Occupy Economics Toronto

Feb 18th, 2014

A Better World
or
More of the Same

Canadian Dystopia:

Canada is increasingly falling behind its peers on a disturbing number of social, economic, and ecological measures.

First, there is Canada's dismal position on lists comparing international efforts to combat climate change. On the index below, Canada—at #58—is struggling at the bottom next to countries such as Turkey and Kazakhstan.

Germanwatch & Climate Action Network Europe Climate Change Performance Index 2013

Rank	Tendency	Country	Score**
1*		-	
2*		-	
3*		-	
4	▲	Denmark	72.61
5	-	Sweden	69.37
6	▲	Portugal	67.81
7	▲	Switzerland	67.61
8	▼	Germany	67.54
9	▲	Ireland	67.48
10	▼	United Kingdom	67.33
⋮			
56	▼	Russian Federation	46.65
57	▲	Turkey	46.60
58	▼	Canada	45.16
59	-	Kazakhstan	39.96

Index Categories

- Emissions Level (30% weighting)
- Emissions Development (30% weighting)
- Renewable Energy (10% weighting)
- Efficiency (10% weighting)
- Policy (20% weighting)

Rating

- Very good
- Good
- Moderate
- Poor
- Very poor

And the Harper government is not planning to do anything about it....

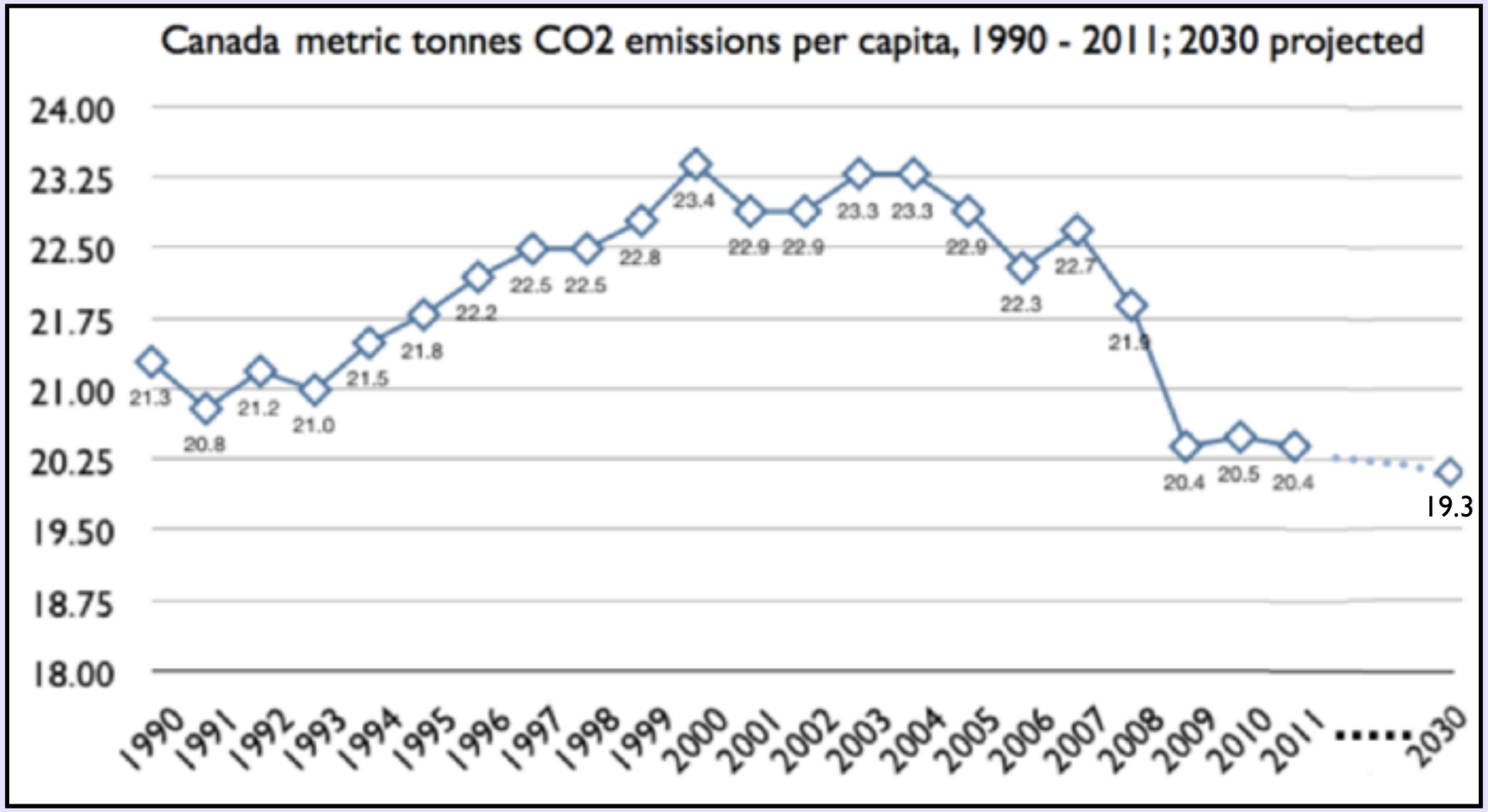
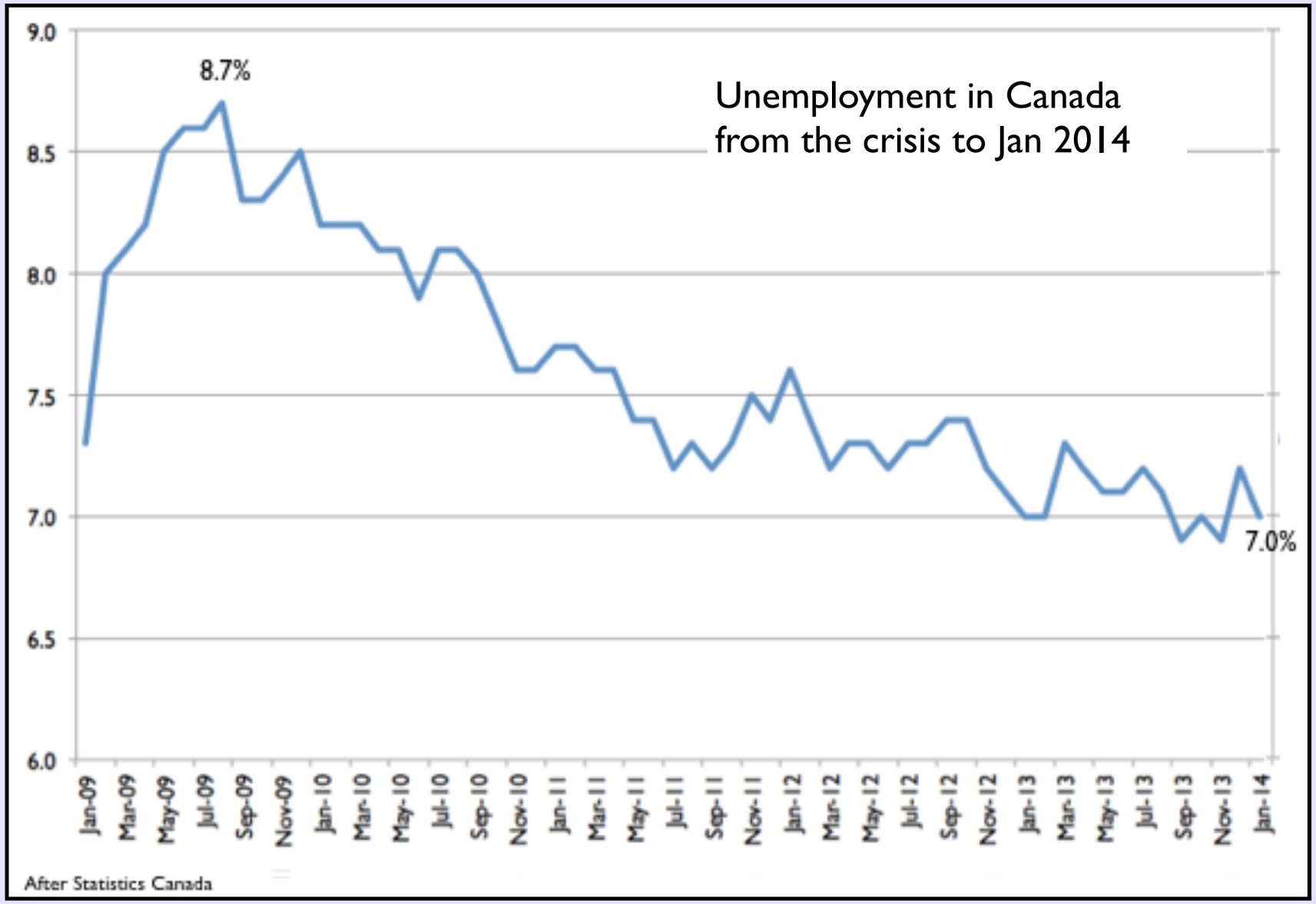


