

Creating a Future: The Adjacent Possible

Keith Rankin, 3 July 2015

Change happens, or does not happen, as much through our beliefs about the ways the world works, as it does through how the world actually works. If we believe in things that are false, or in restrictive interpretations of reality, then what can happen is limited by these constraining orthodox interpretations.

Last week I wrote about money 'as if' it was a magic resin – a stock of appreciating wealth that, through a process of spending, can be converted into any good or service – but which diminishes when spent. Thus spending is easily seen as a loss of wealth, and saving money is seen as wealth enhancing.

This understanding of money is obviously false, but nevertheless, through our attempts to acquire money by selling stuff, has probably contributed significantly to what economic historians call 'modern economic growth'. This also has the potential – by reducing life to a perpetual struggle to sell labour, services or commodities – to create a dystopian future. We need to be able to envisage alternative ways forward, moving forward from the growth for growth's sake imperative.

Biologist [Stuart Kauffman](#) came up with the concept, later publicised by Steven Johnson, of the '[Adjacent Possible](#)'. Immediate change is limited to options that are only one step (intellectual or biological) away. But once such changes are made, then new opportunities become adjacent (ie just one step away) and therefore possible.

The key ideas that I believe can lead a sustainable and prosperous economic future are not complicated. However they are two steps away; they are not adjacent to our present thinking about the way the world of money and markets works.

We can imagine ourselves as living in a conceptual room that has an entrance – through which we have come – and several possible exits, represented as doors that are ajar rather than closed. We are in the magic money room (otherwise known as the Scarcity Room), and have become quite comfortable there. After all, it has led us in the developed world to levels of material wealth that we could not have dreamed of 200 years ago.

The door that we need to pass through can be called the Keynesian door to the room of demand-side economics, spending and equity. We can call it the Abundance Room. It is a room of affluence and leisure, but not consumerism. Indeed we did kind of enter that room in the middle third of last century, but its messages were not well understood, and the magic-money neoliberals took their chance in the 1970s to paint the ideas in that room as inflationary. Further, there seemed to be too much emphasis on growth as a means to economic justice.

There was a big pull-back in the 1980s. Further, the Green movement was hesitant to embrace the economics of abundance, favouring the underlying non-spending austerity of the Scarcity Room. Indeed Florian Schui, in his 2014 book *Austerity, The Great Failure* saves a whole chapter ('Austerity for the Planet') to Green austerity.

To understand the underlying Keynesian vision, read Keynes' 1930 essay [Economic Possibilities for our Grandchildren](#). For an interesting precursor of Keynes' vision of abundance, look to Simon Patten's [The New Basis of Civilisation](#), published in 1907. Other writers who have imbibed many of the ideas of the Abundance Room have been JK Galbraith, Paul Krugman, Jeffrey Sachs, Wynne Godley and Richard Koo.

On the far wall of the Abundance Room is the ajar door to what may be called the Sustainable Equity Room. One book that gives the true flavour of the Abundance Room, and that reveals the door to the Sustainable Equity Room, is *How Much is Enough; Money and the Good Life* (2012) by Robert and Edward Skidelsky. Through books like this, sustainable equity becomes an adjacent possible, a direction for change that can be discussed in open debate, and understood by a significant range of people.

What's in the Sustainable Equity Room? Firstly, it's all about collective economic security through public equity principles that complement the private market economy. We know that collective economic security leads to sustainable yet abundant living. We just can't think about how to achieve this. Further, living in the present room, where we strive for security by accumulating unspent money, we keep debasing our public sector. The Sustainable Equity Room contains healthy ideas about public finance and public debt and public risk management as offsets to natural private caution. It's not utopia or communism or anything like that. It's just a market economy with a public vision; a market economy that works, and conserves rather than exploits.

To get to the Sustainable Equity Room, we must pass through the Abundance Room. That means learning about what money and wealth and debt are, and are not. We cannot easily find our good place to be if we are not sufficiently near to it.
