



Aalto University
School of Arts, Design
and Architecture

Systems thinking

Capitalism as a system condition

MUO-E8029 & SPT-1050
Mikko Jalas, Aalto University, Department of Design
10.11.2020

Outline of the session

13.15-13.25 Intro

13.25-14.15 Jukka Heinonen

- Consumption based accounting (possibly brief overview of methods, and data, and/or policy implications)
- Connections between urban form and consumption
- Rebound effect as a concept
- Discussion

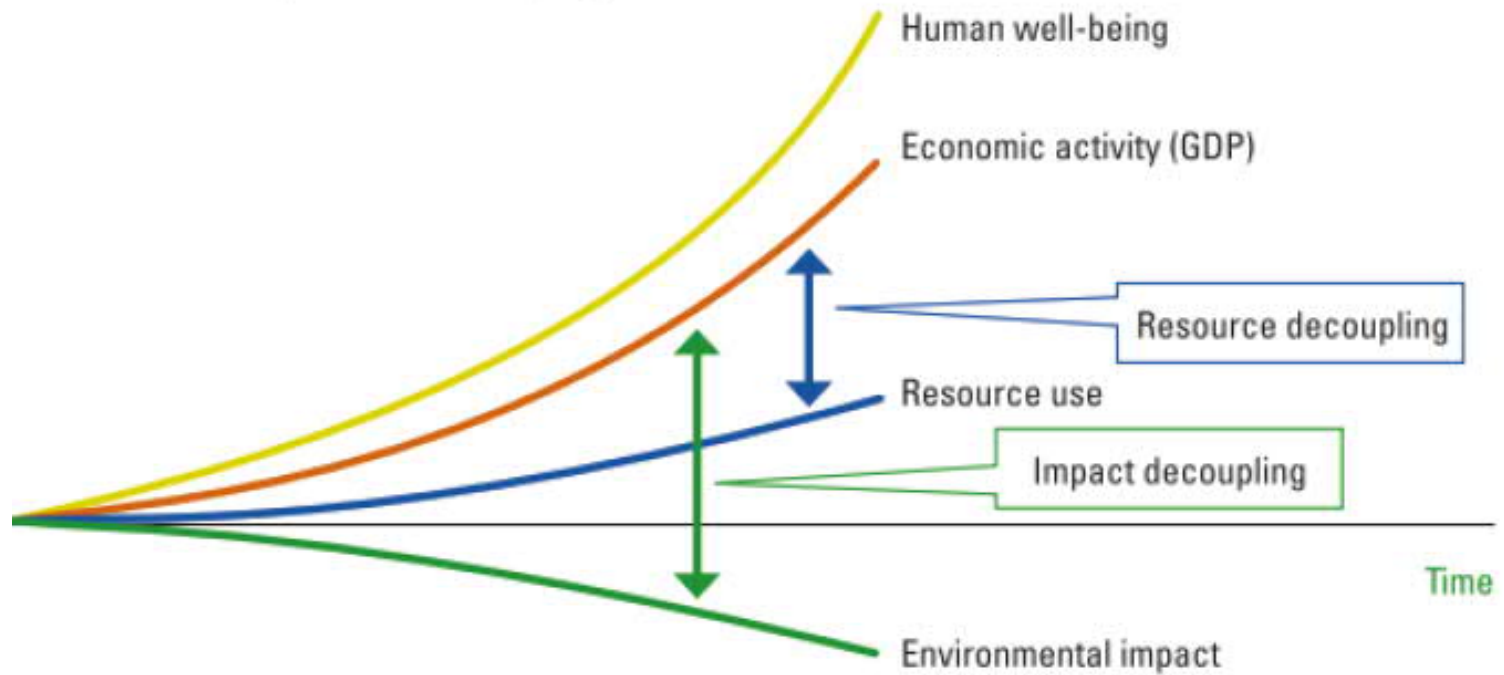
14.15-14.30 Break

14.30-15.10 Mikko Jalas: Capitalism as a system condition

15.10-15.30 Group exercise: Opportunities for idleness.

