

Opinion & Analysis

Placing a gigantic one-way bet against the planet



**JOHN
GIBBONS**
OPINION

Cuba is an object lesson in a different way to tackle shortages and slumps while remaining independent

THOMAS LICCARDI could have been New York's answer to Eddie Hobbs. An accountant by trade, and cautious to a fault, some years back he noticed one of his clients was earning 25 per cent on investments. "It sounded much too good to be true," said Liccardi.

Although sceptical, he agreed to visit the financial wizard producing these returns. "He impressed me very much, and there were banks of computers and people all over the place," said Liccardi. He invested – and promptly lost – his life savings, as Bernard Madoff's elaborate Ponzi scheme unravelled with losses running into billions.

This is one tiny vignette in an unfolding financial crux whose magnitude and depth is still impossible to gauge. This crisis in turn is but one of "five tectonic stresses which are accumulating deep beneath the surfaces of our societies", Thomas Homer-Dixon wrote in *The Upside of Down*, which was published three years ago, well ahead of the current crunch.

The other four are: population stresses; energy stress as peak oil approaches; environmental stresses from pollution and resource exhaustion; and climate stress from global warming.

In thrall to the dominant myths spun by economic theorists, "capitalist societies are locked into their own self-reverential, self-validating beliefs – a situation that makes them less flexible and more vulnerable to breakdown", wrote Homer-Dixon.

In adopting high-growth globalisation, humanity has in effect placed a gigantic one-way bet against the planet. The tab for this financial psychosis runs into billions, but a more enduring legacy has been the prodigal spending down of natural capital which, had economists bothered to value it, would be tallied in trillions.

One country that chose an entirely different path 50 years ago is Cuba. As Tom McGurk mused on RTE radio yesterday, Fidel Castro's revolution has survived long enough to see capitalism on its knees. For all its faults, Cuba has shown how a proud, egalitarian society with excellent education and healthcare can exist – in the absence of consumerism – despite a US trade embargo.

The Caribbean island idyll was almost wiped out by the collapse of its ally, the Soviet Union, in 1990, which wreaked havoc on the Cuban economy. As oil imports dried up, industry and agriculture ground to a halt, and food and electricity supplies faltered.

“The very complexity of these systems makes them vulnerable to cascading failures

Facing the prospect of mass starvation, Cuba abandoned its highly mechanised monoculture and turned instead to market gardening and organic farming. Since food security was now a key national imperative, farming became a high-status occupation.

Cuban society suffered real hardships during this so-called Special Period, but it emerged more resilient and independent. Lack of fuel for private cars led to public health improvements, as a fitter, thinner population learned to get around on foot, bike and bus.

Pollution levels declined, and soil quality improved. Despite privations, life expectancy and infant mortality remained the best in the

Americas, north or south.

The globalised economy makes crucial trade-offs between efficiency and resilience. The profit imperative compels companies to run ultra-taut supply lines, employing just-in-time production technologies. These efficiencies, lubricated by cheap oil, have contributed to productivity gains and cheaper goods.

The very complexity of these systems makes them vulnerable to cascading failures. The severe turbulence that has consumed the world's highly integrated financial markets is a dramatic illustration of what is known as the butterfly effect, as seemingly minor events have enormous consequences.

Among bees, colony collapse disorder occurs when a set of stresses is applied to the complex social structure of the beehive. We too are swarming creatures, and subject to spasms – of exuberance, optimism, greed or panic – that sweep rapidly through our elaborate yet frail social networks.

In 2007, almost 20 million tonnes of goods were imported into Ireland via Dublin Port alone – almost twice the tonnage we exported. Our dependence on imported energy is almost total. How would we cope if, like Cuba, we were suddenly to find ourselves unable to

import all these goods and were instead left sitting in the dark, with no electricity, mobile phones, running water or flushing toilets and with empty supermarket shelves?

Ireland does have an Office of Emergency Planning. Its anodyne handbook and mindset appear to be that any threats we encounter will be temporary and manageable.

There's an old saying that civilisation is only three meals deep.

Food security is already a chimera for billions of people. "The salient fact about life in the decades ahead is that it will become increasingly and intensely local and smaller in scale," said James Kunstler, author of *The Long Emergency*. Since this is inevitable, he suggests "the only intelligent course of action is to prepare for it".

Kinsale in Co Cork is billed as Ireland's first "transition town" and is part of a growing worldwide movement.

One of its advocates, Rob Hopkins, has written the *Transition Handbook* to help communities brace for energy descent by developing local resilience.

As Minister for Transport Noel Dempsey prepares to embark on the epic folly of taking 120 buses off the streets of Dublin, perhaps someone should send him a copy?