

Where Did We Go Wrong?

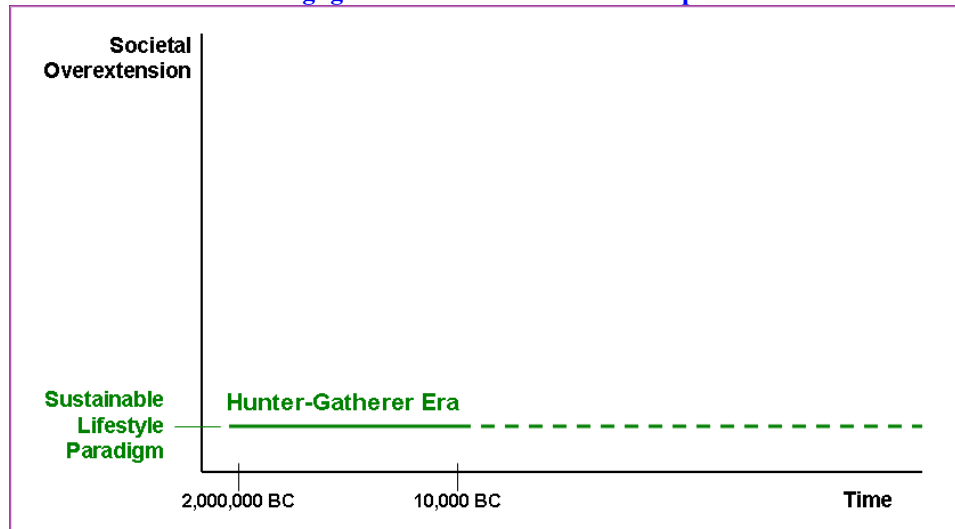
Given the severity and duration associated with America's current economic downturn, it is only natural that we would reflect upon its origins and upon the timing and circumstances under which we first chose the path that led to our current predicament. In searching for answers, some analysts go back a few years, others a few decades, and others as far as the Great Depression.

Unfortunately, none of the analysts go back nearly far enough. They therefore fail to identify the fundamental cause associated with our current economic recession/depression; and they fail to correctly predict what will happen next.

Sustainability

In order to understand the root cause associated with America's current economic downturn, it is necessary to go back over 10,000 years to a time when Homo sapiens were hunter-gatherers. Our ancestors, and their ancestors, had existed sustainably for nearly 2 million years by living almost exclusively on renewable natural resources—water, soil, forests, and wildlife—and the “natural bounty” derived from those resources.

Hunter-Gatherer Era: Negligible Natural Resource Overexploitation



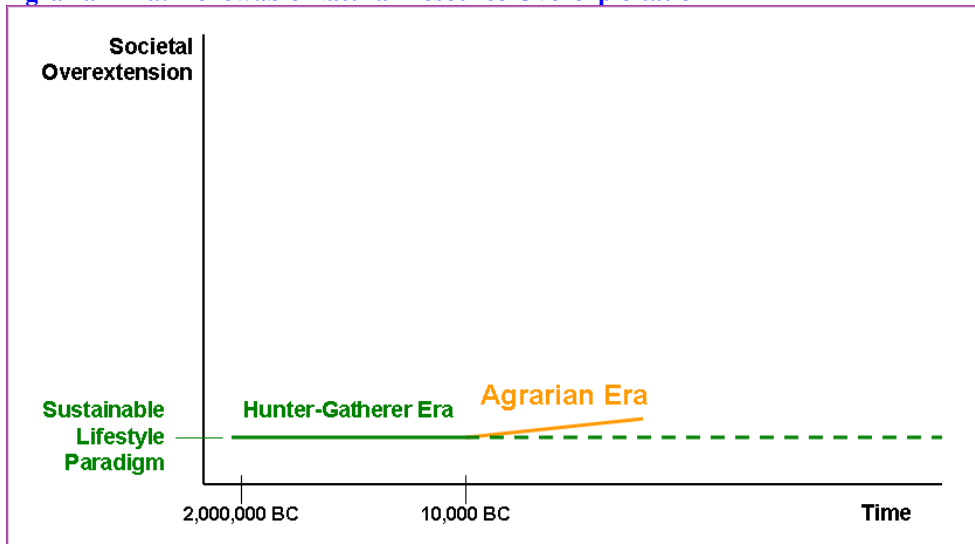
Because they utilized renewable natural resources at levels that were less than the levels at which they were replenished by Nature, our early ancestors' lifestyle paradigm—their population level and material living standard—was sustainable.