Chart by Occupy Economics Toronto. CO2 emissions from Environment Canada. http://ec.gc.ca/indicateurs-indicators/default.asp?lang=en&n=BFB1B398-1# and projections in "Canada's Sixth National Report on Climate Change". Table 5.5 (page 82). https://unfccc.int/files/national_reports/non-annex_i_natcom/submitted_natcom/application/pdf/final_nc_br_dec20,_2013%5B1%5D.pdf
Population: Statscan Projections, Table 3-1 Medium-growth scenario for 2030, 41,382.4 mio. http://www.statcan.gc.ca/pub/91-520-x/91-520-x2010001-eng.pdf

Canada's CO2 emissions are expected to rise by 16% in 2030, which will keep per capita emissions at current levels. This according to the governments own numbers,

GHG emissions by Economic Sector.
Mt CO_2 eq. 2011 & 2030 (projected)

	2011	2030
Transportation	170	179
Oil and Gas	163	241
Other	369	395
Total	702	815



- A problem common to all modern market economies is unemployment, and in this regard Canada is no exception.
- Recently, the Canadian government has been patting itself on the back over the fact that Canada's unemployment rate is now down to 'only' 7.0%.
- But let's put it another way: that number tells that one out of 14, who wants to work, and is dependant upon the income it provides, is unable to find work; mainly due to the way society currently is economically and socially structured.

A person transport system based on private car provides many jobs. Replacing it by less resource intensive alternatives could result in substantial job losses.

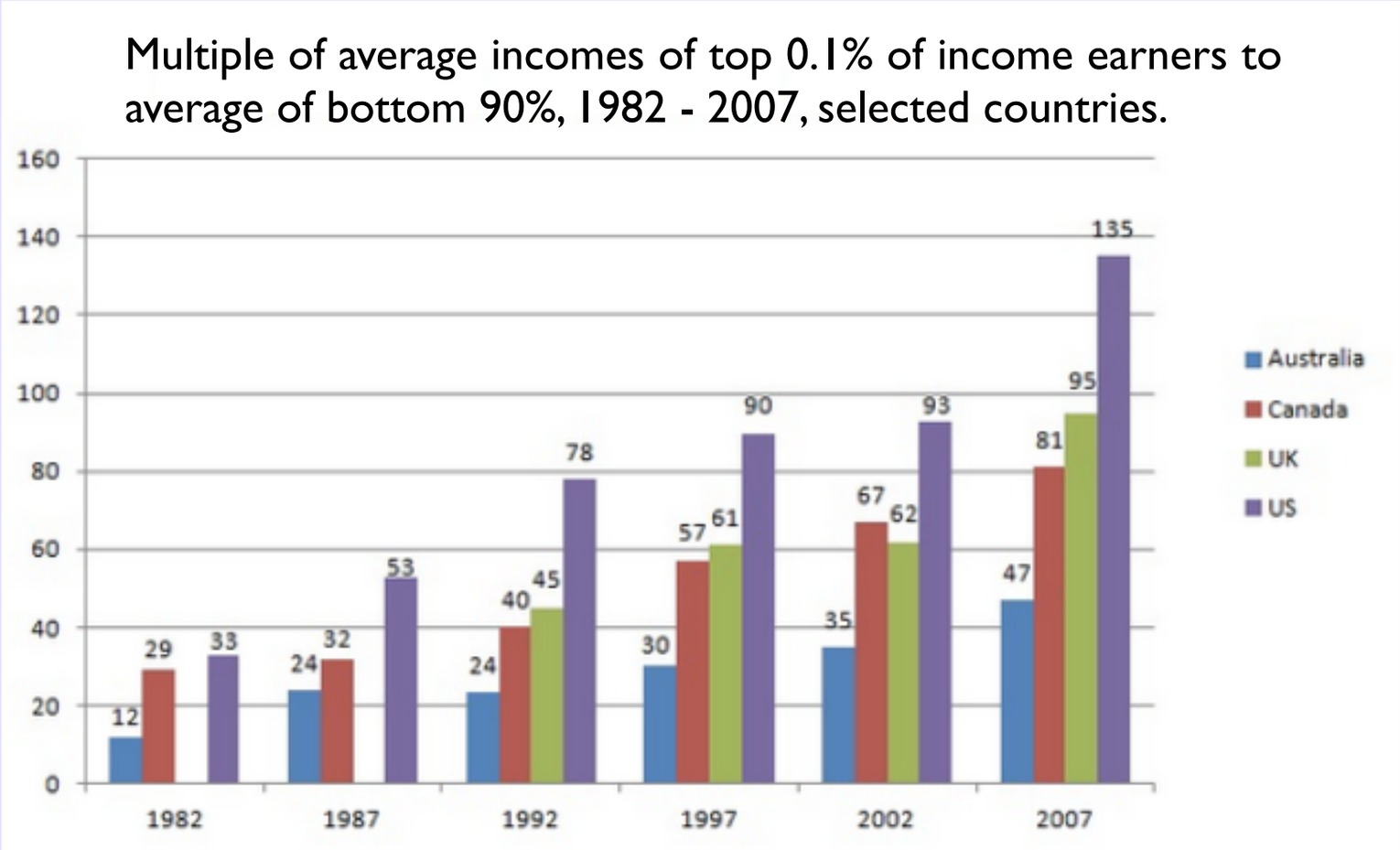
- If we want to develop a sustainable economy, the unemployment problem cannot be solved by simply returning the economy to producing more of the same of the consumption goods currently circulating in the economy.
- Many of these goods are resource intensive and have low social utilities. We need less, not more, of such goods in order to free resources and capacities to develop the infrastructures that are needed to sustain a less resource hogging society.
- Considering this, new ideas for structuring the social function of work is called for, not only in order to reduce the current curse of unemployment but also to avoid that a shift to a sustainable economy becomes needlessly socially disruptive.

