**Final Cover** 

A visionary yet practical guide to building a more sustainable future, by one of the 'great voices' (*Business Week*) of the environmental movement today.

# How to Thrive in the Next Economy

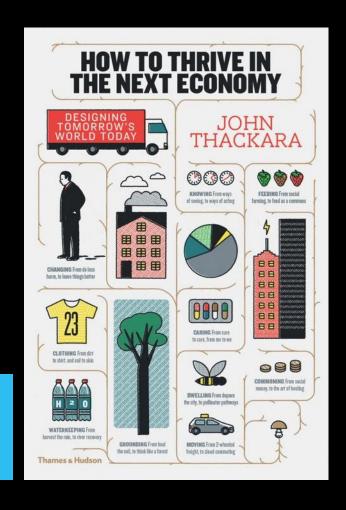
Designing Tomorrow's World Today
John Thackara

### **NEW IN B-FORMAT PAPERBACK**

19.8 x 12.9 cm 192pp ISBN 978 0 500 292945 Paperback £9.99 February 2017

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Book





# **Key Sales Points**

- 'A thoughtful plan for a better and very different world' New Scientist
- Radical, relevant and accessible this is a book that promises to reignite mainstream discussions of sustainability in both theory and practice
- The first book on sustainability to prove that, locally, groups of human beings are achieving what governments, official bodies and writers of manifestos are failing to do
- John Thackara is a design visionary and provocateur who was described by Business Week as 'one of the great voices on sustainability'
- Chapters cover the full gamut of human priorities, and what we mean by 'economic development', focusing on practical, workable innovations that are being implemented by grassroots communities across the world

# Target Market

- Anyone interested in innovation, sustainability and the environment
- General non-fiction readers of Malcolm Gladwell and Stephen Pinker

#### FOR LEX AND ELEANOR THACKARA

First published in the United Kingdom in 2015 by Thames & Hudson Ltd, 181A High Holborn, London WC1V 7QX

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Book design by Lisa Ifsits

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British Library Cataloguing-in-Publication Data. A catalogue record for this book is available from the British Library

ISBN 978-0-500-51808-3

Printed and bound in India by Replika Press

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## CONTENTS

SPREADS FROM EDITION

- 1 CHANGING: From do less harm,
   to leave things better 6
- 2 GROUNDING: From heal the soil, to think like a forest 20
- 3 WATERKEEPING: From harvest the rain, to river recovery 34
- 4 DWELLING: From depave the city, to pollinator pathways 49
- 5 FEEDING: From social farming, to food as a commons 67
- 6 CLOTHING: From dirt to shirt, and soil to skin 85
- **7 MOVING:** From two-wheeled freight, to cloud commuting 98
- 8 CARING: From cure to care, from me to we 120
- 9 COMMONING: From social money, to the art of hosting 135
- 10 KNOWING: From ways of seeing, to ways of acting 155

Notes 170 Bibliography 183 Acknowledgments 185 Index 187

#### CHANGING: From do less harm, To leave things better

At a dusty crossing on the long cross-country road from Kanpur to Lucknow, in Uttar Pradesh, India, we come across a huge video screen on the back of a flat-bed truck. Together with a dozen villagers, four people on bicycles, and a cow, we stare in a daze at the screen. On the left side of the screen the landscape on each side of the River Ganges, in whose vast fertile plain we are standing, is made to look hot, dusty, and wretched. On the right of the screen, a better future is portrayed: busy cities, robot assembly lines, and high-speed trains. This before—and-after sequence is followed by a full-screen video in which computer-generated apartment blocks sprout like so many mushrooms from bright green grass along the banks of the River Ganges. Welcome to Trans-Ganga High/Tech City,' explains the voiceour