Renewable Natural Resource Overexploitation

About 10,000 years ago, our ancestors began to transition from their hunter-gatherer lifestyle paradigm to an agrarian lifestyle paradigm based on the domestication of food crops and livestock. In the process, their natural resource utilization behavior changed; their natural resource mix became increasingly diversified, and their natural resource utilization levels increased gradually but continuously.

Our agrarian ancestors made regular use of nonrenewable natural resources—primarily the most easily accessible metals and minerals—although typically at relatively low levels. They existed for the most part on renewable natural resources, which they overexploited by using them at levels greater than the levels at which they were being replenished. As a result of their shift in natural resource utilization behavior, American agrarian population levels increased and their average material living standards improved.

Agrarian Era: Renewable Natural Resource Overexploitation

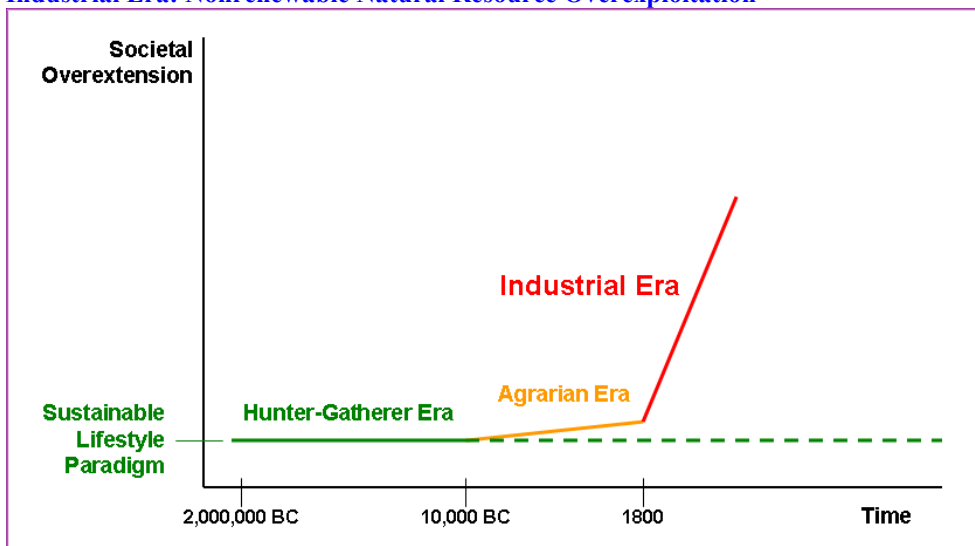


Our agrarian predecessors' lifestyle paradigm could be considered "almost sustainable". While they certainly overexploited renewable natural resources, they were able to thrive for several millennia due to their relatively low levels of resource overexploitation. Had Homo sapiens remained an agrarian species, our Achilles' heel would most probably have been soil depletion—our cropland and pastureland overexploitation could not have continued indefinitely.

Nonrenewable Natural Resource Overexploitation

We did not, however, remain an agrarian species. During the middle decades of the 19th century, our direct descendants embarked upon our American industrial revolution; and our resource mix and resource utilization levels changed dramatically. While we continued to overexploit renewable natural resources at ever-increasing levels, we also voraciously overexploited nonrenewable natural resources—metals, minerals, and additionally, fossil fuels.

Industrial Era: Nonrenewable Natural Resource Overexploitation



Nonrenewable natural resource overexploitation became the primary enabler of our industrialized American lifestyle and the primary enabler of our meteoric population growth and material living standard improvement since the inception of our industrial revolution.

