



**Book Review: *The Essentials of Economic Sustainability*,  
 by John Ikerd**

**First** of two reviews by Gilbert Gillespie, Cornell University, and Antonio Roman-Alcala, San Francisco Urban Agriculture Alliance

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## Thoughts on John Ikerd’s *The Essentials of Economic Sustainability*

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**T**he *Essentials of Economic Sustainability (EES)* provides us with the latest version of Ikerd’s thorough, thoughtful, and intelligent — but economically iconoclastic — analysis of the economic aspects of the most important social issue of our time. Ikerd is a scholar I have long admired for his thinking about the role of economics in modern life and his courage in persevering in the face of the unpopularity of his conclusions among economists and others. I truly enjoyed reading and reflecting on this book. As I read the printed text my mind often conjured up his spoken voice.<sup>1</sup>

<sup>1</sup> See, for example, <http://www.youtube.com/watch?v=b-zHF9iGy94>

I label Ikerd’s *EES* a work of economic philosophy because he emphasizes the definitions of terms and the logic of his argument about “economic sustainability,” which he defines as a narrowed version of the commonly cited Brundtland Commission definition, specifically: “How can we meet the *economic* needs of the present without diminishing the *economic* opportunities for the future” (p. 1— emphasis in the original as used to indicate the changes from the Brundtland Commission definition). My labeling *EES* as “philosophical” is merely to describe Ikerd’s approach for the purpose of orienting readers; in no way do I intend it to be dismissive. On issues such as “sustainability” we need clearly thought-out

concepts and explicit theorizing about how such concepts fit together. This is what Ikerd emphasizes, although I think that in most respects *EES* is also consistent with “empirical realities.” Ikerd himself describes the book, which he states that he wrote for people who are not economists, as:

...an attempt to synthesize a set of core ecological, social, economic, and philosophical principles into a comprehensive and coherent economic paradigm that can guide the quest for economic sustainability by individuals, organizations, and governments in any part of the world at any level or stage of economic development. (p. xi)

*EES* is organized into nine short, but dense and not easily summarized, chapters. My summary of the gist of his argument is that our current corporate-dominated economy is not sustainable because it creates a context for decision-making that poorly serves societies and ecosystems. This results from embedded incentives for overexploiting resources, undermining community, and producing social inequalities. We need new ways of organizing the economy to better serve humans. This will require systems thinking to promote understanding the economy as part of the social and ecological systems in which it is subsidiary, and applying morality in purposive decision-making. Ikerd argues that this is not only possible, but would result in increased human happiness and well-being.

In chapter 1, “The Essential Questions of Economic Sustainability,” Ikerd examines how — in our particular historical era of transformation — energy, productivity, values, and economic incentives and assumptions all influence the trajectory of change as it affects the prospects for economic sustainability. He argues that the values and incentives that currently dominate economic decision-making must be better balanced against social and ethical values if sustainability is to be achieved; this is, however, a change that would involve overcoming significant challenges.

In chapter 2, “The Essential Hierarchies of Economic Sustainability,” Ikerd argues that economies are embedded in and subsidiary to the

societies that they support and that, likewise, societies are embedded in and subsidiary to the ecosystems (nature) in which they exist. For him, achieving economic sustainability requires recognizing the existence of this hierarchy and then acting consistent with a hierarchy of ethical, social, and individual considerations to take advantage of the opportunities while working within the inherent limits.

In chapter 3, “Ecological Principles Essential to Economic Sustainability,” Ikerd builds on the previously discussed constraints and incentives for sustainability (chap. 1) and the hierarchy conception (chap. 2) to argue that, if we humans think that our continued existence is important (a philosophical position), then we need to employ appropriate ethical considerations to help us to act in accord with ecological principles in order to become economically sustainable. He offers a systemic analysis in which he discusses the importance of the concepts of holism, diversity, and interdependence for healthy ecosystems and then transposes these concepts to apply to societies and economies.

In chapter 4, “Social Principles Essential to Economic Sustainability,” Ikerd asserts that human needs go beyond simply the material ones to include finding satisfaction in social relationships. He then argues that all societies share a set of common values — “honesty, fairness, responsibility, respect, and compassion” — that, as a matter of common sense, must be enacted for people to have social relationships in which trust, kindness, and courage can emerge in balance and form the foundation necessary for a sustainable economy. Unfortunately, Ikerd argues, industrial forms of development, especially in their global, corporate variant, undermine the kinds of social relationships that he represents as being required for economic sustainability.

In chapter 5, “Essential Economic Principles of Sustainability,” Ikerd proposes four economic principles as essential for economic sustainability — individuality, scarcity, efficiency, and sovereignty — and that he sees as needing to be applied as appropriate to the levels in the nature, society, and economy hierarchy. He also explains why in market societies economic efficiency cannot be

relied upon to produce sustainability, and how sovereignty — a key assumption among economists — does not really hold in modern society.

