

**VITAL ECONOMY**

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**A recent quote**

"A cyclist is a disaster for the country's economy: he does not buy cars and does not borrow money to buy. He does not pay for insurance policies. He does not buy fuel, does not pay for the necessary maintenance and repairs. He does not use paid parking. He does not cause serious accidents. He does not require multi-lane highways. He does not get fat.

Healthy people are neither needed nor useful for the economy. They don't buy medicine. They do not go to hospitals or doctors. Nothing is added to the country's GDP (gross domestic product).

On the contrary, every new McDonald's restaurant creates at least 30 jobs: 10 cardiologists, 10 dentists, 10 dietary experts and nutritionists, and obviously, people who work at the restaurant itself."

Choose carefully: cyclist or McDonald's? It is worth considering.

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**Question**

• What did Simon Kuznets wrote about GDP?

A) It is a strong and realistic measure of human welfare.  
 B) It is not a tool which is highly realistic in terms of measuring welfare.

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**Then why do we pursue economic growth?**

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### Economy vs welfare

- The richest 1% emits twice as much carbon dioxide as the poorest 50%
- Extreme fires across the globe
- Mother milk is getting increasingly clean
- Number of burn-out patients growing rapidly
- Each household employs two slaves in non-western countries
- Etc
- Etc

How rich is billionaire rich?  
 So imagine you saved \$10,000 every single day since the building of the pyramids.  
 Today you'd still only own 20% of the wealth of 1 of the 5 richest billionaires.

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### The Production Process

Economics studies the creation of welfare

7.7 billion people  
 1 - 1.35 ha fertile land per person  
 0.02 ha for food  
 0.98 ha voor housing, fuel, medicins, textiles, mobility, etc.  
 NL: 6-10 ha per persoon

### Welfare creation

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### Back to Roosevelt

- Roosevelt, 12-02-1945: "more goods produced, more jobs, more trade, and a higher standard of living for us all"
- Final goal: peace  
 Sub goal: welfare  
 Means: economic
- Practice: Means become sub goal and end goal is not achieved
- Consumption as fuel means dissatisfaction.
- Can dissatisfaction form the basis of peace?

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### Gold Coast

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### Slave-free

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**400-100 years ago**

- 17<sup>th</sup> century: 25% of economy of Middelburg was based on slave trade.
- 1920: 0,6 fte Indonesian laborer per Dutch household for export to the Netherlands. This equals 860,000 fte.

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**2021**

- Non-OECD countries contribute about 1.8 fte per Dutch household to the Dutch economy.
- 13.8 million fte
- Twice as many jobs as in the Netherlands!
- A factor 17 as compared to the other way around
- Gross wage is ten times lower (on average)

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**The most boring livestream ever?**

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**Perception and conformism**

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**WYSIWYG?**

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**WYSINWYG**

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### Who likes this car?



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### What is the relationship between happiness and consumption?

- Something with affections, promises, expectations and.....
- Addictive behavior?

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### What about this comment?

Layard, 2020

Education should be about realizing your tasks as community member. That is what makes people happy. But team work, loyalty and share goals are increasingly being replaced by a pursuit of personal excellence and personal excellence is what society rewards. Even at schools.

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### Victor Lebow (1955)

"Our enormously productive economy demands that we make consumption our way of life, that we convert the buying and use of goods into rituals, that we seek our spiritual satisfactions, our ego satisfactions, in consumption. The measure of social status, of social acceptance, of prestige, is now to be found in our consumptive patterns. The very meaning and significance of our lives today expressed in consumptive terms. The greater the pressures upon the individual to conform to safe and accepted social standards, the more does he tend to express his aspirations and his individuality in terms of what he wears, drives, eats, his home, his car, his pattern of food serving, his hobbies.

These commodities and services must be offered to the consumer with a special urgency. We require not only "forced draft" consumption, but "expensive" consumption as well. We need things consumed, burned up, worn out, replaced and discarded at an ever increasing pace. We need to have people eat, drink, dress, ride, live, with ever more complicated and, therefore, constantly more expensive consumption. The home power tools and the whole "do-it-yourself" movement are excellent examples of "expensive" consumption."

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### What is a vital economy

- If our current economic thinking makes us, others, as well as the planet ill, then what is a vital economy?

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### VITAL ECONOMY!

• Robert Kennedy, 1968:

"Too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things. Our Gross National Product, now is over \$800 billion dollars a year, but that Gross National Product - if we judge the United States of America by that - that Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl. It counts napalm and counts nuclear warheads and armored cars for the police to fight the riots in our cities. It counts Whitman's rifle and Speck's knife, and the television programs which glorify violence in order to sell toys to our children. Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile. And it can tell us everything about America except why we are proud that we are Americans."

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## Solutions

- Define common societal values
- Buy only stuff that you need
- Make sure products have a long life time and repair them
- Share products.
- Eat vegan or vegetarian
- Find more meaning
- Peace and relaxation
- Peace and relaxation of result of fairness
  - Do just to your desire for good
  - More attention (mindfulness)
- More time
  - Enjoying more
  - More freedom
  - More meaning
  - Better health
- Safety

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## Sneak preview

The image shows a sneak preview of a Patagonia website. On the left, a blue jacket is displayed with the text "DON'T BUY THIS JACKET" overlaid. On the right, there are sections for "Discover our chocolates" with three product cards: "Organic & Fair", "Chocolate package", and "The special". Below these, the Patagonia logo is visible, followed by sections for "REPAIR", "REUSE", "RECYCLE", and "REPAIRING".

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## Change

The cartoon consists of two panels. In the top panel, a speaker at a podium asks "Who wants change?" and a large crowd of people enthusiastically raises their hands. In the bottom panel, the speaker asks the same question, but the crowd is much smaller and less engaged, with only a few people raising their hands.

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## Conclusions

What are our conclusions?

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