

# Two Economies – Dr. Bruce Fraser

## Presented to the Victoria Community Dialogue Session

In 1972, as a young faculty member at Selkirk College, with a newly minted Doctorate in Ecology, I devoured the just published “Limits to Growth”. I recognized the import of their computer simulations and went out on the public lecture circuit with a set of pre-laptop diazo-film overheads with the main graphs that the Club of Rome had published using Jay Forrester’s World Model developed at MIT. One of my audiences was the Chamber of Commerce of Osoyoos. As you might imagine, the lecture was not an overwhelming success there and surely spelled the end of the career of the unsuspecting program chairman.

What “Limits” demonstrated at the time was that the combined effects of exponential growth in population, resource consumption and environmental pollution in a finite global ecosystem would eventually produce consequences that could lead to overshoot of earth’s carrying capacity resulting in crash conditions. Their projections suggested that, without remedial effort, such conditions could arise in the early decades of the 21<sup>st</sup> century. They appear to have been inconveniently correct.

In British Columbia we, along with the rest of globally pervasive industrial civilization, have proceeded along the “business as usual” curves generated by Forrester’s world model. Our role in this small province has largely been one of handmaid to resource consumption. In a high school social studies essay in the 1950’s I recall drawing my information from colourful brochures depicting vast salmon catches spilling out of huge nets, ships heavily laden with old-growth lumber, tons of metal mined and refined, and prairie grain engorging Vancouver Elevators - the cornucopia of a resource exporting economy in full cry. Indeed, the British Columbia economy, though much diversified since then, is still fundamentally a resource commodity export system dependent on large external markets of consumption for the basic input dollars to run our society. We have evolved from the dominance of materials to that of energy, but the process is the same. A voracious United States has been our greatest resource consuming market, now closely followed by a voracious Chinese one.

On the basis of the earnings from resource export we have developed the rich society of infrastructure, services and consumption culture that is now at its vulnerable peak as the limits to growth are coming due. Financial instability has increased as consumption growth fuelled by debt, in turn to be paid back hopefully by continued exponential growth, reaches ecological limits. Ecological limits themselves are shrinking due to pollution effects on productivity, as our local forest vulnerability to climate change abundantly illustrates. Frantic export of energy resources, be it water-fracked gas, climate-devouring coal or soil-impoverishing biomass are the equivalents of feeding the winter furnace with the tool handles of

spring. Limits to resource export dependency are real in these early decades of the twenty first century, though no political leader can afford to say so out loud. We are on the cusp of major change in the nature of our economy. In fact we have two economies, one fading, one emerging. The one now receding is the fantastically rich one that has been fuelled by cheap fossil energy and inherited natural resources that is unfortunately characterized also by job losses and growing disparity between rich and poor as the total available wealth declines. We are extensively coerced to believe our current wealth is permanent even as it visibly decays. We are told that full resumption of exponential growth is just a “marketing program away”, prevented only by inadequate industrial policy that limits corporate consolidation to reach competitive global scale. The economy that we must develop underneath this dominant one is the self-sufficient and locally focused economy that is based on the internal market place of our small province and its nearest neighbours. **It will most certainly not pay the profligate consumption bills of industrial civilization. It can and must provide the work and pay the bills of a resilient localized culture.** The hallmark of such an economy will be maintenance of ecosystem integrity leading to security of the essential ecosystem services that underwrite our supplies of food, water, materials and energy. The derived outcomes will be regional self-sufficiency in food supply, abundance of water and soil resources, continuous availability of materials, independence of renewable energy supply, social equity of benefit distribution and gainful employment of people in the commerce of their community.

This is the context in which we must discuss the management of British Columbia forests. It means exceptional attention to conservation of the integrity of forest ecosystems, attachment of a significant share of the forest land base to active local stewardship, integration of community-scale economies with forest products marketed and used regionally and full engagement of people with place. This is a survival challenge that we must meet while we have the financial wherewithal from our rich industrial resource export economy to retool our society to live with the smaller economic base our children are inevitably to inherit.

As I drove down the shore of Kootenay Lake one day in the mid 70's, with a wise Quaker gentleman from Argenta as my passenger, we got to discussing what my next career move might be following a stint as Principal of Selkirk College. He suggested that the time to prepare the next horse was while you were still in full gallop on the one you were riding. “Bring the next horse up to speed alongside before you jump to the other saddle”, he said.

Let's get that second horse out of the barn!

To put a finer point on what such a two level economic strategy might entail:

## **Five Threats We Must Confront**

**Climate volatility:** that increases the cost of maintaining needed infrastructure and presents us with increasingly costly major disturbances

**Financial volatility:** that is global in nature and whose impacts cannot be avoided locally

**Social inequity:** that is accelerating both globally and locally that can and will lead to social disruptions

**Energy limits:** that will inevitably constrain economic & material growth

**Chemical Pollution:** that will reduce the carrying capacity of the earth's soils, fresh waters and oceans

## **Five Imperatives We Must Grasp**

**Management of Water:** fundamental to habitation and agriculture and derived from hydrologically intact, forested watersheds

**Self Sufficiency in Food:** eventually necessary as transport fuels become scarcer and more expensive and climate change affects global food supplies

**Reliance on Renewable Energy:** that for us likely means continuous wood fired systems from productive forests as a base for intermittent other alternatives to fossil fuels

**Maintenance of Biodiversity:** that represents the working parts of forest ecosystems

**Equity in the Distribution of Wealth:** that is necessary to maintain social cohesion in the face of shrinkage in the overall wealth available for distribution

## **Five Enabling Forestry Initiatives We Must Pursue**

**Shared jurisdiction over crown land:** that fosters concern for community support as well as provincial tax revenue and corporate earnings

**Forest stewardship land grants to communities:** that provide communities with a defined forest land area that can be managed sustainably, specifically for community benefit

**Community owned and operated conversion facilities:** that ensure that forest based jobs are maintained locally as a matter of social and economic priority

**Regional cooperative marketing and transport networks:** that build on multi-community collaboration and economies of scale, allowing some specialization and buffering against forest losses

**Intimate integration of agriculture and forestry:** that treats the land base as the ultimately manageable, resilient and thoughtfully balanced local source of food, energy and material