Barter economies have the double coincidence of wants problem. Modern labour markets have a similar problem

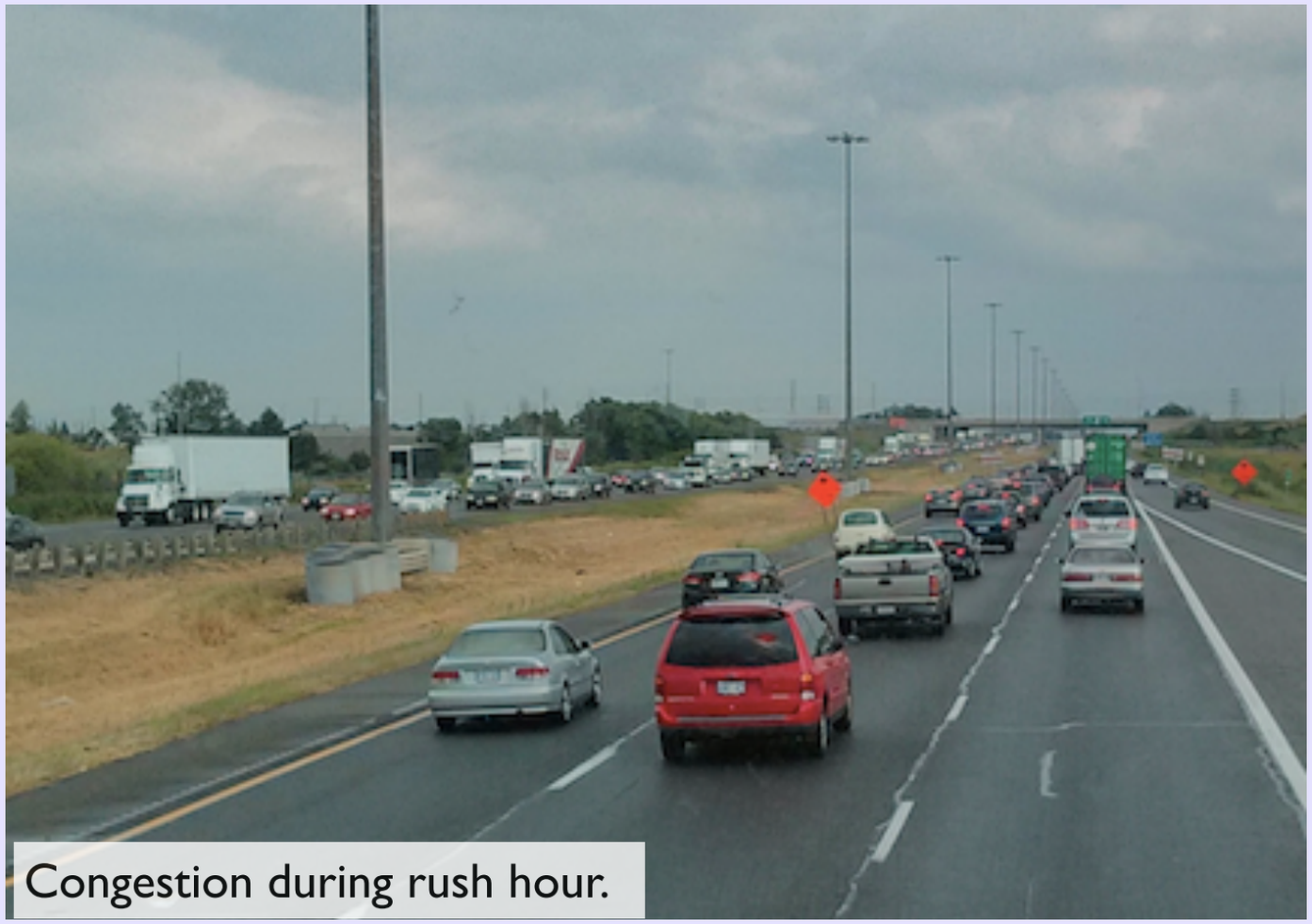
- What is called for is a structural reformatting of labour markets that makes them intermediated.
- Many economic relationships involve intermediation. Intermediation of exchange using money solves the 'double coincidence of wants' problem inherent in barter, which requires A to find a B that has what A wants, and wants what A has.
- Deposit banking intermediation solves the problem that the amounts that savers want to save are seldom the same as the amounts business investors want to loan.
- An aspect of banking intermediation is that it contains information screening by experts.

