

INVERTING THE ECONOMIC ORDER

• Wendell Berry •

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My economic view is from ground level. It is a point of view sometimes described as “agrarian.” That means that in ordering the economy of a household or community or nation, I would put nature first, the economies of land use second, the manufacturing economy third, and the consumer economy fourth. The first law of such an economy would be what the agriculturalist Sir Albert Howard called “the law of return.” This law requires that what is taken from nature must be given back; the fertility cycle must be maintained in continuous rotation. An authentic economy, then, would be based upon renewable resources: land, water, ecological health. These resources, if they are to stay renewable in human use, will depend, in turn, upon resources of culture that also must be kept renewable: accurate local memory, truthful accounting, continuous maintenance, unwastefulness, and a democratic distribution of now-rare practical arts and skills. The primary value in this economy would be the capacity of the natural and cultural systems to renew themselves. The economic virtues thus would be honesty, thrift, care, good work, generosity, and (since this is a creaturely and human, not a mechanical, economy) imagination, from which we have compassion. That primary value and these virtues are essential to what we have been calling “sustainability.”

A properly ordered economy, putting nature first and consumption last, would start with the subsistence or household economy and proceed from that to the economy of markets. It would be the means by which people provide to themselves and to others the things necessary to support life: goods coming from nature and human work. It would distinguish between needs and mere wants, and it would grant a firm precedence to needs.

A proper economy, moreover, would designate certain things as priceless. This would not be, as now, the “pricelessness” of things that are extremely rare or expensive, but would refer to things of absolute value, above and beyond any price that could be set upon them by any market. The things of absolute value would be fertile land, clean water and air, ecological health, and the capacity of nature to renew itself in the economic landscapes. The cultural precedent for this assignment of absolute value that is nearest to us probably is biblical, as in Psalm 24 (“The Earth is the Lord’s, and the fullness thereof . . .”) and Leviticus 25:23 (“The land shall not be sold forever . . .”). But there are precedents in all societies and traditions that have understood the land or the world as sacred—or, speaking practically, as possessing a suprahuman value. The rule of pricelessness clearly imposes certain limits upon the idea of landownership. Owners would enjoy certain customary privileges, necessarily, as the land would be entrusted to their intelligence and responsibility. But they would be expected to use the land as its servants and on behalf of all the living.

The present and now-failing economy is just about exactly opposite to the economy I have just described. Over a long time, and by means of a set of handy prevarications, our economy has become an anti-economy, a financial system without a sound economic basis and without economic virtues.

It has inverted the economic order that puts nature first. This economy is based upon consumption, which ultimately serves not the ordinary consumers but a tiny class of excessively wealthy people for whose further enrichment the economy is understood (by them) to exist. For the purpose of their further enrichment, these plutocrats and the great corporations that serve them have controlled the economy by the purchase of political power. The purchased governments do not act in the interest of the governed; they act instead as agents for the corporations.

That this economy is, or was, consumption-based is revealed by the remedies now being proposed for its failure: stimulate, spend,

create jobs. What is to be stimulated is spending. The government injects into the failing economy money to be spent, or to be loaned to be spent. If people have money to spend and are eager to spend it, demand for products will increase, creating jobs, industry will meet the demand with more products, which will be bought, thus increasing the amount of money in circulation, which will increase demand, which will increase spending, which will increase production—and so on until the old fantastical economy of limitless economic growth will have “recovered.”

But spending is not an economic virtue. Miserliness is not an economic virtue either, but saving is. Not wasting is. To encourage spending with no regard at all to what is being purchased may be pro-finance, but it is anti-economic. Finance, as opposed to economy, is always ready and eager to confuse wants with needs. From a financial point of view, it is good, even patriotic, to buy a new car whether you need one or not. From an economic point of view, however, it is wrong (and unpatriotic) to buy anything you do not need. Only in a financial system, an anti-economy, can it seem to make sense to talk about “what the economy needs.” In an authentic economy, we would ask what the land, what the people, need.

From an economic point of view, a society in which every schoolchild “needs” a computer, and every sixteen-year-old “needs” an automobile, and every eighteen-year-old “needs” to go to college is already delusional and is well on its way to being broke.