May the odds be ever in your favourf mutters my young companion. This is pure Hunger Gamet; she explains, and goes on to describe how, in a film that everyone in the world has seen except me, a young woman called Kamiss lives in a dystopian, post-apocalyptic nation. Every year The Capitol, where the rich people live, asserts its power over the poor regions that surround it by staging the Hunger Games in which boys and gifus, selected by lottery from the poor

the 15.1 threshold below which the investment never pays for itself. You can't have an economy without energy. Energy does the work! Professor Hall concluded, echoing Tom Murphy's 'poor-quality fields mean poor-quality growth'. I'll never forget the silence that followed his presentation. Eventually, a senior Member of Parliament stood up, thanked Professor Hall for his 'most interesting presentation', and added, 'but of course, for an elected politician, reduced affilence is an impossible self: He then sat down. Professor Hall, the scientist, said he was a numbers guy, not a policy guy – and he sat down, too. Then everybody went home.

Technology optimists believe that renewable energy, conjured into existence by innovation, will allow us to carry on as usual - but they are in for a disappointment. Nearly all plans for a transition to renewable energy suffer from an existential flaw; they take global energy 'needs' as a given, calculate the quantity of renewable energy sources needed to meet them, and then - well, things get vague. Green energy optimists have no answer for a logical inconvenience: it takes astronomical amounts of fossil-fuel energy, and money, to deploy 'green' energy systems - 200 km (125 miles) of copper in one wind turbine, to give just one example. There would be far fewer wind turbines, for example, if they had to be manufactured, installed, and maintained using wind energy. Retrofitting energy systems on a large enough scale to run today's industrial society would require vast investment of materials, money, and organizational effort that, in today's deflationary global crisis, will not be available. Gail Tverberg, an actuary and blogger, puts it bluntly: 'Quite apart from the math, or the thermodynamics, or the simple logic, a lack of cash flow for investment in infrastructure will eventually bring the system down."

Measured against the laws of mathematics, physics, and common sense, our belief in an energy-intense economy – one that expands to infinity in a finite world – seems irrational. A better word would be habitual. Many smart people believe that growth will go on forever because that is all they have known in their lives. They believe in the inevitability of progress because, in their lives at least, things have always progressed. They believe that bold actions should be

areas, compete in a televised battle to the death. 'May the odds be ever in your favour!', I learn, is what the creepy ruler guy says when opening the Games – in which all but one competitor will die.

Trans-Ganga High Tech City resembles The Hunger Games all too well – a glossy, gated eity surrounded by social hardship and degraded landscapes. Trans-Ganga is one of 100 Indian turn-key cities that developers want to build on green land swept clean of its small farmers and biodiversity. Investors are promised that special laws will be passed to ensure that millions of poor Indians are 'excluded from the privileges of such great infrastructure.' These physical and social impacts are disturbing enough – but what really cranks up the ansiety level are the bright and perky voices, on screen seersywhere, proclaiming these developments to be for the good of all. Whenever a voice is miseld in protest at the negative impacts of these plans, the perky heads blame the losers for their own misfortune: Get a job! Try hardref! May the odds be ever in your favour!

The words we choose are important as we try to make sense of these new times. One man's negrey decount is another woman's energy transition. Talk of an impending critin is searcy; realizing that the crisis is already underway, less so. The end of greath sounds grimbut it is not the end of life. The collapse of critilization is a terrifying prospect; the birth of a new one puts things in a different light. What is civilizational collapse, after all cyapies the falian physicist Ugo Bardi, as elf-styped 'stoic scientist', other than a period in which things are changing faster than usual?"