Work is physically continuous, but accounted for in fixed, or discrete, money units.

- An important fact to take note of is that economic value can only occur in discrete units. Things that have social value because they can provide utility are potential value but not economic value.
- Potential value transforms into economic value by being modified by unit specifiers, e.g. a *bushel* of wheat, a *dollar* of money, etc., which makes them countable and able to enter into exchange relations. Sometimes the utility designation is also a unit specifier e.g. a haircut.
- Labour is abstract potential with no economic value, while an hour of work is a specified (discrete) economic unit. Employment contracts specify work in discrete units, typically as work weeks or months.
- When firms hire or fire workers, they do so according to such unit standards. Therefore, in the average situation people either work full time according to such a measure, or not at all.



- Another problem of current economic structures is that capital owners and CEOs wield absolute control over operations and distributions of the firms, which ignores that work is a social function and the economic output the joint creation of all employees of the firm.
- Moreover, output cannot be created without the supporting infrastructures of the society firms are embedded in, which the current system does not provide adequate funding for.
- The growing inequality of income distribution is a result of power structures and not economic performances. It therefore negatively impacts socio-economic efficiency .
- In a well-functioning economy, same company pay would be restricted to, say, a multiple of five, and board of directors have representatives of all stakeholders in the firms, e.g. labour, the public and capital, and not just capital (owners and CEOs).



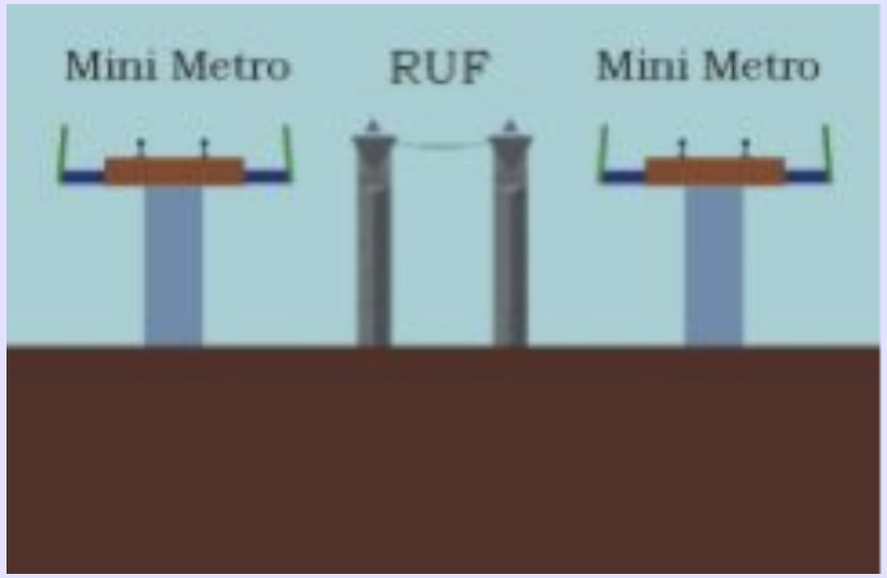
Congestion during rush hour.

