

How do we get an economy that protects and restores the natural environment?

Human activities are driving climate change to levels dangerous to present and future generations; polluting air, water and land; decimating biodiversity; exhausting scarce minerals; and interfering with the natural cycles that provide us with a breathable atmosphere, clean drinking water and essential nutrients.

The environment provides the natural resources and waste sink of the economy. To destroy its integrity is to undermine the economy as well as civilisation.

On a finite planet there must be global limits on the use of energy, materials, land and human population. Since poor countries need to expand their uses of biophysical resources in order to develop, the rich countries must reduce theirs. Systems already exist for efficient energy use; reuse and recycling of materials; retrofitting our cities to become more compact with improved public and active transport; and generally reducing our ecological footprint.

The rich countries, including Australia, can already scale up to make the great transition to renewable energy systems. Technologists are beginning to invent new materials that are non-toxic, low in energy inputs and use common raw materials.

To have a sustainable future, society must become lean, clean and fair. What we lack is the political will to reject vested interests and to foster ecologically sustainable development.

The dominant economic theory, neo-liberalism, promotes corporate power sustained by expanding profits through endless economic growth on a finite planet. It focuses on growing Gross Domestic Product by trading off 'natural capital' against human-made capital. It rejects any constraints on development to protect and restore the natural environment and social fairness. For example, politicians often reject pollution taxes that would



include the costs of environmental and health damage in the prices of goods and services, even though this is well-established economic theory.

The rules of economic systems are shaped by governments and other institutions, such as organised business and organised labour, not only by 'markets'. Our economy could not work without the rules set out in the Corporations Law and the tax system. Our democratic systems are able to create an economy that serves the people instead of one that drives the people to a destructive future.

There is research that indicates that it is possible to have a 'steady state' economy that still maintains full or nearly full employment. To achieve it for Australia we would need a range of policies such as a shorter working week, increased domestic manufacturing, decreased imports, increased investment and reduced consumption. To achieve it on an international scale, we would need an agreement on Contraction and Convergence. The rich countries would contract their biophysical economies while the poor countries expanded theirs, until all countries converged to a similar, sustainable, per person use of energy, materials and land. This idea of Contraction and Convergence is part of the UN Climate Change Convention talks now taking place to radically reduce global carbon emissions on a fair basis.

Suggested questions for discussion

- 1. How could your industry/town/city change its use of energy and resources?**
- 2. How would you ensure that this was done fairly – maintaining good quality jobs and public services?**
- 3. What options for ownership could work for this sustainable economy – public ownership, cooperative ownership, corporate ownership, small business?**
- 4. How could the necessary changes be financed? What role do banks play? What role does government play?**
- 5. What role would education play in developing a sustainable economy?**
- 6. How could Australia support change to a sustainable, fair global economy?**

**Send your group or individual ideas and feedback to
contact@commonaction.org.au**

Common Action network: Aboriginal Rights Coalition, Australian Fair Trade & Investment Network, Australian Manufacturing Workers Union, Community & Public Sector Union - PSU Group, Construction Forestry Mining & Energy Union, Evatt Foundation, Federation of Italian Migrant Workers & Families, f-collective, Greens NSW, Maritime Union of Australia Sydney Branch, Migrante Australia, National Tertiary Education Union, NSW Nurses & Midwives Association, NSW ALP Socialist Left, SEARCH Foundation. <http://www.commonaction.org.au>. February 2017.