

modern muse

SUPPLY & DEMAND It's Not Just for Economics Anymore

I spoke recently to a seminar of fortune 300 executives—all CEO's, presidents or their "direct reports." The conference theme was "Sustainable Growth"; the purpose was to prepare 21st-century CEO's for that emerging century, to position them to crest with the new waves. The other speakers—prominent business authors and consultants—addressed earnestly

Those at the top of the society and the economy are, as the saying goes, "different from the rest of us." They are not just the most talented, but the most ambitious. They want to grow in income and influence themselves, and want their organizations and societies to grow as well. They take to growth like a fish to water. With very few exceptions (most notably the U.S. Presi-

attain the living standards of Americans;
3) We thereby achieve both economic justice and continued growth.

Justice and growth are noble goals, so what's the problem? We can't have infinite growth in a closed system, that's the problem. Yet this entire three-day CEO conference was based on the assumption that we can, and every distinguished speaker reinforced that belief with strategies for growing more and faster.

A. We want the world's economy to grow infinitely and forever.
B. But the world's economy is based on consumption—of the Earth and its resources.
C. The Earth and its resources are finite.

How do we meet, forever, an infinite demand for resources that are in finite supply?

This question seems so obvious to me that I'm concerned that it is water and I am fish. I mean, if it's clear, simple, and obvious, then what am I missing? Or what are the people in charge missing, and why?

Well, like those people in charge, the Industrial Era was born into an apparently sustainable world. We could always increase supply to meet increasing population demands. Natural resources seemed in infinite supply, so we needed only to develop the technology to harvest, distribute, and use them. And advertising could help increase demand,

so employment would increase and everyone could participate.

It worked. It worked so well that it shaped our values and became the water in which we swim. We now view everything—resources, economics, and social policy—through a supply-side lens.

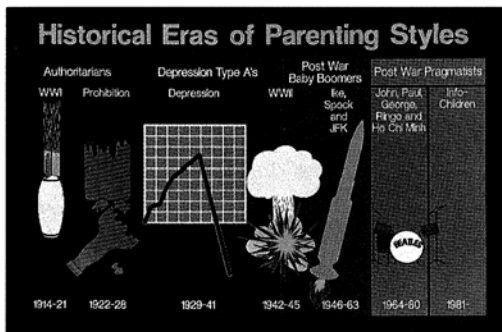
We debate whether we should control the supply of guns, rather than addressing the deeper, more difficult question of why Americans demand more guns than other people do.

We spend 70% of our federal anti-drug money on the punishment and interdiction of drug suppliers, to control the supply of drugs to our people. But why do Americans, who are 5% of Earth's population, demand and consume 65% of Earth's illegal drugs?

We spend 70% of our public and private energy money on developing new supplies of conventional fossil fuels; only 30% on energy efficiency and renewable energy technologies, which would decrease our demand on those limited resources.

Medical costs spiral out of control because we emphasize drugs and surgery rather than prevention. Preventive medicine would decrease the demand on medical resources, so the supply would be less expensive.

We prefer not to supply welfare checks, but we leave unsolved the mysteries of education, racism, class structure, urban flight, and joblessness >62



the "paradigm shifts" that would be required of business leaders.

I began to realize they were discussing shifts *within*, not *between* paradigms. I was reminded of the adage, "Don't expect a fish to describe water; the fish knows nothing but water." Like water to the fish, our deepest assumptions and beliefs suffuse our understanding of everything. They go unnoticed because everything else—our opinions, attitudes, perceptions—are attached to them seamlessly, and are filtered through them. That's the way it is with our leaders' attitudes toward "sustainable growth."

dent), they are people born before World War II. In the era in which they formed their values—their understanding of Nature—resources seemed inexhaustible and infinite growth a realistic goal.

Their ambitiousness, their history with unlimited plenty before WWII, and decades of global growth since, leave top executives and senior politicians with this watery paradigm:

- 1) Growth can be sustained forever, because there will be an adequate supply of resources forever;
- 2) All Earth's people should

Layne Longfellow