to prosperity, but to destitution, and the rest of the world wants to join in. If we continue to maintain the technology (called money) now responsible for such odd anomalies as artificial scarcity and built-in obsolescence, we condemn ourselves, and the horse we rode in on, to collapse.

Because money only has a role where there is scarcity, all actors in monetary systems are motivated to ration out their product to keep price as far above zero as possible (how the resultant profits, or surpluses are apportioned is the difference between, say, capitalism and communism). Hence, monetary systems cannot deliver true abundance, nor the perception of abundance, for true abundance means a price of zero.

Competition over scarce resources necessarily means winners and losers. This leads inexorably to corruption and power/wealth imbalances as the winners secure their positions and make their chances of winning in the future more and more likely. Seen in this light scarcity is a bad thing. It engenders, then perpetuates, the very ills most of us want to eradicate. But is scarcity unavoidable? The vast majority of economists *know* it is an unalterable and permanent part of existence. To suggest otherwise is to be naive. The classical definition of scarcity – [unlimited wants versus finite resources](#) – is economics' foundation-stone. So just what are infinite wants?

I do not desire an infinite amount of anything, nor do I know anyone who does – what would one do with it all anyway? Neither do I want an infinite variety of things. Not only can I not imagine what that might look like, it would also make choosing between the infinite alternatives impossibly complicated. Furthermore, there is not an infinite amount of people, so wants cannot be said collectively to add up to an infinity, nor can the total potential amount of demand be brought to bear at any one moment, it is exercised unevenly over time and in different places. In short, wants are finite in the day to day application of them, as well as over time, as well as in sum.

And what of demand as an unlimited range of *possible* wants? After all, the human imagination can always find something else it wants to want, and will unendingly desire (and therefore produce) ever newer and more varied goods and services, so that satiety can never be reached. Greed, that beast within, is surely infinite.

Well, not only can these possible desires not be brought to bear at one moment, but is this notion of insatiable greed really a permanent part of human nature? Can it not be reasonably argued that insatiability – as suggested by "unlimited wants" – *arises from* the very conditions of scarcity we assume/perceive? [Marshall Sahlins](#) (1973) takes a fresh look at stone-age and contemporary hunter-gatherer societies, and finds a very different set of behaviours with regards to property and possession

to those we in the developed world know. The “abundance” of supplies for their tools and houses profoundly affects their relationship with the food they hunt/gather, so that it is not flavoured by greed in any way. Sharing is the norm. Ownership is a loose, flexible idea, if at all extant. They are humans who exhibit no greedy behaviours. Homo sapiens sapiens just like us.

Is this the perverse paradox of scarcity? Are humans in conditions of scarcity insatiable (think too how skilfully our desires are stoked and fuelled by advertising), yet in conditions of abundance easily satisfied? Have we, of the harsh-winter-formed West, ancestors of the first farmers, spawned an attitude to scarcity/abundance that *was* justified, that *once* made sense, but which now, thanks to technology, no longer reflects reality? Are our scarcity-based behaviours and expectations anachronisms that would melt away in the warmth of abundance in a balanced-load, resource-based economy? I believe so.

In contrast to the above considered Malthusian definition, scarcity is, I suggest, more helpfully expressed as “not enough for everyone.” Abundance, therefore, is “more than enough for everyone.” Abundance is not an infinite amount of everything for everyone. You *can* have finite resources *and* abundance. The trick, then, is to organise society and production around a healthy sustainability, and to supply enough to *always* exceed demand, a demand which is nurtured by an intimate knowledge of what sustainability means, what wealth is, and which knows that scarcity and abundance are as much attitudes as hard, physical realities.

“Impossible!” I hear you scream in intellectual indignation, “history clearly proves otherwise!” But imagine for a moment world population were suddenly a mere 1 billion people, and that the infrastructure that produces the goods and services needed for society’s functioning were still operable. Would there be conditions of scarcity or abundance? Well, that would depend on whether some monetary system were deployed to ration out those goods and services, or a resource-based economy to give them away without a price tag, like plucking fruit from a tree. The system deployed for distribution is key. Constructing this system depends on our attitude to one another and to the ecosystem, and the technology and energy we have at our disposal.