15.30-15.45 Discussion

Decoupling



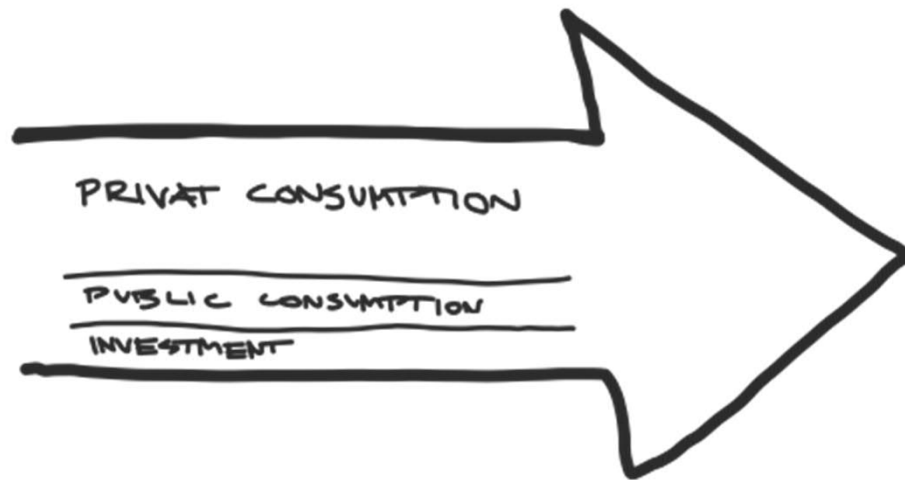
UNEP 2012 / www.materialflows.net

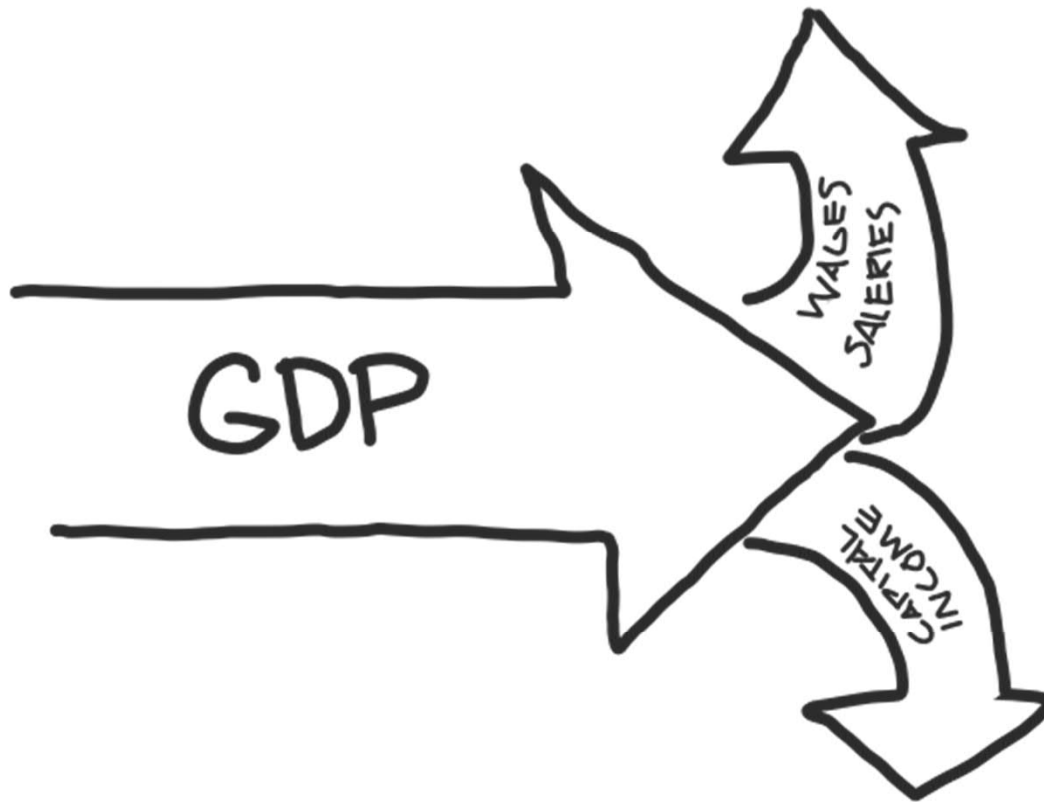