- Another pressing problem facing our societies is that we have managed to develop a transport system that certainly has benefits of convenience, but also major drawbacks that increasingly outweigh benefits.
- The drawbacks include climate impacting CO2 emissions, high number of accidents, noise and particle pollution that degrade the liveability in city spaces, etc.
- The Canadian government projects car transport to expand (see slide #3). Visions are stuck in the carbon economy and changing the transport structures to smarter and less polluting solutions is not a policy objective.

L.A. in the future - dual-mode electric vehicles that both run on normal roads and on monorails is a promising idea that never has been tried out.

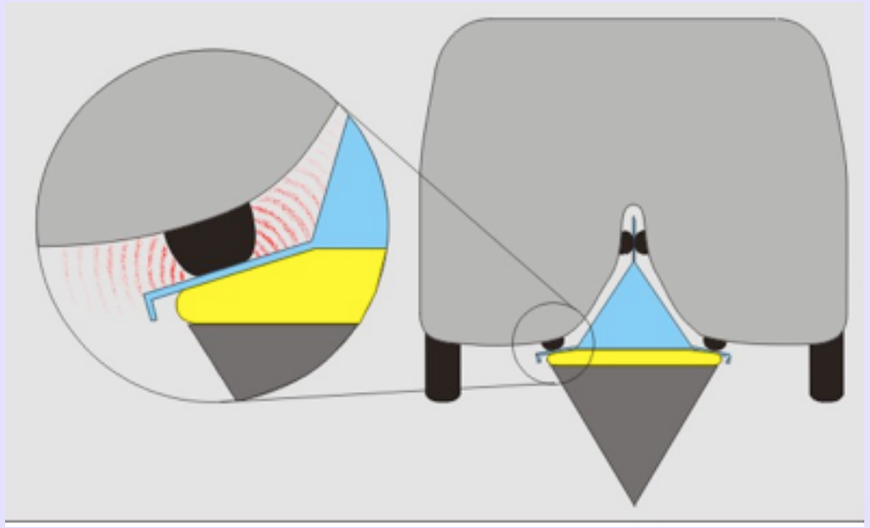
- Solving the transport problem is one of the areas where we need to think out of the box, both with regards to technical possibilities, but also with regards to how we can mobilize much larger economic resources than currently are being committed.
- This, in turn, requires that the misallocation of society's economic resources stemming from the mentioned rise in income and wealth inequities is turned around.
- If we want to shift to a sustainable society we cannot afford the wastage incurred on society by the orgiastic status consumption perpetuated by an elite whose greed and lack of social responsibilities are out of control.

