

Views on economic future diverse

Colin Read: Everybody's Business

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— Sometimes, one can turn back the clock. Perhaps not this time, though.

Some would have us believe we are merely experiencing a temporary economic crisis, to be followed by a return to a consumption-based "borrow and spend" economy. Others suggest we are entering a new era of economic contraction and a general diminishment of wealth and the standard of living.

There is a growing chasm, with economic extremists on each side of the issue, and a common ground where the truth can be found.

Each side makes good points. I agree that this nation has demonstrated amazing resilience, and has met each bust with an even more dramatic boom. Things are different this time, though. No longer shall a few developed countries in the First Economic World decide the fate of the global economy.

This First Economic World represents less than a billion people, which pales in comparison to nearly three billion people in the Second Economic World. Those BRIC nations of Brazil, Russia, India and China have already begun to organize their own group, along the lines of the G20 nations. Should they forge a productive coalition, they will demand a new economic order that must be negotiated with rather than dictated by us.

It is a new economic world that will be borne from a different set of ideals, values, demographics, and concepts of intellectual property.

While I agree we are resilient and will recover, new countries at the table will create a different type of recovery this time.

Others suggest that our economy moves from peak to peak, through unrealistic assumptions, unsustainable practices and sheer economic might.

These soothsayers too have insights to offer. They accurately recognize the folly of an economic clout maintained through our dependence on cheap oil, capital, labor and imports from others. This reality is unsustainable. We must now forge a more sustainable path.

Just as economists are at times mistaken in their faith that we will grow our way out of every challenge or setback, those who think the party is over and a crisis is looming are mistaken too in their failure to acknowledge that challenge creates opportunity and innovation.

They may be correct in that our complacency may delay our recognition of opportunity and innovation. But somebody somewhere is going to get it. And the global sharing of knowledge and innovation will eventually find its way to every corner of the earth.

For these reasons, I understand the arguments from both ends of the spectrum, but believe the truth will be found somewhere in between.

Those that will capitalize on our new and shared economic future will be those that can clearly see an economic destiny and figure out a path that can move us most successfully from here to there.

They will succeed by forging a new economy that takes some core values from the First Economic World and combines them with new values and realities that define the Second Economic World.

They will succeed by recognizing that the pattern of demographics and industrialization will place an unprecedented pressure on commodities, especially energy, minerals and other commodities that are either nonrenewable or unsustainable, given current practices.

Perhaps most significantly, they will succeed in using the most important factor, our human capital, much more effectively. It will become increasingly difficult to maintain the fiction that we are somehow entitled to be rewarded for our labor, regardless of our productivity. The countries of the world hungry for economic success know no such entitlements.

And they will succeed by recognizing that the share of production we each earn is but one thing that gives us joy. Community, family and time to devote to either, are also measures of our worth and joy.

Unfortunately, these realizations are more subtle and complex than our typical focus on growth of the gross domestic product. While we can easily measure production, it is more difficult to measure community. It is even harder, but even more necessary, to convey the value of non-monetary values, especially when we have been oriented to attain all things monetary.

Instead of pondering the short term displacements that we must absorb to reach a new and long-term economic reality, let us instead focus on what that inevitable world will look like.

It will be smarter, with each of us able to see the true cost of our economic decisions.

We will value proximity and efficiency, giving rise to communities that are again more centralized and pedestrian friendly.

We will better integrate our work life and the rest of our life. More of us will telecommute, in essence choosing to work where we live rather than living for 12 out of every 24 hours at our work.

We will recognize a better balance between our wealth and our happiness. We may find that we are happier working four days a week, even if we earn less.

I am excited about these adjustments, not just because they are essential if we want to be members of a new economic world. Systems evolve because we find better ways to adapt to a changing environment. Just like biological systems, these economic Darwinist adaptations are good for the economic system and for its members.

Those who cling to the old economic world as we know it will be the buggy-whip makers of bygone days. Rather, those that embrace change as the new normal will, through sheer empirical success, be the leaders we all want to follow.

And when we eventually realize that the key to our future is not our past, but is our ability to grasp and accept the new economy, we will be able to meet these new global competitors on a new turf.

After all, our future global competitors have no economic past that they must hold tightly. Their anchor is constant change, not maintenance of the status quo.

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