WHAT IS GDP

FLOW

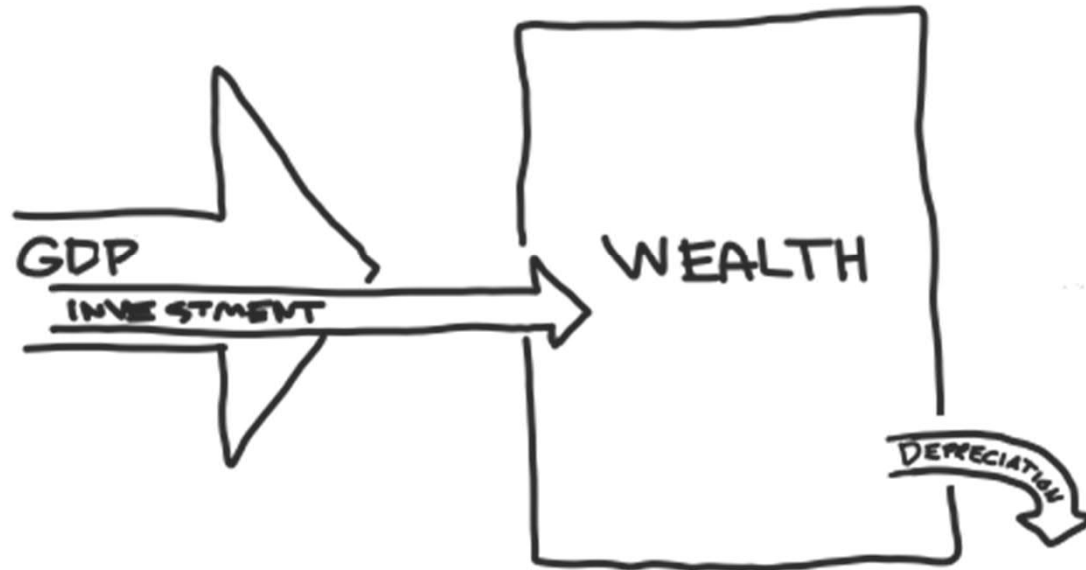
STOCK



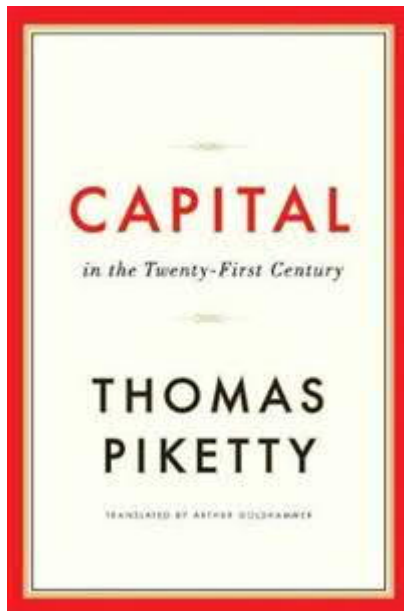




ACCUMULATING WEALTH