Out of the box: elements of the dual-mode transport concept

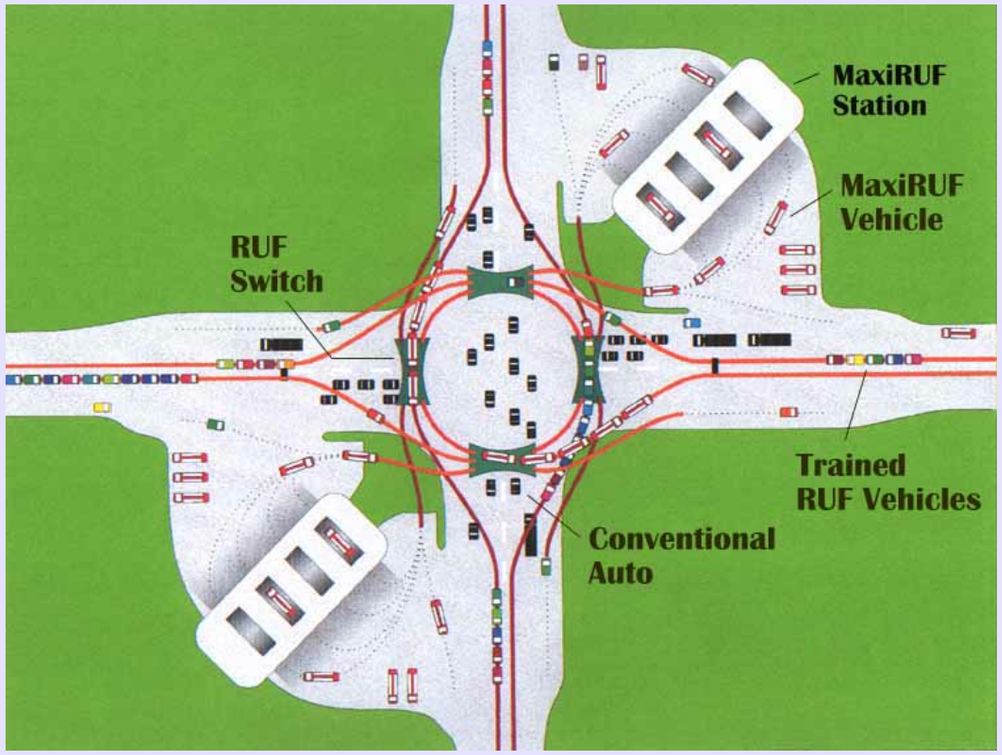


Low cross-weight means that support structures can be pre-fabricated. This is a crucial cost factor.

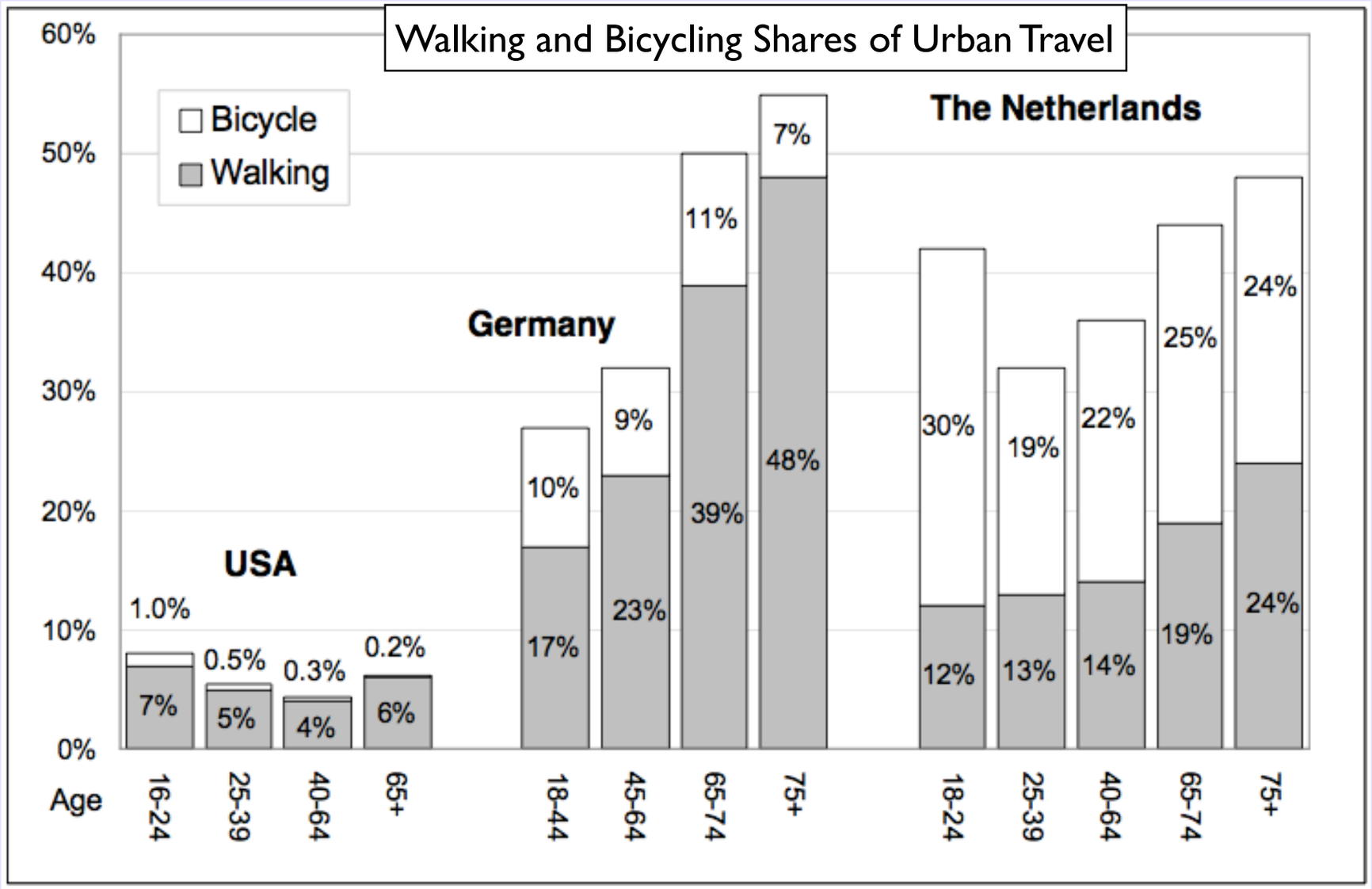
GPS controlled public jitneys cruising local areas will respond to request for trips and pick-up at the door.