In a so-called economy that is dependent on indiscriminate spending, “job creation” often implies an ability to “create” new “needs.” Until lately this economy has been able to create jobs by creating needs. But this has involved much confusion and a kind of fraud. Because it gives no priority to the meeting of needs, and cannot distinguish needs from wants, our economy has confused necessities with products or commodities that are merely marketable. As a consequence, it deliberately reduces the indispensable economic service of providing needed goods to “selling” or “marketing” products, some of which have never been and will never be needed by anybody. The gullibility of the public thus becomes an economic resource. The category of things sold that are not needed now includes legally marketed foods and drugs. This involves the art (taught and learned in universities) of lying about products; a friend of mine remembers a teacher who said that advertising is “the manufacture of discontent.” And so we have come to live in a world

in which every brand of painkiller is better than every other brand, in which we have a “service economy” that does not serve and an “information economy” that does not distinguish good from bad or true from false.

The manufacturing sector of a financial system, which does not or cannot distinguish between needs and induced wants, will come willy-nilly into the service of wants, not needs. And so it has happened with us. If in some state of emergency, our manufacturers were suddenly called upon to supply us with certain necessities—shoes, for example—we would be out of luck. “Outsourcing” the manufacture of frivolities is at least partly frivolous; outsourcing the manufacture of necessities is entirely foolish.

As for the land economies, the academic and political economists seem mainly to ignore them. For years, as I have read articles on the economy, I have waited in vain for the author to “factor in” farming or ranching or forestry. The expert assumption appears to be that the products of the soil are not included in the economy until after they have been taken at the lowest possible cost from those who did the actual work of production, at which time they enter the economy as raw materials for the food, fiber, timber, and lately the fuel industries. The result is inevitable: the industrial system is disconnected from, is unconcerned about, and takes no responsibility for, its natural and human sources. The further result is that these sources are not maintained but merely used and thus are made as exhaustible as the fossil fuels.

As for nature herself, and her accommodation of our needs to eat, drink, breathe, and to be clothed and sheltered, our industrial and financial systems grant her no recognition, honor, or care.

Far from assigning an absolute value to those things we absolutely need, the financial system puts a price, though a highly variable price, on everything. We know from much experience that everything that is priced will sooner or later be sold. And from the accumulating statistics of soil loss, land loss, deforestation, overuse of water, various sorts of pollution, etc., we have reason to fear that everything that is sold will be ruined. When everything has a price, and the price is made endlessly variable by an economy without a stable relation to necessity or to real goods, then everything is disconnected from history, knowledge, respect, and affection—from anything at all that might preserve it—and so is implicitly eligible to be ruined.

What we have been pleased to call our economy does not acknowledge and apparently does not even recognize its continuing absolute dependence on the natural world, on the land economies, and on the work of farmers, ranchers, and foresters—all of which, given the use of available knowledge and precautions, would be self-renewing. At the same time, with a remarkable lack of foresight or even the sight to see what is presently obvious, this economy has made itself absolutely dependent on resources that are either exhaustible by nature or have been made exhaustible by our wastefulness and our refusal to husband and reuse: fossil fuels, metals, and other mined materials. By standards that are utterly absurd, it has long been “too expensive” to salvage perfectly good and usable materials from old buildings, which we knock down or blow up and haul to landfills, and so make even bricks and stones valueless and irrecoverable. Because of falsely cheap materials and energy, we have a “bubble” of houses too big to be heated efficiently or cheaply, or even to be paid for.

To use our agricultural land for the production of “biofuel,” as some are now doing, is immediately to raise the question whether it can ever be right to replace food production with the production of a fuel to be burned. If this fuel is produced, like most of our food at present, without the close and loving care that the land requires, then the land becomes an exhaustible resource. Biofuel may be a product of the land and our world-changing technology, but it is just as much a product of ignorance and moral carelessness.

As commodities, the fossil fuels are in a category strictly their own. Unlike other minerals that (in a sensible economy) can be reused, and unlike waterpower that uses water and releases it to be used again, the fossil fuels can be made useful only by being destroyed. They are useful and therefore valuable only in the instant in which they are burning.

To be available for their brief usefulness, these fuels must be dug or pumped from the ground. Their extraction has nearly always damaged, often irreparably, the places and the human communities from which they are taken. For coal to feed the fires by which we live, whole landscapes are destroyed, forests and their soils and creatures are obliterated, streams are covered over, watersheds are degraded and polluted, poisonous residues are left behind, communities are degraded or flooded by toxic wastes or runoff from denuded watersheds, the people are exploited and endangered, their houses damaged, their drinking water poisoned, their complaints and needs

ignored. When the fossil fuels, extracted at such a cost to people and nature, are burned, they pollute the atmosphere of all the world, with consequences that are fearful, infamous, and continuing.