Capital in the 21st century



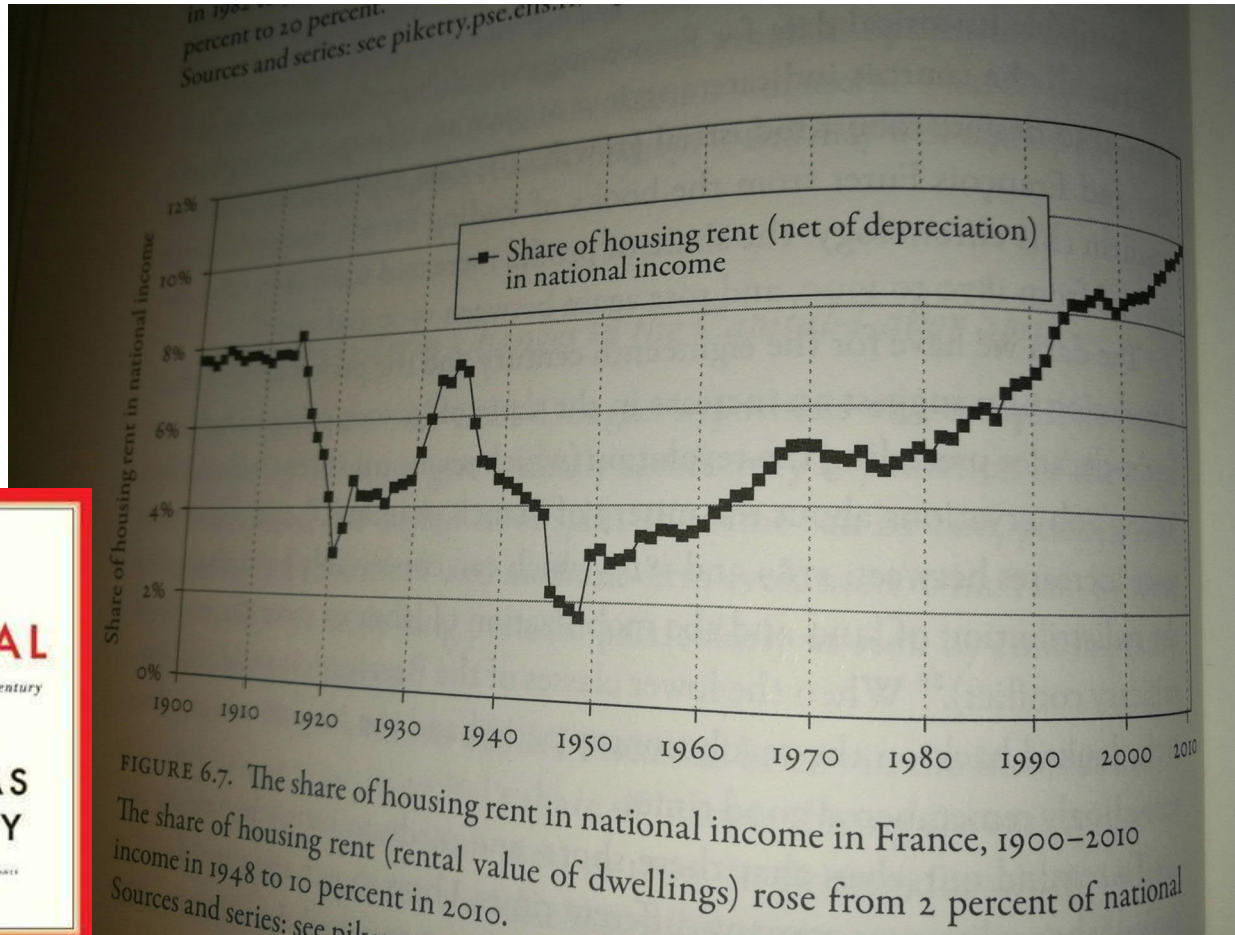
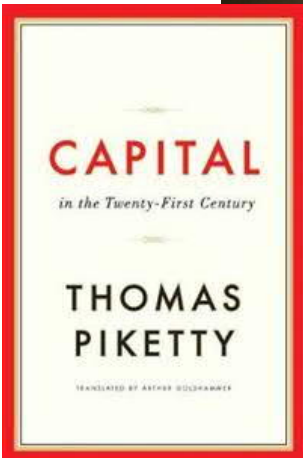
**Growth will fall/return to
appr 1%**