Economic Resource Overexploitation

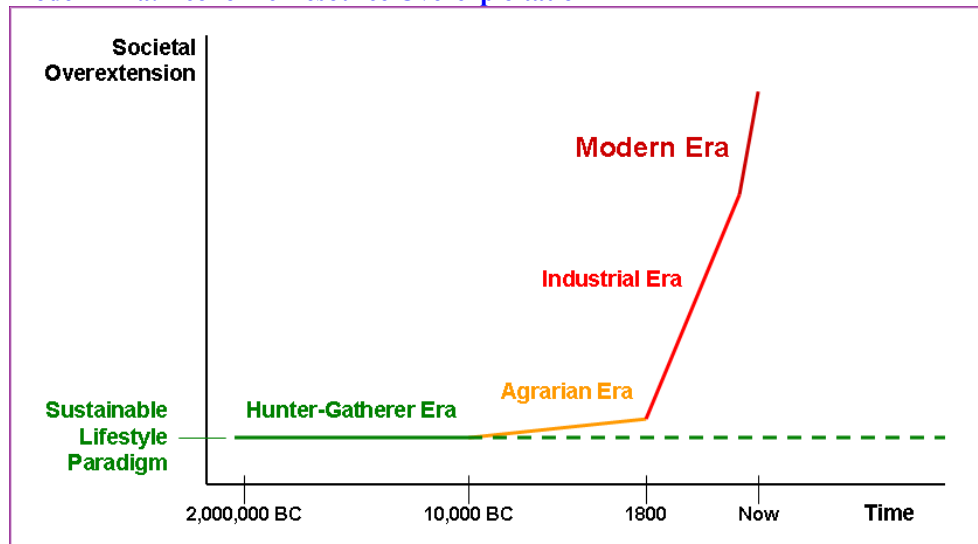
Our increasing prosperity continued during the 20th century, again as a result of changes in our natural resource utilization behavior. By the middle of the 20th century, our domestically available supplies of nonrenewable natural resources had begun to fall short of the levels required to enable our ever-increasing population level and our ever-improving material living standards.¹ Our solution to this dilemma was to tap foreign natural resource reserves.

Initially, we traded manufactured goods and agricultural goods for imported natural resources; we were both the “engine” and the “breadbasket” of the world. However, during the latter part of the 20th century we outsourced much of our manufacturing capacity to foreign countries, because our ever-improving living standards had resulted in uncompetitively high domestic labor rates. And, we encountered increased foreign competition in global agricultural markets, as a result of the “green revolution”.

Yet our ever-increasing appetite for foreign natural resources continued unabated!

Our solution has been to amplify our global overexploitation of natural resources through the overexploitation of economic resources—i.e., through our ever-increasing utilization of “pseudo purchasing power”. Pseudo purchasing power enables us to increase our “current” consumption level through fiscal imprudence—that is, by persistently liquidating our previously accumulated economic asset reserves, by persistently incurring ever-increasing levels of irreparable intergenerational debt, and by persistently underfunding investments critical to our future wellbeing.²

Modern Era: Economic Resource Overexploitation



Since the time of our Great Depression, we have been relying increasingly upon pseudo purchasing power to boost our consumption of both foreign natural resources and the goods and services derived from those natural resources.³ We have been living off the past and the future in order to maximize our “current” level of societal wellbeing at any given time.

Pseudo purchasing power—fiscal imprudence—has become the only means by which we are able to obtain sufficient natural resources and derived goods and services to perpetuate our American way of life.

