

With finances and emissions, we must live within limits

By Bob Doppelt

For The Register-Guard

The Wall Street meltdown and news that global greenhouse gas emissions are rapidly accelerating indicate systemic failures in our systems of governance. Quick fixes such as the \$700 billion bailout of Wall Street may prevent immediate collapse. But short-term solutions rarely fix systemic problems. They frequently make things worse.

Remember the savings and loan crises of the 1980s and '90s? How about the stock market crises of 2001-02, which starred Enron and Tyco International? Analysts say these market debacles resulted from corporate excesses and deregulation gone awry. Sound familiar?

Infusions of public funds and regulatory changes propped up the financial system after those events. When the worst was over, officials assumed all was well and failed to address the root causes. It's no surprise that the United States now faces an even more serious encore.

Systemic problems require systemic solutions. The concept of sustainability, which has been growing locally and globally for years, is an organizing principle that can help provide enduring solutions.

What does it mean to think and act sustainably? Sustainable thinking acknowledges that we are all embedded within larger economic, social and ecological systems that provide for our health and well-being. Every system has limits. When we overshoot those boundaries, systems are destabilized and may collapse. Strong, verifiable and transparent governance mechanisms that speak the truth about goals, conditions and trends are the keys to preventing overshoot and breakdown.

The genius of the U.S. economic system is its ability to continually accumulate and recycle capital. This genius, however, also holds the seeds of ruin. The drive for ever-expanding growth causes people to push things to the extremes.

One way to maximize profits is to promote overconsumption, which the financial sector has done with housing and other goods. For the past 15 years or so consumption, not production, has driven our economy, and this has been financed by unsustainable levels of debt.

Another way to increase profits is by cutting costs, which leads companies to push off some of their expenses to society. Financial institutions are now externalizing the costs of their toxic mortgages to taxpayers.

The financial community, politicians and others ignored the reality of limits by promoting the ideology that more consumption and debt were possible, and that the regulatory power of government must be slashed. Many homeowners ignored reality by embracing the fairy tale that property values would forever climb.

New regulations won't prevent further financial crises. Fundamental restructuring is needed. This begins with new thinking and must lead to new goals and new forms of corporate and public governance.

Similar dynamics can be found in the climate crisis.

The U.S. government recently announced that worldwide emissions of carbon dioxide have increased by 38 percent since the U.N. Framework Convention on Climate Change, which sought to reduce

emissions and was signed in 1992 by 41 nations, including the United States. This news followed a stark warning by scientists from the Postdam Institute in Germany and the Tyndall Center in Britain, two leading climate research institutes, that atmospheric emissions are already at dangerous levels.

Fossil fuel producers and the Bush administration, however, refuse to acknowledge that the Earth's natural systems become destabilized when their physical limits are exceeded. Instead, they embrace the fantasy that it is possible to burn fossil fuels and emit greenhouse gases at increasingly higher rates without consequences.

As with the financial tsunami, firms increase their profits by promoting overconsumption of energy (and fossil fuels in particular) and by externalizing the costs.

A few new environmental regulations won't solve this problem. They may make things worse by giving the impression that the emissions reduction problem is fixed.

Instead, the foundation of change is new thinking anchored in the truth that humans must live within the limits of the natural systems that support all life. Then fresh, forceful, personal, organizational and public governance mechanisms must be adopted that require the continual inventory and reduction of emissions. Sustainability practices, such as the energy saving and renewable energy practices many businesses and institutions in Lane County are pursuing, represent some of the tools needed to accomplish this end.

Thus, sustainability is fundamental to our well-being, not an altruistic concept that is peripheral to everyday life.

If we are to avoid continual financial and climate crises, we must alter our beliefs and make sustainable thinking and behavior — acknowledging and living within the limits of our core systems — the central organizing governance principle of the future.

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Bob Doppelt, director of resource innovations and the Climate Leadership Initiative at the University of Oregon, is writing a series of columns about climate change for The Register-Guard.