**Capital/income ratio will
return to high levels.**

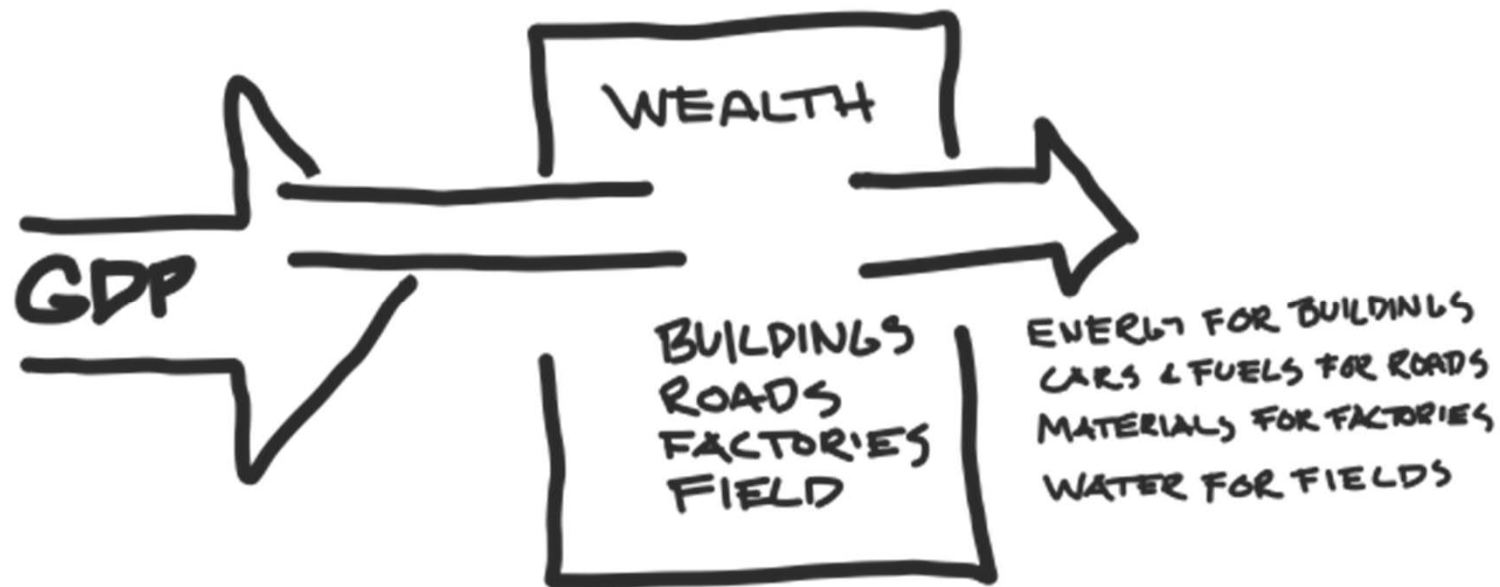
**Inherited capital will
matter more**

**Capital must be
checked and taxed**



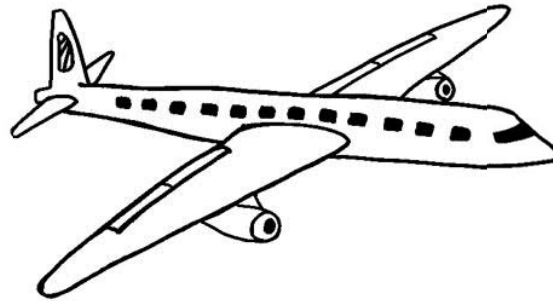






ME FLYING

- SALERIES & WAGES
- CAPITAL INCOME
- TAXES
- NEW INVESTMENT IN AVIATION



ME NOT FLYING

- SOMEONE ELSE FLIES
- PRICE IS LOWER
- LESS PROFIT, LOWER SALERIES
- LESS R&D

- ME WITH MORE TIME AND MONEY
- WHAT DO WITH THE MONEY?
 - SAVE?
 - SPEND?
- WHAT TO DO WITH THE TIME
 - WORK AND EARN
 - CONSUME
 - CHILL

Papunetin kuvapankki, © Annakaisa Ojanen

Rebound effect

Two meanings

Any unintended and counterproductive side effect

‘Building more lanes will not solve traffic problems’

‘Increasing protective gear increases injuries

In economics:

Price effect / Direct effect

Efficiency improvements (in steam engine) will increase demand (for coal)

