2 Economism and the Challenge of Earthism

I. THE FAITH OF ECONOMISM

Economism is the belief that primary devotion should be directed to the expansion of the economy. According to the dominant economistic theory, large markets allow for greater specialization and economies of scale along with adequate competition to establish optimum prices. The ideal is a global market. This can be attained only as national boundaries cease to inhibit the flow of goods and capital. That means the control over this flow by nation states should be reduced and even eliminated. It also means that within each state, government’s role is to encourage competition among the economic actors, local and international, and to provide the infrastructure that enables business to prosper.

Economistic thinkers believe that the growth of production achieved in this way will solve the most important of the world’s problems. Without this conviction, there would be no justification for giving priority to economic growth over all other considerations. But if, indeed, human well-being, as understood by a wide range of variables, is enhanced by economic growth and cannot be dealt with as well in other ways, then those concerned for human well-being should accept the primacy of the economic order. The real issue, from this perspective, is only which economistic ideology and practice should be adopted.

The most obvious claim of economism is that economic growth improves the general economic well-being of people. Economists consider in each situation how better to meet the desires of some without doing harm to any. Economistic thinkers see growth as coming close to fulfilling this requirement. Market transactions are voluntary, and people do not voluntarily exchange goods or services unless they benefit from the exchange. If some lose out in market competition, a growing economy allows society to prevent this failure from being humanly devastating by providing some kind of safety

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net. Hence, it is claimed, economic growth contributes to the economic well-being of people generally.

Secondly, economic growth is held to be the way of overcoming poverty without the use of force. The alternative solution to poverty would be redistribution of goods, and since those who are better off do not voluntarily give up their goods, this requires an authoritarian government ready to use force. On the other hand, if the economic pie grows larger, each group's share of the pie, if it remains the same fraction, increases in size. The poor gain along with other segments of society rather than at their expense. This makes possible improvement of their lot, it is asserted, along with the maintenance of social harmony.

Third, economic growth is believed to create jobs and so work toward full-employment. It is true that full-employment can be attained by government make-work programs. But the growing market creates jobs that are useful to society and, therefore, meaningful to the worker. Although individual employers may downsize and thus put employees out of work, the greater efficiency that results makes capital available for other productive investment. This generates new jobs, so that employment overall increases.

Fourth, it is affirmed that economic growth leads to better pay and working conditions. The more efficient use of capital involves increasing the productivity of labor, that is, the amount produced per hour of work. As productivity rises, wages also rise. Workers demand more healthful working conditions and get them.

Fifth, it is argued that economic growth makes possible improvements in health and education. An affluent society has the resources to address these important dimensions of human well-being. People who have met their basic needs demand these services.

Sixth, economic growth is claimed to solve the problem of excessive increase in population. When average income reaches a certain point, it is said, family size diminishes. This may be because children who are an economic asset in poor societies are an economic burden in affluent ones. In any case, this 'population transition' can be documented in Europe and elsewhere. It is asserted that, for this reason, no government interference with private matters is needed to achieve population stability.