

FOREIGN POLICY IN FOCUS

Scholars, advocates, and activists seeking to make the U.S. a more responsible global partner.



Shutterstock

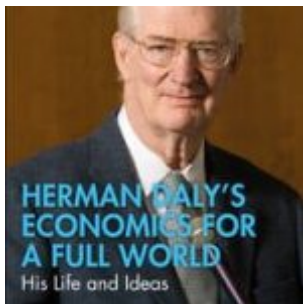
HERMAN DALY: AN ECONOMIST FOR ECO- SOCIAL ACTIVISTS



Activists from a wide range of sustainability and social justice movements have an intellectual indebtedness to the work of Herman Daly, often cited as the father of ecological economics.

Because Daly's contributions focus on basic principles from both science and ethics, they have wide application across many fields of inquiry and activism including climate, social justice, and sustainable development. His ideas and theories are unorthodox and turn much of mainstream neoclassical economics on its head. His focus on basic principles allows for varied applications to suit local needs and cultures rather than a hegemonic, one-size-fits-all solution to these challenges. Daly's thinking feeds the [pluriverse](#) approach for a better world.

Peter A. Victor's recent biography, *Herman Daly's Economics for a Full World: His Life and Ideas*, celebrates the man and his ideas, and provides an excellent and handy summary of Daly's transformative ideas. By summarizing these ideas and providing references for deeper understanding, Peter Victor has done a service to both Daly and activists around the world.



Daly's economic writing spans six decades and provides a rigorous conceptual framework for a new model of economic thought. One of the main features of Daly's work is that he reformulates economic thought in terms of the natural sciences and ethical theory. This is in sharp contrast to the dominant economic model, which is based on a series of assumptions, almost all of which can be demonstrated to be false, and which ignores the natural sciences and ethics almost entirely.

Interestingly, Daly began his career as a classical economist, obtaining a PhD in economics from Vanderbilt University in the mid 1960s. His decision to study undergraduate economics arose from his broad interests in both science and the humanities, and he saw economics as a



self-interest. He came to realize that “neoclassical economics has both feet in the air: disconnected from the Earth and disconnected from Ethics,” writes Victor.

Daly’s mission in life came to be connecting the two—science and ethics—in reformulating economic thought. In capturing Daly’s intellectual journey, Victor provides some helpful insights into how it’s possible to question basic mainstream assumptions and move beyond their limitations. Whether or not it was Victor’s intent, he has provided a case study in how to change a dominant and dangerous paradigm, which is particularly useful for serious activists.

Peter Victor does a very nice job of connecting seemingly disparate events in Herman’s early life with his later theoretical contributions. Herman’s experience of polio as a youth, for instance, led to his acceptance of limits. His religious upbringing—and exposure to poverty during a teenage trip to Mexico—led to a lifelong concern for social justice. His early work in Brazil also contributed to this focus on social justice and the common good.

Even more impressively, Victor summarizes Daly’s major conceptual contributions in a very succinct and digestible form. The focus of the book is clearly on Daly’s ideas, but his personality also comes through as “a warm, mild-mannered, strong-willed man willing to ask awkward questions.”

Daly developed many concepts relevant to activism that are not always explicitly linked to his works. His rigorous thinking and ethical perspective provide strong theoretical foundations for many alternative approaches to the current neoclassical economic paradigm. But engaging in these works without a background in Daly’s ideas is a bit like crossing a busy motorway with horse blinkers on. Peter Victor provides an ideal guide across this thoroughfare.

Victor has made it easy to access Daly’s theories about how an economy should function to achieve both ecological and social goals, as well as



Daly insists, for instance, on addressing ecological scale first in the process of policy formulation. The physical size of the economy must remain within planetary boundaries, and there are limits to economic growth in terms of material throughput. It is only when this ecological limit has been settled that the second policy priority of distribution can be addressed. How can the existing pie be divided fairly rather than keep growing the pie so that everyone can have a bigger piece? Once these priorities have been assured, only then can the market become an efficient means of allocating resources, which is a very different role for the market than its centrality under the current system.

Daly correctly points out that the neoclassical economic insistence on continuous economic growth is not only destructive to ecological systems, it is also an excuse for avoiding the issue of fair distribution. The market on its own cannot adequately address either scale or fair distribution. Daly points out how increasing material throughput—producing more things for people to use—might have made sense in an “empty world,” but it is destructive and dangerous in a “full world” of people and human artifacts.

Because so many of Daly’s ideas are unorthodox in mainstream economic circles, much of his work has either been ignored or attacked by prominent mainstream economists. There have been several famous debates between Daly and prominent mainstream economists over the years, and the book makes it easy to understand both sides of these debates and where a sensible resolution lies (spoiler alert: Daly is always right).

Some degrowth thinkers have also attacked Daly for relying on markets for efficient allocation of resources. Victor clearly points out how these critiques totally miss Daly’s assertion that efficient market allocation can only occur after scale and distribution have been addressed.

A steady state economy is Daly’s answer to a full world economy, and again, Victor does a great job of summarizing the main features of Daly’s argument. The steady state economy is often misunderstood as a dead end without continued economic growth. But Daly is clear that while



activity. A steady state economy can be dynamic and contribute to human wellbeing in many meaningful ways. Victor has himself [demonstrated](#) that a complex economy such as Canada's can be managed with the right policies, but without growth.

Despite professional and even personal attacks, Daly has received many international awards for his thinking and contributions to many movements, some of which may be unaware of the source of their ideas. His textbook *Ecological Economics* with Josh Farley is currently used in several universities around the world, and has been translated into several languages, including Chinese.

Victor points out how some mainstream economists have taken up some of Daly's ideas and presented them as their own without proper acknowledgment. His book also shows how new economic thinking like Raworth's [Doughnut Economics](#) has popularized Daly's ideas and moved them closer to the mainstream. As a result, the media is now more frequently questioning the merits of continued economic growth and making reference to ecological overshoot. Mainstream economists are even explicitly attacking the idea of a steady state economy—a sure sign of increased recognition.

One of the organizations focusing on the steady state idea is the Center for the Advancement of a Steady State Economy ([CASSE](#)), a Washington D.C.-based NGO founded and led by Brian Czech, which has tenaciously promoted the new economic paradigm that Daly models so well.

Daly's ideas are critically important to a just and sustainable future. His theories, his historical perspectives, his rigorous arguments, his responses to the critiques of his ideas, and his clear moral positioning are all useful in the struggle for an ecologically sustainable and morally just society. Peter Victor has done both Daly and the rest of us a major service by providing an excellent summary of Daly's ideas in a well written reference book for scholars and activists alike.



Jack Santa Barbara, Ph.D. is a retired CEO, academic, environmental and peace activist, and philanthropist. He has had a long-standing interest in energy issues and involvement with various NGOs dedicated to strong sustainability and social justice issues.

A project of the:



Institute for
Policy Studies

ABOUT

ARCHIVE

SUBMIT

DONATE

Email

email@email.com

Submit