Income effect

Saved money will be used elsewhere

Economy-wide effects

Demand effects relative prices in the economy, R&D and general prospects

GROWTH

GROWTH HAS IMPROVED
HUMAN LIFE
RESOURCES ARE SCARCE
ECONOMIC MODELS CAPTURE
IMPORTANT PHENOMENA

GDP
COMPETITION

OVERCOME NATURE
WORLD IS IN PROGRESS
HUMAN ARE GENETICALLY
PROGRAMMED TO WANT
MORE
FAST

DEGROWTH

PROSPERITY IS NOT
EQUALLY SHARED

WE MUST LIVE WITHIN
ECOLOGICAL BOUNDARIES

IMPORTANT PHENOMENA LAY
IN SENSORY, EMOTIONAL AND
ETHICAL REALMS

HAPPINESS

AMONG SPECIES

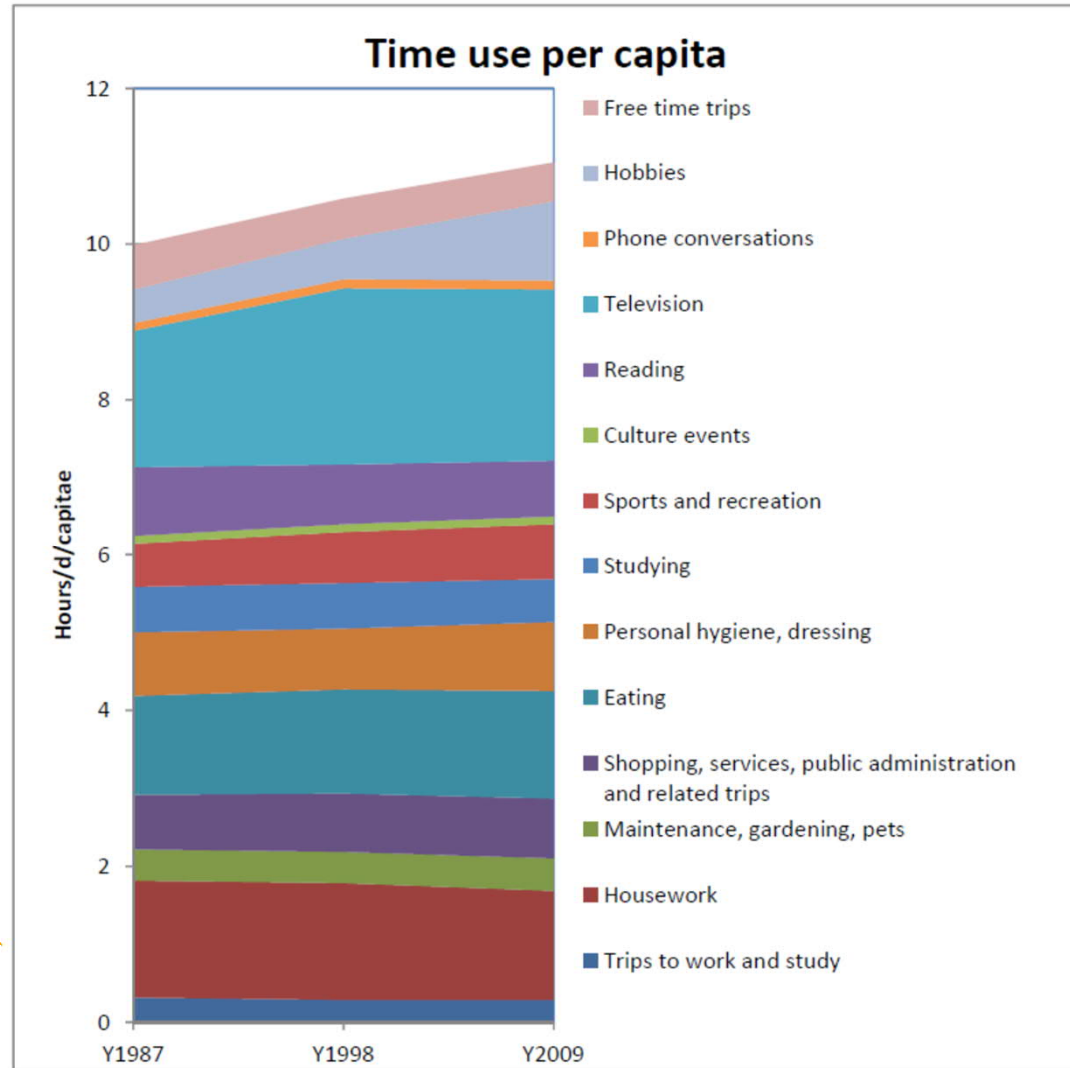
MODESTY

PEACEFUL CO-EXISTENCE

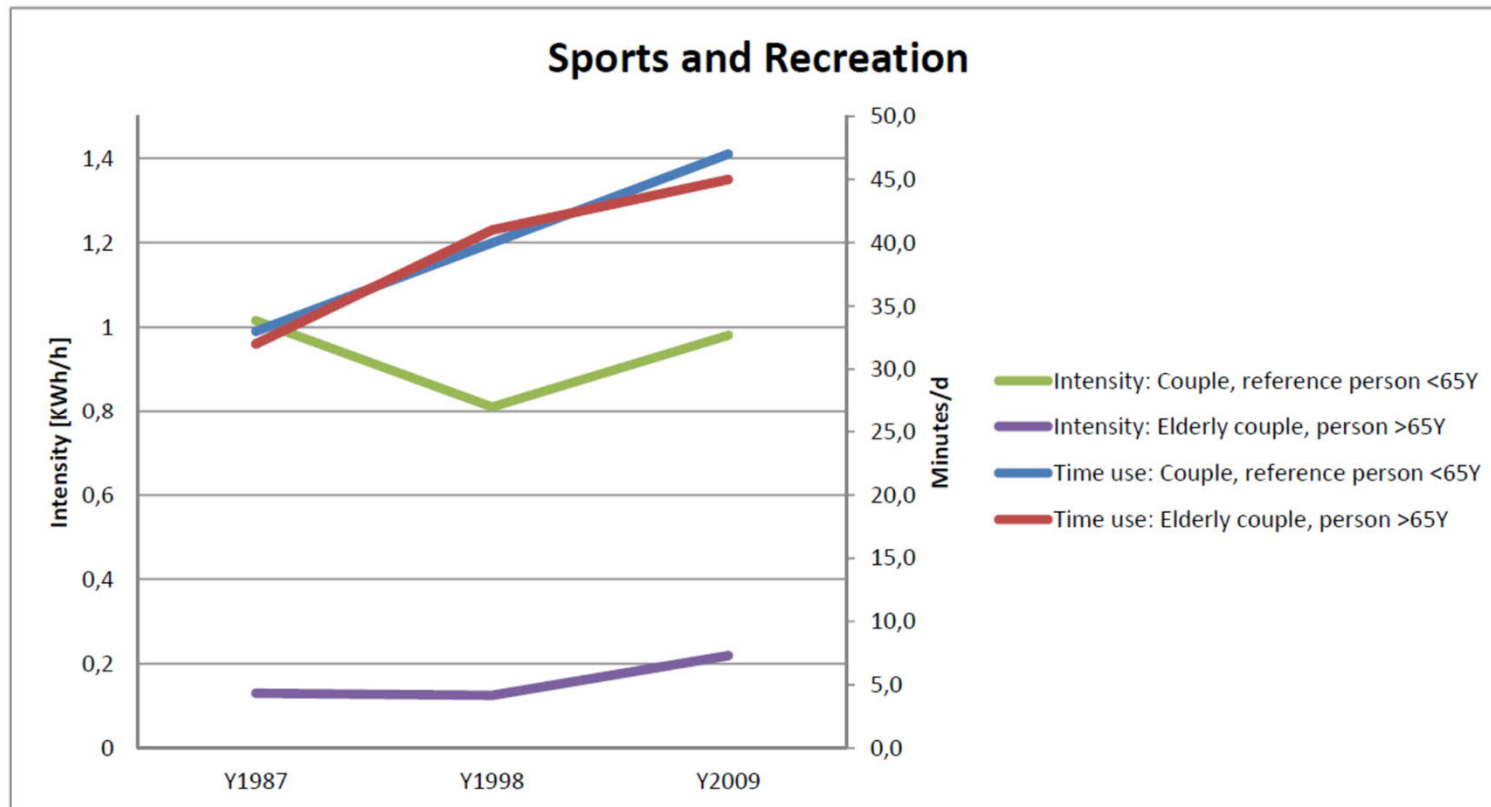
ABUNDANCE

SLOW

Time use in Finland



Energy intensity of activities



Readings for the next session

Regenesis (2016) Ch2 Understanding place. In: Regenerative Development and Design: A Framework for Evolving Sustainability. pp33-60.

**Video by Daniel Wahl at
<https://www.youtube.com/watch?v=qQUqna4ObxQ>**

**Additional: Soulé, M. E.: What is conservation biology? (link)
Access from aalto.finna.fi**