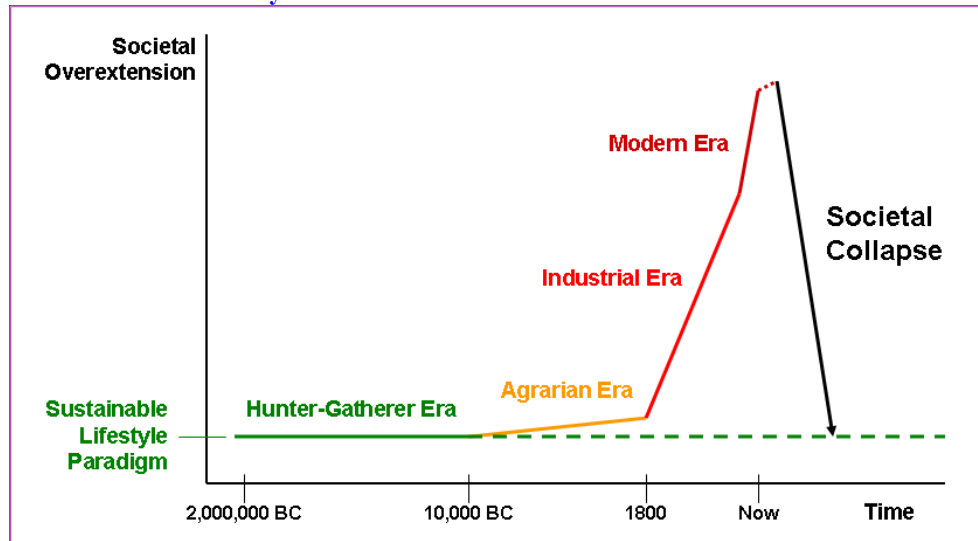
Return to Sustainability

Unfortunately, America has become irreparably overextended during the course of our societal evolution—we are currently living hopelessly beyond our means, both ecologically and economically. Our dysfunctional natural resource utilization behavior and economic resource utilization behavior are not sustainable—neither is our American way of life.

What we are experiencing today is merely the latest in a series of increasingly severe “economic contractions”, which are the logical and inescapable consequence of our persistent overexploitation of global natural resources during our extraordinary rise to preeminence.

Available supplies of historically abundant and cheap natural resources, which have enabled our historically unprecedented American way of life, are simply becoming increasingly scarce and expensive.⁴ As this Nature-imposed geological phenomenon—over which we have no control—unfolds, our economic activity level will contract as well, as must some combination of our population level and material living standards.

Return to Sustainability



As we reach one or more of the myriad impending limits to our unsustainable natural resource utilization behavior, we will experience the inevitable consequence—our involuntary transition to a sustainable lifestyle paradigm, through societal collapse.

Footnotes

(1) “Global Resource Depletion: Metal minerals scarcity and the Elements of Hope”, slide 16, Dr. Andre Diederer, 27 June, 2009 -

http://www.theoil drum.com/files/20090627_TODASPOSummit_Diederer_Elements%20of%20hope.pdf

(2) For details regarding the extent to which the US currently relies on pseudo purchasing power see “On American Sustainability—Anatomy of a Societal Collapse”, pg. 19, Chris Clugston, 2009 -

<http://www.wakeupamerika.com/PDFs/On-American-Sustainability.pdf>

(3) For details regarding ever-increasing US reliance on pseudo purchasing power see “On American Sustainability—Anatomy of a Societal Collapse”, pgs. 40-43, Chris Clugston, 2009 -

<http://www.wakeupamerika.com/PDFs/On-American-Sustainability.pdf>

(4) For details regarding increasing natural resource scarcity in the US see “On American Sustainability—Anatomy of a Societal Collapse”, pgs. 43-51, Chris Clugston, 2009 -

<http://www.wakeupamerika.com/PDFs/On-American-Sustainability.pdf>

Author Bio (Chris Clugston): For the past three years I have conducted extensive independent research into the area of sustainability, the goals of which are to quantify from a combined ecological and economic perspective the extent to which our American society is currently overextended—living unsustainably beyond our means—and to understand the causes, implications, and possible solutions associated with our predicament.

Prior to that I spent thirty years working with information technology sector companies in marketing, sales, finance, M&A, and general management—the last twenty as a corporate chief executive and management consultant. I received an AB/Political Science, Magna Cum Laude and Phi Beta Kappa from Penn State University, and an MBA/Finance with High Distinction from Temple University in Philadelphia, PA. I can be reached at coclugston “at” comcast “dot” net.