The apocalyptic view is couched in the language of danger and collapse. Industrial civilization has started to crash, say the 'doomers'. For them, our best course of action is to head for the hills with a truckload of guns and penant butter. At the other extreme, optimistic technology buffs are confident that man-made solutions will soon allow us to carry on as usual. And what about the rest of us? Most people I know are anxious about what's happening around them, but silently so; they think less about the collapse of civilizations than with finding work, or feeding their kids. But they - we - feel less secure. It doesn't help that the media are filled with fatuous advice and the contraction of the contract

7 FROM DO LESS HARM, TO LEAVE THINGS BETTER

taken without regard for consequences because there haven't been any negative consequences – or rather, none that they have experienced personally. They believe that man is special, and that progress is unstoppable, because no experience has given them reason to think otherwise. These foundation mythos of the modern age – reason, progress, mastery over nature – are oil-powered narratives. In the 1950s, when Milton Friedman expounded the economic thinking that dominates political discourse to this day, you could buy a barrel of oil for 11883.50

#### MONEY

The timing and severity of peak energy is a contested topic, but a growing number of people are happy to blame bankers for our economic woes. This blame is misdirected. The men and women in suits can be hard to love, it's true, but they are more the prisoners of a dysfunctional system than its masters – in their case, the money one. And the fate of the money system, it turns out, is tied intimately to the fate of the energy one. Money and energy are better thought of sa one story.

Before writing this book, I had vaguely assumed that what banks do is collect deposits and savings from one lot of people, and lend those funds out to different people in the form of loans, mortgages, and credit on plastic cards. This is not the case at all. Although bankers describe their core business as 'lending' money, it should really be described as creating money. When you or I borrow money from a bank, and the bank tells you it is 'transferring' funds into your account, that money is not taken out of a vault, nor even sent down a wire from somewhere else. It is newly created, there and then. Only a small fraction of the money they create is backed up by assets - such as the deeds to a house, or a bar of gold - lodged safely in their vaults. For the most part, they just make the loan at will. And it gets curiouser. Even though you and I now have new money to spend, these loans are recorded on the banks' balance sheets as assets. The rationale seems to be that the interest on the loar that you and I will pay to the bank represents a steady flow of profit

about what we should do: drive a Tesla? Change a light bulb? Give

This book is that break. It tells of a third social movement - much bigger than the rifle-packing doomers and the green-tech dreamers - that's emerging as the global crisis unfolds. This movement is below the radar of mainstream media, but it contains a million active groups - and rising. Quietly, for the most part, communities the world over are growing a replacement economy from the ground up. As you will read in the pages that follow, their number includes energy angels, wind wizards, and watershed managers. There are bioregional planners, ecological historians, and citizen foresters. Alongside dam removers, river restorers, and rain harvesters, there are urban farmers, seed bankers, and master conservers. You'll meet building dismantlers, office-block refurbishers, and barn raisers, There are natural painters, and green plumbers. There are trailer-park renewers, and land-share brokers. The movement involves computer recyclers, hardware re-mixers, and textile upcyclers. It extends to local currency designers. There are community doctors. And elder carers. And ecological teachers.

For most of the people I write about in this book, the changes they are making are driven by necessity; they are not a lifestyle choice, Few of them are fighting directly for political power, or standing for election. They cluster, instead, under the umbrella of a social and solidarity economy. Different groups and movements have names like Transition Towns, Shareable, Peer to Peer, Degrowth, or Buen Vivir. Their number includes FabLabs, hacker spaces, and the maker movement. Some have taken over neglected buildings - from castles and car parks, to ports, piers, hospitals, and former military sites. There are campaigning organizations, too - for slow food, the rights of nature, and seed saving - not to mention bioregionalism, and commoning. And our number is growing. Up to 12 per cent of economically active citizens in Sweden, Belgium, France, Holland, and Italy work in some kind of social enterprise - and that's in addition to the vast amounts of unpaid work already being done in the household and caring economy.

