

REORIENTING THE POST-CORONAVIRUS ECONOMY FOR ECOLOGICAL SUSTAINABILITY

Juliet Bennett

The increase in zoonotic viruses (transferring from animals to humans) from SARS to Ebola, HIV, Zika (Bell *et al.* 2004) and now COVID-19 is inextricably linked to humanity's continuing expansion and impact on the planet. Climate chaos resulting from greenhouse gas (GHG) emissions accumulating in the atmosphere is predicted to amplify the future pandemics, socio-economic and ecological crises (Watts *et al.* 2018). Tackling the roots of the COVID-19 pandemic calls into question the industrialised socio-political-economic systems that assume limitless growth in consumption and production. The urge to 'return to normal' remains stuck in growth economics. Meanwhile innovative cities like Amsterdam and countries such as New Zealand embrace contextual alternatives. This article identifies a few ways that Australia may re-orientate their economy for post-coronavirus (and post-bushfires) recovery so to help prevent future pandemics and ecological catastrophes associated with a return to business-as-usual.

Problems with business-as-usual

2020 was destined to be a big year, kicking off a decade that would define the habitat of humanity and many other species. With a cumulative emissions budget of 400Gt CO₂ for 1.5°C warming above pre-industrial levels, and annual global GHG emissions of just over 40Gt CO₂, a ten-year countdown has begun (Rogelj *et al.* 2019, adjusted to 2020). The business-as-usual scenario was predicted to exceed this budget by the end of the decade. Humanity would remain on track for 3-5°C warming,

Bennett, J. (2020)
'Reorienting the Post-Coronavirus Economy for Ecological Sustainability'
Journal of Australian Political Economy
No. 85, pp. 212-8.

bringing about socio-economic and ecological catastrophes against which the COVID-19 crisis would pale in comparison.

Yet with the spread of COVID-19, the global economy couldn't be further from business-as-usual. Across the sea of sadness and uncertainty, images of pollution dissipating offer a glimmer of hope. Countries have closed their borders, financial markets have plunged, airlines have gone into administration and the number of job losses and anticipated medical needs is 'unprecedented' to say the least. The production and consumption of non-essential items has slowed if not stopped. As a result, this year's annual emissions are declining. This year's shutdowns may even put the annual GHG emissions reduction goal of 7.3% per year within reach (UNEP 2019). This goal is cumulative, so an important question for economists and interdisciplinary scholars is how this level of emissions reductions may continue without job losses, lock-downs and social unrest?

Toward contextual economics

Both sides of politics are beginning to recognise that the 'neoliberal' approach to policymaking is unable to deal with the crisis. Monetary policy (adjusting interest rates) to encourage investment in businesses thus employment (and real estate) is at its limits. In the rollout of economic stimulus packages the return of fiscal policy (government spending) is investing money where it is needed (in this case in medical services) and providing a *de facto* Universal Basic Income (revised NewStart, or JobSeeker payments) to people unable to work. This is a welcome return to Keynesian economics of the 1950s and 60s, reminiscent of the New Deal that helped end the Great Depression of the 1930s.

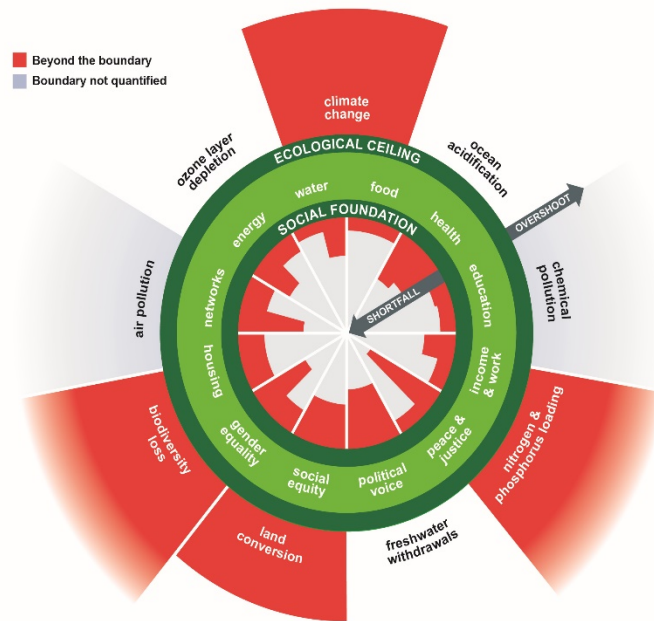
Unlike Keynesian approaches of the past, the Australian Government appears to be balancing its support for the 'demand-side' and 'supply-side' of the economy, providing a lifeline to both the Australian people and Australian businesses. Although not without its failings (*e.g.* for casual staff and international students), the bi-partisan backing for these packages has enabled much-needed support in these times of uncertainty. However, as attention shifts from containing the virus to economic recovery, the relentless obsession with Gross Domestic Product (GDP) growth remains alongside an economic paradigm ill-equipped to deal with the challenges ahead. The reasons for endless growth—the need for jobs and enough money creation for the repayment of debts—are not intrinsic to economics