In chapter 6, “Essential Characteristics of Sustainable Economies,” Ikerd conceptualizes economies as “living” entities that must be understood holistically (that is, as functioning wholes as opposed to sets of component parts that can be understood separately). These living entities are continually changing. Each has unique configurations (as opposed to operating primarily by general principles) and is purposive (that is, organized to produce particular outcomes). Finally, sustainable economies must be guided by the ecological principles of holism, diversity, and interdependence. Given this, if an economy is to be sustainable, it must “balance the three Rs of ecological *resourcefulness* [reduce, reuse, and recycle], the three Rs of ecological *regeneration* [renewal, reproduction, and reorganization] and the three Rs of ecological *resilience* — resistance, responsiveness, and redundancy” (p. 71, emphases in original). Our current economic system does not achieve these requirements and therefore for sustainability we need new, more systemic, ways of thinking, learning, and practice.

In chapter 7, “Essential Characteristics of Markets in Sustainable Economies,” Ikerd examines the economic functions of markets, including providing choices, establishing economic value, allocating resources, facilitating trade, providing incentives for activities, and creating opportunities for profit. Then he argues that markets in sustainable economies would be characterized by a kind of tangible economic competitiveness that is largely absent in “today’s markets,” dominated as they are by large, corporate firms that are not economically competitive in many ways.

In chapter 8, “Essential Functions of Government for Economic Sustainability,” Ikerd articulates a clear need for governments to exert social control to ensure that the sharing of ecological and social goods in common prevails over individual interests. This he represents as a prerequisite of a sustainable economy. He offers a long list of important functions of governments in creating sustainable economies, including making markets

competitive, managing prices of goods, regulating financial firms, implementing policies that force internalization of what otherwise might be economic externalities, and regulating trade.

In chapter 9, “The Essential Mission of Sustainable Economies,” Ikerd states clearly his rationale for the position that a continually growing economy based in exploiting energy and other resources simply cannot be sustainable. Therefore, he argues that we need to achieve a steady state or no-growth economy: one with the core mission of producing only a sufficient quantity of the kinds of things that will enable people to have happy, satisfying, and otherwise high-quality lives as integrated members of society. This will be a challenge.

In the foregoing paragraphs I have attempted to give potential readers a sense of the argument that Ikerd puts forward in *EES*. Perhaps not surprisingly for a person who is himself not enthralled by the religious tenets of neoliberal marketism, I found much to like in the book. Ikerd has addressed one of the key issues of our time: whether sustainability is possible under capitalism, especially in its current form as characterized by growing levels of material and energy throughputs and increasing social inequalities. Some, dubbed ecological modernists, argue that capitalism in its current form contains the seeds for a paradigm-maintaining revolution through emerging incentives for practices that will lead to sustainability (for example, Sandberg, Khan, & Leong, 2010). Others, often those influenced by Marxist thinking, argue that the incentives under capitalism make sustainability virtually impossible (for example, Magdoff, 2011). Given what I have been able to discern so far, I think that ecological modernist position is infused with excessive optimism about the prospects for success and the proposed neo-Marxist position, while very insightful, is too unpalatable to gain traction in our current context. In the sense of arguing for basic systemic change, Ikerd, in his antineoliberal solution to the problem of sustainability through fundamentally reforming contemporary “capitalism,” is arguably no less radical than the neo-Marxist approach, but may be better accepted. He may be atypical in his proposed solu-

tion to our current situation of unsustainability, but he is not the only scholar who has considered this type of solution. For example, the late Thomas Lyson wrote about the social implications of what he called “civic agriculture” (2004, especially chap. 5).

Capitalism is a flexible and emerging concept, as demonstrated by Ikerd’s illumination of how the concepts that undergird capitalism — and that are used to justify its manifestation in our modern time — are social constructs that have become transposed to mean very different things since the time of Adam Smith. In Smith’s time their meanings and practice were integrated with community-based morality, but today many people’s understandings of contemporary capitalist actor meanings and practices seem to remain anchored in the Smithian past, while these actors’ practices and moral foci have acquired a new moral basis in neoliberal theology (Cox, 1999). I think that this sort of inconsistent rate of change in a society — a variant of “cultural lag” (Ogburn, 1957) — poses serious challenges for those who seek to institute the type of economy that Ikerd envisions.

Ikerd offers several considerations that I think are crucial for guiding intelligent people to act in ways that might enable sustainability for humans — his explicit intent for writing this book. He emphasizes that societies and their economies are embedded in the particular contexts of their ecosystems — ecosystems that can provide only limited quantities of particular materials for human use and can withstand only so much human burden without substantially changing them, generally toward less capacity for supporting a human population. He understands that our modern, industrial economy has evolved based on vast amounts of readily available and cheap fossil energy and the access to resources that this energy has enabled, but that this situation seems unlikely to persist in the long run. He calls on us to think systemically about the impacts of human activities, not just focus on their immediate economic implications. And he calls on us to examine the purpose of societies and economies, which he argues should be to serve their human members. The alternative to what Ikerd advocates may well be the sort of outcome that the late comedian George Carlin

described in one of his bawdy routines in which he mocked humans’ sense of self-importance: “We’re going away.... And we won’t leave much of a trace, either....The planet’ll be here and we’ll be long gone....An evolutionary cul-de-sac. The planet’ll shake us off like a bad case of fleas” (“George Carlin,” n.d., para. 3).

