

The second problem is that the total amount of available arable land is substantially less than the amount of land that would be needed to grow both food for our population and crops for ethanol production for our economies and transportation. Even so, politicians are also advocating that the public has an obligation to make these speculative investments in ethanol processing plants “successful.” This in turn implies that additional subsidies will be required from the public to make those investments profitable. The collateral damage of starvation and global warming are not even admitted entry into the actual calculations being indulged.

Alternative fuels which have levels of energy returned for the related energy invested roughly equivalent to oil and natural gas still remain to be discovered. The primary attraction of the proposed replacement fuels seems to be that by prioritizing the maintenance of a particular economic order. The expectation is then that the supporting societal structures and values won't be required to change. As an alternative energy source, conservation and energy efficiency has been largely been considered only as it serves the expansion of consumption, profits, and as an affirmation of The Jevons Paradox.

Counter Examples and Economic Illogic

There are at least two easy counter examples to The Jevons Paradox. The first is the mass transit in the US as it historically existed prior to its dismantling by the US auto related industry. The efficient use of energy was by design reduced to increase both consumption and corporate profits. This advocacy of a New American Dream was accompanied by a massive public relations campaign which inflated racism and consumerism. The second example is mass transit as it currently exists in Europe. It is difficult to not identify mass transit as an energy efficiency technology. In the presence of effective regulatory institutions or alternatives, and of the treatment of fuel as a strategic economic utility.

In effect economic security and political institutions have been reverse engineered to serve

corporate wealth. As an example, related industries have acted to oppose the increasing of the standards of residential insulation for new residential construction in order to preserve their profits. Efficiency in production caused by inefficiency in the use of resources The obstruction of mass transit in the US has been used to expand profits more than serving the interests of the population. Energy efficiency strategies applicable to industry, transportation, and buildings have been available for a long time, at least decades, and with certain exceptions have attracted only limited attention.

The concentrated control of strategic economic sectors has not only enjoyed unregulated profits it has also generally not contributed a proportionate to support of commons infrastructure and has also constrained the choices of other industrial sectors. The assumption of economies of scale is based upon having access to high energy fuels by which the distribution of goods over a wider consumption base can be supported. Without this variety of high energy content fuels this centralization would not be possible. In these terms as the real net energy cost of distribution increases, then centralization should be reversed toward greater localization.

The points here are that we can ill afford to dismiss the importance of community economics or the details of what it is intended in the advocacy for the relocalization of communities. We also need to recognize that attempting to maintain the current implicit priorities will cause great harm to our communities. If the analysts and advocates who recognize the likely effects of the peaking of the production and distribution of oil and natural gas concentrate primarily upon technological energy efficiency we are likely to leave in place the incumbent economic and societal conventions.

If there are any paradoxes at all embodied in The Jevons Paradox, then the contradictions can be found among the assumptions of “free market” economics and as it is applied to real time societal needs and priorities. One contradiction is the assumption that the thinly “naturalistic science” perspective is at all adequate to model social phenomena. Another is the

assumption that economic growth will not be limited by the availability of natural resources both strategic and general. Another contradiction is the assumption that energy sources such as natural gas and petroleum are replaceable as strategic economic commodities. Another is that the unregulated distribution of surplus value as the invisible hand theology promotes is in the best interest of the general population. Also, to reject the domain of economics carte blanc and its contribution to solutions, also tacitly accepts the current mainstream assumptions as the default paradigm.

By definition a scientific theory has to be adequate to the field of phenomena that it is established to predict. If this is not the case, then what is proposed is more on the order of an ideology than a scientific theory. Conforming real behavior into supposed theories for the sake of a standard of falsifiability, seems simply backwards. Paradoxes arise only when a field of phenomena does not conform to a proposed theory and its assumptions, both explicit and tacit. The problem identified by a 'paradox' lies in the applied explanatory theories and ideologies. When organizations and communities hit an economic crisis, real or imagined, without a useful alternative economic analysis the default choice will remain the conventional economic wisdom and the posturing of fiscal conservatism reigns in place of insight.

The Inelasticities of Demand

It is not really a surprise or a paradox that under a higher priority for the conservation of energy or under a marked increase in the efficiency in producing any product that a new population of people might be able to afford to live in the manner that they have been aspiring to for decades if not longer. This is a product of class structure, advancing standards of consumption, direct usury, and complicit usury. It is not the result of a “black box” mystery unless these aspects of economic life are ignored.

It is pretty much a fact that low income people are strongly interested in sharing the middle class standard of consumption. That former colonies

should also be expected to have as a goal some level of economic self sufficiency and parity of consumption is also not a surprise. What is also rarely admitted is that the aspirations represented by the concept of the elasticity of demand might be realized by alternative strategies as well. That human cultures have the capacity to adapt though often unwillingly, unpracticed, and supported by short attention spans. The implications of the fact that the reserves of fossil fuels are declining and of the very likely economic implosions does not seem to be even on the general cultural radar. While this pattern demonstrates typical forms of the elasticity of demand relative to certain products, it does not address the often assumed nature of that demand.

That the effects of the depletion of fossil fuels, global warming, and systemic economic collapse will be primarily economic in nature is certain. That low income people will be hit first, foremost, and hardest by these economic effects is also certain. The increasing economic calamities are likely to be experienced as simply an increase in the already existing social inequities and hardships. Scarcities will create demand for products which were once easily available.

Another Economics Is Possible

Cultural and institutional change is usually the last item on most change agendas. In part societal and institutional order is often operationalized as a basis for power and an avoidance of change. It is understandable because it is often a more difficult process, particularly when diverse organizational forms and choices do not co-exist. The first choice is usually to change the occupancy of the dominant structures of authority rather than changing those institutions. Parallel to this is that there are developing countries who have an interest in developing their own economic self sufficiency, apart from being strongly controlled from international banking centers. Often that process seems by default to result in building those economies based upon a reliance upon oil and natural gas as the convention. For all of its real limitations the uniquely high energy

concentration of natural gas and oil as fossil fuels will make them attractive as choices when the cost is low relative to the energy value embodied. Fossil fuel nationalism will thereby become an increasing factor in the international struggle for the control of strategic resources. As the consumption of the remaining oil and natural gas reserves accelerates, sustainability will depend upon energy diversification and the restructuring of economic priorities.

Dismissing economics has been a major part of the response to the pending collapse of unregulated, speculative, and centralized economics and to its contributions to both the peaking of oil and natural gas production and of the geo-climatic effects of their combustion. The primary attraction for this dismissal seems to be reactionary, and that it erases any responsibility to develop an actual alternative economic analysis and a related practical agenda.

Not only is another world possible, but also another way of doing economics is possible. The goal here is not to turn peak oil technophiles into economists or turn democratic socialists into engineers. The goal is to develop a broad re-interpretation of our societal, economic, and environmental possibilities. Living in community is a lot more complicated than repeating the word “community.” If we can't work and discourse in community with people with interests in other knowledge areas, then the whole project of societal change is not going to advance. There is plenty of work for each set of willing hands, and the adequate solution is likely to be a bit beyond the expertise and capacity of any would be celebrity. It is also a matter of simple respect that those versed in specific areas try to curb their grandiose statements from those areas where they lack an appropriate knowledge base. The Jevons Paradox as it is used to resist institutional change is essentially part of a complex fraud. Conventional economic wisdom is more about the manipulation of symbols and promoting economic mythologies, than it is about democratizing our economic communities.

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The Nature of The Jevons Paradox: Neo-Classical Economics, Ecology and Sustainability Part Two

Re-Imagining Economics