but are design flaws that a re-orientation of the economy can help to address (Korten 2010). The twentieth century witnessed two significant shifts in economic paradigms: first to Keynesianism, then to neoliberalism. The post-coronavirus economic recovery is an opportunity for another paradigm shift, one that applies economics in its social and ecological context. This shift is already taking place at a community level, across NGOs and social movements. This article proposes three strategic modifications to economic practices that may be a pivotal starting point to enable this shift.

First, the goal of GDP growth—whose inadequacy has long been recognised—cannot measure the success of these stimulus packages nor direct the post-coronavirus economy toward long-term Australian prosperity (which relies on ecological stability). Following Bhutan and New Zealand, Australia might institutionalise more holistic measures such as the Genuine Progress Indicator, happiness, or wellbeing indices. Australia could turn to a contextual model of economics such as the ‘Doughnut’ (Raworth 2017; see Figure 1 below). The Doughnut depicts the global overshoot of ‘planetary boundaries’ identified by scientists (Rockström et al 2009) in addition to the shortfall in meeting the basic social needs of people as per the United Nations Sustainable Development Goals (UN 2015). The redefined aim of economics, according to this model, is the ‘safe and just space’ for human activities, which meets the social foundations for all without exceeding the ecological ceiling. Keeping economic activities within the Doughnut provides the preconditions for the development of wellbeing and happiness. Innovative cities like Amsterdam have announced they will use the Doughnut as a tool for directing their post-coronavirus economy (Boffey 2020).

Setting in place goals and evaluative tools such as the Doughnut provides a compass for economic and ecological rejuvenation, directing the use of Earth’s limited resources toward the long-term wellbeing of all people and the ecosystems upon which life depends. This contextual approach could, for example, spur policy discussions about moving a 6-hour workday or 4-day workweek that would not only create jobs for more people, but would also enable more time for community initiatives and non-paid work such as tending vegetable gardens and caring for others.

Figure 1: The Doughnut



Source: Raworth (2017).

Second, in place of the law of ‘competitive advantage’, a multi-level law of ‘optimal scale’ would direct activities to meet these wellbeing goals (Daly 2017). For example, food might be grown as locally as possible, and to this end governments could provide educative tools and financial support for citizens to cultivate rooftop, balcony and community gardens (while keeping to physical distancing for the time being), increasing food security and self-sufficiency at local and national levels. The national manufacturing of toilet paper was a relief to many, and policymakers might consider the other national necessities for which production best be returned onshore. Ensuring national capacity to provide essential medicines, water treatment, long-term renewable energy sources and waste processing would be a start, as even the Australian military stressed a year ago (Rubinsztein-Dunlop and Taylor 2020). High quality manufacturing of long-lasting products and clothing, designed for repair rather than replacement, and building a repair and reuse industry would

also be crucial complements to a self-sufficient Australian economy. Innovative instruments such as ‘complementary currencies’ may be utilised for these aims, building community wealth and enabling people to trade time, care, food, and services at different community, state and national levels (*e.g.* see Spano and Martin 2018). Complementary currencies would also build resilience into Australian economies that may prove crucial in the uncertain global context (*e.g.* with the possibility of hyper-inflated national currencies, collapse of some banking and financial systems, and the necessary contraction of world trade to more appropriate scales).

To this end, a third suggestion: that stimulus packages are directed toward the development of ecologically sustainable socio-economic systems and lifestyles. This includes investment in research, education and businesses poised to implement zero-waste and zero-emitting production and consumption processes. It means directing stimulus and job transitions, not only for those temporarily deemed ‘non-essential’, but also those no longer environmentally viable in the long-term. This suggestion aligns with calls for a Green New Deal in the United States (Ocasio-Cortez 2019)—directing policy-making toward both social and ecological development at the same time. A promising roadmap of diverse climate solutions is modelled by Project Drawdown (Hawken 2017). These solutions range from reducing food waste and shifting to plant-rich diets, to family planning, refrigerant management, renewable energies, alternative cement, forest restoration and silvopastures (where cattle graze under trees).