In a consciously responsible economy, such abuses would be inconceivable. They could not happen. To damage or destroy an otherwise permanent resource for the sake of a temporary advantage would be readily perceived as senseless by every practical measure and, by the measure of human wholeness, as insane. To value human wants above all the natural and human resources that supply human needs, as the now-failing economy has done, is to run risks and defy paradoxes by which it is bound to fail. If we pursue limitless "growth" now, we impose ever-narrower limits on the future. If we put spending first, we put solvency last. If we put wants first, we put needs last. If we put consumption first, we put health last. If we put money first, we put food last. If for some spurious reason such as "economic growth" or "economic recovery," we put people and their comfort first, before nature and the land-based economies, then nature sooner or later will put people last.

But the fossil fuels, which involve destruction for the sake of production and again destruction as a consequence of production, are not the only typical products of our anti-economy. Also typical are products that replace, at high cost, goods that once were cheap or free. The genius of marketing and selling has given us, for example, bottled tap water, for which we pay more than we pay for gasoline, because of our perfectly rational fear that our unbottled tap water is polluted. The system of industry, finance, and "marketing" thus makes capital of its own viciousness and of the ignorance and gullibility of a supposedly educated public. By the influence of marketers and sellers, citizens and members are transformed into suckers. And so we have an alleged economy that is not only fire-dependent and consumption-dependent but also sucker-dependent.

For another example, consider the money-drenched entertainment industry. The human species, which has apparently outlived the name *homo sapiens*, is said to be something like 200,000 years old. Except for the last seventy-five or so years of their life so far, and except for their decadent ruling classes, most humans have entertained themselves by remembering and telling stories, singing, dancing, playing games, and even by their work of providing themselves with necessities and things of beauty, which usually were the same things. All of this entertainment came free of charge, as a sort of overflow of human nature, local culture, and daily life. Even

the beauty of good work and well-made things was a value added at no charge. The entertainment industry has improved upon this great freedom by providing at a high cost, in money but also in health and sanity, an egregiously overpaid corps of entertainers and athletes who tell or perform stories, sing, dance, and play games for us as we passively consume their often degrading productions. The wrong here may be at root only that of an inane and expensive redundancy. If you can read and have more imagination than a doorknob, what need do you have for a “movie version” of a novel?

This strange economy, then, produces in the ordinary course of business products that are destructive or fraudulent or unnecessary or useless, or all four at once. But another of its typical enterprises is remarkable for the production of what I suppose we will have to call no-product, or no product (to the extent that this works) but money. The best-known or longest infamous example of a no-product financial system is the practice of usury, which is to say the lending of money at exorbitant interest or (some have said) at any interest. In our cultural tradition, the condemnation of usury seems to be unanimous.

The Hebrew Bible speaks emphatically against usury in ten of its chapters (by my count), calling it by name, but without much explanation, assuming apparently that its wrongfulness is obvious. But from the context it is clear that usury is understood as an injustice and an offense against charity. It is a way for people of wealth to exploit the poor, whom they have been instructed to care for. Only the wealthy have a surplus of money to lend, and they should not use it to take advantage of the needs of others. Usury, moreover, cannot be consistent with the command (Leviticus 19:18) that “thou shalt love thy neighbor as thyself.” Jesus in the Gospel of Luke (6:34–35) says: “And if ye lend to them of whom ye hope to receive, what thank have ye? For sinners also lend to sinners, to receive as much again. But love ye your enemies, and do good, and lend, hoping for nothing again.”

Such free lending may be impossible in our own rootless, massive, and disintegrated society. But I know from my own experience and observation that a bank of community scale, owned principally by local investors, understanding its dependence on responsible service first of all to local customers—even in a fevered and delirious economy—can function usefully and considerately as a part of the community. Such a bank does not, because if it is to survive it cannot, adopt the lending practices that resulted in our

recent housing bubble. In such a bank the loan officers understand necessarily that their responsibility is to the borrowers as much as to the bank, and that these ultimately are not two responsibilities but one. In a locally owned community bank, the lender is a neighbor of the borrower. You don't put your neighbors into trouble or into ruin by misleading them to assume debts they cannot pay.