Despite my considerable enthusiasm about the analysis Ikerd presents in *EEES* and about 98 percent of its content, I have concerns about some details in the book and some criticisms of Ikerd’s argument. A good part of these are rooted in the very different mental models that economists (Ikerd) and sociologists (I) tend to use for understanding the world. For example, although I can understand why Ikerd might want to separate out “the economy” to make his discussion of sustainability more manageable, he continually brings in values and other social concepts as these shape economic understandings and decisions. In the end, I am not sure that even his description of economies being subsidiary to societies goes nearly far enough in communicating the essential social basis of economies; we humans’ very understandings of the biophysical world around us and our place in it seem very much influenced by both the material world around us and our societies. Nowhere is the matter of economies being constituent parts of society in sharper relief than regarding power, that is, the socially based capacity that some people have to impose their will on others in situations that include economic ones. I am not arguing that Ikerd is unaware of this phenomenon in the context of societies that are dominated in many ways by corporate entities, increasingly those with global connections and with considerable resources for fostering particular “realities” through public relations and access to the mass media; I think he is more acutely aware than I read in his text — which I think understates the challenges posed by this kind of power for what might be very logical attempts to convert to the kind of sustainable economy Ikerd advocates.

I surmise that it was my sociological perspective that led me to cringe each time I encountered the terms “nature,” “natural,” and “naturally,” as well as a related representations of inevitability that appear in many places in the text (for example, pp.

19, 21, 23, 41, 52, 53). It is not that I necessarily disagreed entirely with many of the points being made, for example, that in our current social context fairness is an important value. However, such use of “natural” often seemed to imply to me some type of essential quality or imputed universality that might not hold in all possible social contexts (especially non-Eurocentric ones). As Michael Bell points out in *An Invitation to Environmental Sociology* (2012, pp. 225–226), such representations and their referents represent what we interpret them to mean, and our belief systems tend to get projected onto nature (what Bell calls resonance). Sometimes this can be “unfortunate,” as when certain qualities are attributed to women or to members of racial categories. So while such ideological representations may not be necessarily “false,” neither are they necessarily “true.” In actuality, there may be considerable variation both in ways of achieving something that seems “natural” and in the characteristics of things. Thus, this topic warrants a more careful thinking than I read in *EES*.

I think that Ikerd places too little emphasis on the topic of anthropogenic global climate change and its implications for sustainability. However, I am not faulting Ikerd on this. In just the last year, scientists have increased their information about climate change and their understanding of its seriousness. It seems that the probable rise in global mean temperatures and the unevenness of the weather that accompanies this will be something that readers will need to attend to in the future as part of efforts to achieve sustainability.

A final comment is that I found *EES* to be a dense book that was not easy to read even though I was already familiar with most of the social and ecological theorizing and information covered. In part I think this is a result of the complexity of the topic: achieving sustainability will not be simple and the density of *EES* reflects that. The challenge to readability also may be due to the style in which the book is written. Had I more closely attended to the preface I would have been forewarned by Ikerd’s description of his approach as coming from a co-learning philosophy:

The reader must accept major responsibility for whatever learning or knowledge that he or she gains....No references are provided to support specific conclusions....No specific current examples are provided to show specific applications of general principles or concepts. (p. x)

Not including concrete examples, however, seems risky as a strategy and may undermine the stated goal of writing a book that would be accessible to non-economists. Although Ikerd seems to have faith that others would find examples that would be consistent with his thinking, as a social constructionist who thinks that people’s understandings of their worlds are partly “real” and partly imagined, I am skeptical. For orientation and background for each chapter I recommend reading the annotated bibliography prior to reading the chapter. I also think it would be useful to have a website or companion “instructor’s manual” that would have concrete pertinent examples of what Ikerd had in mind with end-of-chapter questions and the page numbers of the key sections of the books listed in his annotated bibliography. Given these considerations, I would recommend using this book chapter by chapter as part of a class or discussion group. I think such a reading would be more effective than reading it in isolation.

In the end I think reading *EES* was worth my effort. It has made me understand economic thinking and its potential for promoting sustainability in new and more favorable ways, helping me to better appreciate that “sustainable capitalism” is not necessarily an oxymoron, but the devil is in the details of how one understands capitalism. As Lyson (2004, chap. 5) pointed out regarding agriculture, most of the key decisions that have resulted in the system we now have were not made through public discussion and deliberation. Above the cacophony regarding “sustainability,” Ikerd’s voice directs us toward an alternative that promises greater chances of success than do the alternatives. I think we should not only listen, but to deliberate how to become more sustainable, and in what better place than the *Journal of Agriculture, Food*

*Systems, and Community Development*, a journal that brings together practitioners and researchers. 

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