8 CHANG

nondrously diverse they are all, swater, "message-bearers of a neof a ne-

The notion of a living economy can sound poetic, but vague. Where, you may ask, is its manifesto? Who is in charge? These are old-fashioned questions. The account given by Macy - of a quietly unfolding transformation - is consistent with the way scientists, too, explain how complex systems change. By their account, a variety of changes, interventions, and disruptions accumulate across time until the system reaches a tipping point: then, at a moment that cannot be predicted, a small release of energy triggers a much larger release, or phase shift, and the system as a whole transforms. Sustainability, in other words, is not something to be engineered. or demanded from politicians; it's a condition that emerges through incremental as well as abrupt change at many different scales. 'All the great transformations have been unthinkable until they actually came to pass,' confirms the French philosopher Edgar Morin. 'The fact that a belief system is deeply rooted does not mean it cannot change 3

So this is an optimistic book – but not dreamily so. If I'm to convince you that the stories to come are the harbinger of the new

9 FROM DO LESS HARM, TO LEAVE THINGS BETTER

to them. And because many bankers are paid by commissions on new loans issued, there's a built-in incentive to lend as much as possible.

When an economy is growing, this peculiar dynamic does not much matter: as people buy more goods, often using credit from the bank, and as businesses take out loans to increase their production of goods, then interest on existing loans is repaid. But when economic growth stalls – for example, because there is less cheap energy to power growth – new money stops entering the system and a destructive feedback loop kicks in. Interest on existing loans is not paid; defaults multiply; jobs are lost people gene lless money; businesses take out fewer loans; less new money enters the economy – and the crisis of debt intensifies.

This through-the-looking-glass logic of the money system is made harder to grasp by the ineffable numbers used to describe it. At the time of writing, global debt is estimated to be about US\$200 trillion - but what does such a number mean? Well, think of it this way: imagine that a world government, burdened with this debt of \$200 trillion, decided to pay it all back at a rate of \$1 per second. To pay back \$1 million at such a rate would take 11.5 days; paying back \$1 billion would take 32 years; but to pay back the full \$200 trillion, at a rate of \$1 per second, would take 6.5 million years. Taken together with the energy crunch this is why, however much we might wish things to carry on as before, they won't. They can't. As explained by Gail Tyerberg. 'An infinite economic growth model has created the need to keep the hamster wheel turning faster and faster until the hamster dies." Blaming bankers for the hamster's imminent demise is therefore to miss the point; it's the money-energy system itself that is spinning the wheel.

#### GROWT

If the manic striving for growth was just about numbers, we could write it off as deluded, but harmless, thinking. But money is not just an abstraction. As professors Murphy and Hall explained above, money gets work done in the real world. When a system must grow in order to survive, but the work it enables is destructive, the consequences are catastrophic.

I experienced the grim consequence of growth for its own sake at a meeting of 200 sustainability managers at a famous home furnishing giant in Sweden. During twenty years of hard work on sustainability, this company has made thousands of rigorously tested improvements here are recorded on a fix without end. The range of improvements is startling – even admirable – except for one fact: the one thing this huge company has not done is question whether it should grow. On the contrary: it is committed to double in size by 2020. By that date, the number of customers visiting its giant sheds will increase from 650 million a year at the time of writing to 1.5 billion a year. And why? The senior manager who briefed our meeting on this plan put this growth into context: Growth is needed, she explained, 'to finance the sustainability improvements we all want to make.'

A fatal flaw with this argument is best explained if I talk about wood. The company, as the third largest user of wood in the world, has promised that by 2017 half of all the wood it uses - up from 17 per cent now - will either be recycled or come from forests that are responsibly managed. Now 50 per cent is a vast improvement on 17, but it also begs the question: what about the other half of all that wood? As the company doubles in size, that second pile of wood - the un-certified half, the unreliably-sourced-at-best half will soon be twice as big as all the wood it uses today. The impact on the world's forests, of this one company's hunger for resources. will be appalling. The committed and gifted people I met in Sweden - along with sustainability teams in hundreds of the world's major companies - are confronted by an awful dilemma: however hard they work, however many leaks they plug in production cycles, the net negative impact of their firm's activities on the world's living systems will be greater in the years ahead than it is today. And all because of compound growth. It doesn't matter how many brands proclaim that their products are verified, accredited, or certified as being sustainable; so long as growth remains a company's prime

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