Among its other wrongs, usury destabilizes the relation of money to goods. So does inflation. So does the speculative trading in mortgages, "futures," and "commercial paper," which gives a monetary value to commodities that have no present existence or no existence at all. To inflate or obscure the value of money in relation to goods is in effect to steal both from those who spend and from those who save. It is to subordinate real value to a value that is false.

By destabilizing the relation of money to goods, a financial system usurps an economy. Then, instead of the exchange of money for goods or goods for money, we have the conversion of goods into money, in the process often destroying the goods. Money, instead of a token signifying the value of goods, becomes a good in itself, which the wealthy can easily manipulate in their own favor. This is sometimes justified (by the favored) as freedom, as in "free trade" or "the free market," but such a freedom is calculated to reduce substantially the number of the free. The tendency of this freedom necessarily is toward monopoly. The undisguised aim of Monsanto, for example, is to control absolutely the economy of food. It would do so by setting its own price on its products sold to dependent purchasers who can set a price neither on what they buy nor on what they sell.

To permit so much wealth, power, influence, and ambition to one corporation is an egregious error in a polity supposedly democratic. From the point of view of nature and agriculture, it is an error even larger and more dangerous. By this error agriculture is forced to subserve the rule of industrialism, which is in most respects antithetical to the healthful practice of agriculture and to the laws of nature by which, and only by which, agriculture can be made sustainable.

Agribusiness is immensely more profitable monetarily than agriculture, which almost customarily for the last fifty or sixty years has been either barely profitable or unprofitable. Hence the drastic decline in the agricultural population. One cost of this error is the economic injustice, characteristic of industrialism, to the people who do the work: ranchers, farmers, and farm workers. Another cost is

first agricultural and then ecological: under the rule of industrialism the land is forced to produce but is not maintained; the fertility cycle is broken; soil nutrients become water pollutants; toxic chemicals and fossil energy replace human work.

We have allowed, and even justified as “progress,” a fundamental disconnection between money and food. And so we are led to the assumption, by ignorant leaders who apparently believe it, that if we have money we will have food, an assumption that is destructive of charity, agriculture, and food. It is a superstition just as wicked as, and hardly different from, the notion that the world is conformable to our wants and we can be whatever we want to be.

Apparently it takes a lot of money, a lot of power, and even a lot of education, to obscure the knowledge that food comes from the land and from the human ability to cause the land to produce. Under the rule of an economy perverted by industrial and financial presumptions, we are destroying both the land and the human means of using the land and caring for it.

We are destroying the land by exposing it to erosion, by infusing it year after year with toxic chemicals (which incidentally poison the water), by surface mining, and by so-called development. We are destroying the cultures and the communities of land use and land husbandry by deliberately slanting the economy of the food system against the primary producers.

We are losing and degrading our agricultural soils because we no longer have enough competent people available to use them properly and take proper care of them. And we will not produce capable and stewardly farmers, ranchers, and foresters by what we are calling “job creation.” The fate of the land is finally not separable from the fate of the people of the land (and the fate of country people is finally not different from the fate of city people). Industrial technology does not and cannot adequately replace human affection and care. Industrial and financial procedures cannot replace stable rural communities and their cultures of husbandry. One farmer, if that name applies, cannot farm thousands of acres of corn and soybeans in the Midwest without production costs that include erosion and toxicity, which is to say damages that are either long-term or permanent.

The farm population has now declined almost to non-existence because, since the middle of the last century, we have deliberately depressed farm income, while allowing production costs to rise, for the sake of “cheap food” and to favor agribusiness. No

wonder that farm-raised young people have been moving into the cities and suburbs by the millions for two generations, leaving the farms without heirs or successors. The young people decide against too much investment and too much work for too little return. But even if they love farming or ranching enough to want to stay, paying the inevitable economic and personal penalties, they are more than likely to find that they cannot buy land and pay for it by using it. The one reason for this is the disequilibrium between the economy of money and the economy of food. Professional people in the cities, who have done well financially, have been “investing” in farmland and rangeland and so lifting the market value of the land above the reach of farmers and ranchers who are not doing well economically. The result is that we have an enormous population of dependent people with the subservient mentality of industrial employees, helpless to feed themselves, who are being fed by the tiniest minority of exploited people and from land that is more cruelly exploited than the people.