Rail noise in a RUF system will be negligible. Smooth wheels are rolling on a smooth rail. Points of contact are partly covered by the RUF chassis. When on the rail, it also changes the batteries for road driving.



A major question: how well will the interchange system work in distributing riders to different destinations?



Promoting soft commuting is another important pillar of sustainability, which gains double benefits: it reduces the burning of carbon fuels and creates positive health effects.

A strategy should among other things include:

- Effectively separated bicycle lanes that protect bike riders from car traffic.
- Connect walk-bike paths through parks, including by creating of intersecting park-like corridors, and walk-bike bridges or tunnels across major roads and highways.
- Easy access in commuter trains for bike riders.

- Vauban, suburb of Freiburg, Germany, built in the 1990s.
- ‘Soft’ and ‘hard‘ traffic are separated. In the tramway, which connects to the city centre. Tram drivers remotely control traffic signals to give the trams priority over cars.
- Houses are designed as low energy units and all have solar roof panels.

Scarborough subway extension, 7.6 km, 3 stations. Planned at 3.1 Bn C$

CPH Metro Ring, 15.3 km, 17 stations. Under construction at ≈4.2 Bn C$

Returning to Toronto, current plans for expanding public transit are not only confined to traditional solutions but also so slow that when they are finished, population growth in the meantime will ensure that congestion will be about the same.

Moreover, infrastructure projects appear unduly expensive in Ontario. Why is that?

- Governing bodies works very badly together and projects are politicized. This leads to design replication or many changes that invalidate earlier planning.
- Higher wages of construction labourers in Denmark outweighed by higher wages of Canadian technical, supervisory and management staffs?

Robarts Library Lobby - an example of corporate brand-tagging of public institutions of education.

- Education is a critical social function. But the structures of current society fail to respond to the demand for change that the deteriorating conditions that we face on many fronts requires. Partly this is due to the corporate encroachment upon education.
- The general school system must include sustainability awareness as an important curriculum item. In universities, one particular concern is the teaching of economics that follows the dead-end market fundamentalist paradigm of neoclassical economics.
- As taking basic 101 economics are increasingly required by many non-economic studies, the reach of the neoclassical paradigm have expanded, This solidifies the perception of a world in which the neoliberal paradigm is touted as the only possible, despite all the malfunctions.

Free School, Zuccoti Park, New York, May 2013

Free School, Alexandra Park, Toronto Summer 2012

- We must counter the neoliberal education tendencies with all of our efforts. Wherever our social activities take us we must push to create critical debates by initiating free schools, discussion groups, study workshops, etc.
- Moreover, in North America we must create activist networks with common goals and bound together by recurring large gatherings.
- Physical gatherings are important as centring movements that run counter to the dissipating tendencies inherent in modern social networking and Internet-only knowledge access, which lose its effectiveness if not balanced and given focus by critical practice during real world activities.

Occupy Economics Toronto

See you next time

With special greetings from Attac Freiburg