

To fix economics, take out the “eco” and put in a “geo” (not ego) for Earth.

CHAPTER 28

A SOUND ALTERNATIVE LEFT IN LIMBO

“Allow yourself ... to be amazed by the mystery of the mundane.”

– Paul Heyne, *The Economic Way of Thinking*

Land is out of sight, out of mind. Even most above-average people still don't get it. The brain's hardwiring leaves nearly everyone ill-attuned to the worth of Earth in America. Nearly everybody assumes land value is like any other value that we seek when buying or surrender when selling. We don't realize that it comes not from anything the seller has done but from what society has done – density population – and what nature has done, like provide a great view. We're in denial that natural rent is money for nothing.

Statisticians don't tell us how much we spend on the nature we use. What economists do tell us about the biggest stream in the economy is unfocused, confounding forecasters and optimists. We can't tell how good we have it. Those who get rent can ... then pull up the ladder, focusing attention elsewhere. Critics and reformers busy themselves, fighting their own small-picture battles.

A blind spot of another species that leaves me dumbfounded is the one afflicting those lizards who live on the cliffs in Chile overlooking the Pacific Ocean. They fight among themselves for the best locations to build a nest, but don't fight against seagulls when the birds come to eat the lizards' eggs. The parents sit there and watch placidly, clueless as to what the devouring of their eggs means.

We humans don't let predators eat our kids but do watch without understanding as members of our own species slurp up surplus, doubling the mortality of newborns.

The practical-minded turned land into real estate, the idealists into environment. Watching land disappear makes a gadfly feel invisible and a little sad. Being so relentlessly inquisitive cuts the quester off from the

rest of humanity. Such is the life of scouts on the cutting edge, those who explore the wilderness that nearly no one else is interested in yet. It's a lonely pursuit without much in the way of real-time rewards.

EVERYBODY GUARDED

Bringing up such payments that never rewards anyone's contribution of labor or capital can make recipients tune out the insight.

The biggest obstacle to sensing rent is not the 1% covering up the role that society and nature play in generating such a huge surplus of value. It's The 100%. Everyone's interest aligns to obscure land and its profit.

Most economists declare land to be "irrelevant today" and a theory of rent "simplistic." Yet Ford Foundation professor Dani Rodrik noted we must simplify the world to understand it. Conceive the simplest possible explanation, argued Albert Einstein, an admirer of Henry George. George, the 19th c. economist, land reformer, and author of the classic best-seller *Progress and Poverty*, based our getting of goods on axioms of human nature.

Rather than curious about rent, economists are incurious about the difference between spending that rewards another's effort – paying for goods and services – and spending that never does – payments for land and privilege. And, typically, economists treat privilege as a given; as natural law, as immutable as gravity.

Other fields have professional standards, why not economists? Even lawyers have professional codes of conduct (for whatever they're worth). How about a pledge to insist upon the most precise economic measurements of the most elementary spending flows?

GEONOMISTS – LET THERE BE LIGHT

The discipline of economics can be fixed. Just insert rent. Then economists could take a stab at making accurate predictions and turn their discipline into a true science. Using the research of Homer Hoyt, at least three geonomists predicted the recent recession:

- Dr. Fred Foldvary in the US at San Jose State University, cited in *Harvard Faculty Insight* (by Teo Nicolais, 18 Oct 2016), wrote in 1997: "the next major bust ... will be around 2008..."
- Fred Harrison, PhD and reporter in the UK, and
- Phil J. Anderson in Australia, author of *The Secret Life of Real Estate*.

Well in advance of the recession (Foldvary a decade in advance), they explained why it had to happen and when it would happen. Ironically, these geomonomists who can predict don't win much media attention while economists who can not predict do win the scholarly prizes.

Those geomonomists were successful because they watched the clock – the 18-year land-price cycle. As society spends more for land nobody made, it must spend less for goods and services humans did make, until a recession results about once every generational period. Demographers cite the rise and fall in population growth over the same period.

If hidebound economics discipline can't be fixed, it can be replaced. Like going from astrology to astronomy and from alchemy to chemistry, the next shift of the paradigm could be from economics to geomonomics. F.A. Hayek compared the economy to an organism, Troy Camplin to an ecosystem. Actually, observed Herman Daly, formerly of the World Bank, economies are a subset of the ecosystem. All three are getting close to recognizing the economy as the geomony.

Geomonomics is the field of study that finds patterns and natural laws in our producing, distributing, consuming, and protecting of goods and services, all interacting as an organic system that “inhales and exhales.” Since economists won't, geomonomists do admit who does the work and who gets the wealth. Since economics won't, geomonomics must answer how economies work, why they sometimes don't, and what we can do about it.

While the status quo might relax – and even celebrate – re nearly everyone's out-of- touch-ness, I'm feeling a tad sad for the economists who're presently denied the chance to become experts and scientists. Their physics envy shows they long to become real scientists. If geomonomics does supplant economics, many academics might be happy to have the long nightmare of crippling the study be over.

A GENERATION READY?

Thomas Kuhn in his *Structure of Scientific Revolution* showed that fundamental new ways of doing things come not from within a discipline but from without. What lies outside mainstream economics that could upset the current apple cart? Geomonomists? Perhaps a new generation? Kuhn explained old minds don't change, only young ones are open to bigger picture explanations. An economist is someone who didn't have enough personality to become an accountant.

Geomonomists would observe the wrong triggers of youngsters and avoid them, and figure out their right buttons and push the latter. Open links

of communication. Then titillate curiosity, open eyes, and enthuse new agents of change with a new way of seeing the world. Clearly state how the enthused can pitch in. Certainly, some of them would lend their help to push Leviathan to measure our spending for the land and resources we use.

And maybe just in time, if money for nothing is a major driver behind our widening inequality, despoliation of the environment, politically-charged non-solutions, and widespread resignation and fatalism. Whether we're on a tipping point or not, glimpsing a way out of our economic morass is a glimpse worth having. Eh?