If we are destroying both the productive land and the rural communities and cultures, how can we assume that money will somehow attract food to us whenever we need it? If, on the contrary, we should decide to right the economic balance by paying a just price to producers, then money could revert to its proper function of encouraging and supporting both food production and the proper husbanding of the land. This, if it could happen, would solve a number of problems. The right answer to urban sprawl, for example, is to make agriculture pay well enough that farmers and ranchers would want to keep the land in use, and their children would want to inherit it to use.

Since the end of the Great Depression, and even more since the end of World War II, country people have crowded into the cities. They have come because they have attended colleges and been “overeducated” for country life. They have come for available jobs. They have come because television and the movies have taught them to be unhappy in their “provincial” or “backward” or “nowhere” circumstances. They have come because machines have displaced them from their work and their homes. Many who have come were already poor, and were entirely unprepared for a life away from home. Immense numbers of them have ended up in slums. Some live from some variety of “safety net.” Some, the homeless or insane or addicted poor, sleep in doorways or under bridges. Some beg or steal.

In the long run, these surplus people, the not-needed, have overfilled the “labor pool” and have made labor relatively cheap. If we run short of exploitable poor people in the United States, then we “outsource” our work to the exploitable poor of other countries. Industrial workers and labor unions are having a hard time, and so are farmers, ranchers, and farm workers. If you do the actual work of producing actual products, you must expect to work cheap, for you are not of the quality of the professionals who “deserve” to charge too much for their services or the financial nobility who sell worthless mortgages. As an exploitable underclass, you who perform actual work have raised a vexing question for your superiors, and they seem to have fallen somewhat short of the right answer: how could they get the cheapest work out of you and still pay you enough to afford the products you have made? Though mere workers may be crippled by debt for their house or farm or their children’s education, they must still be able with some frequency to buy a new car or pickup truck or television set or motorboat or tractor or combine. If they have such things along with an occasional stunt in Outer Space, then maybe they won’t covet a financial noble’s private jet and three or four “homes.”

Decades of cheap labor, cheap energy, and cheap food (all more expensive than has been imagined) have allowed our society to incorporate itself in a material structure that will have to be seen as top-heavy. We have flooded the country, the roadsides, and landfills with shoddy “consumer goods.” We have too many houses that are too big, too many public buildings that are gigantic, too much useless space enclosed in walls that are too high and under roofs that are too wide. We replaced an until-then adequate system of railroads with an interstate highway system, expensive to build, disruptive of neighborhoods and local travel, increasingly expensive to maintain and use. We replaced an until-then adequate system of local schools with consolidated schools, letting the old buildings tumble down, replacing them with bigger ones, breaking the old ties between neighborhoods and schools, and making education entirely dependent on the fossil fuels.

Every rural school now runs a fleet of buses for the under-aged, and provides a large parking lot for those over sixteen who “need” a car to go to school. Education has been oversold, overbuilt, overelectrified, and made more expensive. Colleges have grown into universities. Universities have become “research institutions” full of undertaught students and highly accredited “professionals” who are

overpaid by the public to job-train the young and to invent cures and solutions for corporations to “market” for too much money to the public. And we have balanced this immense superstructure, immensely expensive to use and to maintain, upon the frail stem of the land economy which we conventionally abuse and ignore.

There is no good reason, economic or otherwise, to wish for the “recovery” and continuation of the economy we have had. There is no reason, really, to expect it to recover and continue, for it has depended too much on fantasy. An economy cannot “grow” forever on limited resources. Energy and food cannot stay cheap forever. We cannot continue forever as a tax-dependent people who do not wish to pay taxes. Delusion and the future cannot serve forever as collateral. An untrustworthy economy dependent on trust cannot beguile the people’s trust forever.

The old props have been kicked away. The days when we could be safely crazy are over. Our airborne economy has turned into a deadfall, and we have got to jack it down. The problem is that all of us are under it, and so we have got to jack it down with the least possible suffering to our land and people.

I don’t know how this is to be done, and I am inclined to doubt that anybody does. You can’t very skillfully jack something down if you didn’t know what you were doing when you jacked it up.

But we have got to begin by treating our land with the practical and effective love that alone deserves the name of patriotism. From now on, if we would like to continue here, our use of our land will have to be ruled by the principles of stewardship and thrift, using as the indispensable measure not monetary profit or industrial efficiency or professional success but ecological health.¹ □

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