One outcome of COVID-19 has been an expanded imagination as to what is possible if humans work together. We have seen politicians listen to scientists, put collective human needs before economic goals, and work with citizens to enact bipartisan strategies commensurate to the science that are simultaneously local, state, national and global. We have shown ourselves that we can make massive sacrifices for the sake of others. After the United States invokes the Defense Production Act for medical equipment, might it be utilised to extract the greenhouse gases that are warming our atmosphere? What similar tools might be engaged in Australia? Can decisions be made across all levels of society that prioritise long-term human and planetary wellbeing over short-term monetary profits? Now that the world is at a standstill, the time is riper than ever.

Conclusion

These suggestions imply a shift not only in economics and politics, but a shift in the thinking that guides everyday decision-making in governments, businesses and households. This involves seeing the interconnections including those between COVID-19, climate change and the world economy, between politics and lifestyles, between individuals and the communities of which they are a part. The orientation of decisions to what is cheap and convenient must be re-oriented to the long-term ecological impact of whole product lifecycles, from the extraction of raw materials through production, transport, repair, reuse and disposal. This involves designing for sustainability and long-term common good, instead of built-in-obsolence for increased profit. This needs the support of institutions reflective of the goals, incentives and values discussed above. It also involves developing lifestyles that incur zero waste and involve vast reductions in consumption.

The COVID-19 pandemic that has brought industrial capitalism to its knees may be a catalyst for rethinking our values, our lifestyles and the way we conduct our consumption and trade. The gift of time for many at home may be an opportunity to imagine and implement new ways of co-create an 'ecological civilization' (Gare 2017).¹ The future is not in the air, nor back to business-as-usual, but something at once new and old, local, national and global in the right balance. It involves all of us, together, planting the seeds for a better future for all.

Juliet Bennett is a PhD Candidate and Teaching Fellow with the Department of Peace and Conflict Studies at the University of Sydney.

juliet.bennett@sydney.edu.au

¹ There is a growing international community of scholars, activists, policymakers, government, business and religious leaders seeking the kind of systemic approaches to ecological sustainability discussed in this article. See the Institute for Ecological Civilization: <https://ecociv.org/>.

References

- Bell, D., S. Robertson, and P. Hunter. (2004) 'Animal Origins of Sars Coronavirus: Possible Links with the International Trade in Small Carnivores', *Philosophical Transactions: Biological Sciences*, 359(1447): 1107–14.
- Boffey, D. (2020) 'Amsterdam to Embrace 'Doughnut' Model to Mend Post-Coronavirus Economy,' *The Guardian*, 8 Apr.
- Daly, H. E. (2017) 'A New Economics for Our Full World,' in P.A. Victor and B. Dolter (eds) *Handbook on Growth and Sustainability*, Cheltenham UK: Edward Elgar Publishing, pp. 85-106.
- Gare, A. (2017) *The Philosophical Foundations of Ecological Civilization: A Manifesto for the Future*. Milton, UK: Routledge.
- Hawken, P. (2017) *Drawdown: The Most Comprehensive Plan Ever Proposed to Reverse Global Warming*. New York: Penguin.
- Korten, D. C. (2010) *Agenda for a New Economy: From Phantom Wealth to Real Wealth*. San Francisco: Berrett-Koehler Publishers.
- Ocasio-Cortez, A. (2019) 'Recognizing the Duty of the Federal Government to Create a Green New Deal,' in *H. RES. 109*. United States: House of Representatives 116th Congress, 1st Session.
- Raworth, K. (2017) *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*. London: Random House Business Books.
- Rockström, J., W. Steffen, K. Noone *et al.* (2009) 'Planetary Boundaries: Exploring the Safe Operating Space for Humanity', *Ecology and Society*, 14(2): 32.
- Rogelj, J., P. M. Forster, E. Kriegler, *et al.* (2019) 'Estimating and Tracking the Remaining Carbon Budget for Stringent Climate Targets', *Nature*, 571: 335-42.
- Rubinsztein-Dunlop, S., and K. Taylor (2020) 'Think of Coronavirus as a Test Run: Australian Military Leaders Warn We Must Prepare for Worse,' *ABC News*, 29 Apr.
- Spano, A., and J. Martin. (2018) 'Complementary Currencies: What Role Should They Be Playing in Local and Regional Government?', *Public Money & Management*, 38(2): 139-46.
- UN (2015) *Transforming Our World: The 2030 Agenda for Sustainable Development*, United Nations.
- UNEP (2019) *Emissions Gap Report 2019*, Nairobi: United Nations Environment Programme.
- Watts, N., M. Amann, S. Ayeb-Karlsson, *et al.* (2018) 'The Lancet Countdown on Health and Climate Change: From 25 Years of Inaction to a Global Transformation for Public Health', *The Lancet*, 391(10120).