This simple thought exercise raises the important question of the planet’s carrying capacity (please do not think I am in favour of population reduction, I am not). Do we yet know what it might be? Jacques Fresco of [The Venus Project](#) estimates about 10 billion. Interestingly, UNESCO sees world population [peaking at 9.2 billion](#), but in truth the question of carrying capacity is close to impossible to answer *definitively*, for technological advances have proved Malthusian doomsday predictions false over and over again. For example, [Geoff Lawton's efforts](#) in permaculture are proving even deserts can be brought back to flower. Basically, Earth’s carrying capacity, though finite, expands as the quality of the technology deployed to treat it sensibly improves; that is, as we get wiser at doing more with less. Our task is to ensure our technological endeavours are sustainable, and our consumption too. Treated with wisdom and care, [Lover Earth](#) can support us easily; abused, raped and ignored, we threaten only ourselves. The Earth will shrug us off like a mild cold if we don't wise up fast.

So, if we sincerely want to progress beyond this social morass we endlessly debate, a debate all too often fatally constrained and flawed by remaining stubbornly rooted in the paradigm that has led to the impasse, our task is to fully deploy technology (human ingenuity) for the *equal benefit of all while protecting the environment*, and in so doing produce goods and services in abundance – eminently possible should we wish it, should we manage to change our attitudes to scarcity and abundance. Should we successfully pursue such a path, the elimination of scarcity/money would be a logical consequence. Only in this way can we think of valuing ourselves and everything else in non-monetary terms. Only then can we begin to move away from the inhumanity of regarding a human being as useless, just for lacking the skills that make him employable in the market place of the day.

To head off in such a direction will require [a complete redesign of society from the ground up](#), a profound re-thinking of value, of morality, of law, of ownership – a paradigm shift in essence – and a lot of will. However, the first stone to be laid on the path to abundance is of course clean, sustainable energy, which means viable alternatives to oil. There are already serious contenders for this, we just don’t hear about them very often:

www.blacklightpower.com

www.ecogeek.org/content/view/1329/

geothermal.inel.gov/publications/future_of_geothermal_energy.pdf

to name but three (there are many others). Now I am not saying the newer technologies are mature (although Blacklight's amazing technology has already been tested, confirmed and is about to be deployed), but they, and others like them, are coming. Will a global system based on money/scarcity be capable of implementing technologies that mean less (and perhaps in the long run, zero) profit, even if the benefits to humanity are incalculable? If we are to avoid killing billions so as to maintain an oil-based western standard of living (consumerism), which anyway threatens our planet's ecosystem, we must move to an alternative energy source. To decide to do this, it seems to me we must first take the idea of abundance seriously, since new energy solutions threaten to upend the monetary system and the current status quo. For example, one of the current requirements for replacing oil is that the newcomer should [produce a healthy profit](#). But what if a valid, workable solution does not produce a healthy profit? Should we abandon it? Let civilisation implode to "protect" the current status quo? In order to want to deploy solutions such as, say, [cold-fusion](#), we must first take seriously a [new economics without exchange](#).

In brief conclusion, for human societies the following makes sense to me:

scarcity --> competition --> corruption --> scarcity *or*
abundance --> cooperation --> sustainability --> abundance

The hard part, of course, is getting enough people to see abundance as a sensible and pragmatic solution, not as some teenage, utopian fantasy. We need to remember that real change does not come from within the system, and that truly radical ideas seem strange and silly at first. Look at how long it took the mainstream media of the day to take flight seriously – five years after it was first demonstrated at Kitty Hawk! And by the way, the solution to the problem of manned flight was not discovered inside academia's shining halls, indeed the very thought of it was widely derided by the intelligentsia until it happened ("you can't pull yourself up by your own bootstraps!"). Manned flight was impossible right up until it wasn't. The world was flat right up until it wasn't. The Earth was the centre of the universe right up until it wasn't. The current system will be the only one that can possibly work right up until it breaks and we embrace the new. This pattern will be true for abundance too.

"To get something we have never had, we must do something we have never done."
Anonymous.