



The Centre For Business Relationships,
Accountability, Sustainability and Society

Comment and Analysis

Welcome to the new era of
Eco-Austerity



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WELCOME TO THE NEW ERA OF ECO-AUSTERITY

Dr Peter Wells

Over the last few months the world has entered into a new era. For the first time in a generation, economic turmoil has been unleashed upon unsuspecting populations the world over. It is the era of eco-austerity. The new era has the following distinct features:

- The economic impact of the financial crisis is not confined to one or two countries, but is more or less global in its scope;
- The scale of the problem is unprecedented;
- It is a phenomenon of financial markets more than absolute physical shortages;
- In the meantime, the fundamental environmental problems have not gone away.

Over recent years we (collectively) have enjoyed the relative luxury of growing wealth with which to confront our environmental challenges. Those days are gone. The change in circumstances immediately brings back to the top of the agenda the issue of whether sustainability is a question of affordability, or necessity. Is sustainability an additional activity to be indulged in when the economic fundamentals have been met? It is of course a false question. Those involved over many years with the issue of sustainability have always emphasised and understood it to embrace environmental, social AND economic dimensions. In this respect we can at least enjoy a moment of smugness: we said the current system was unsustainable and we were right.

It is very likely that the short-term impact is also going to be beneficial in environmental terms at least. As the crisis bites, the whole economy will slow down. We are going to consume fewer resources. We are going to move house less often. We might take fewer holidays, drive less, pass up that cinema visit, hang on to that mobile phone that is now a full 12 months old, and generally be a bit less voracious in our appetites for stuff. This is undoubtedly good news for the planet, for bio-diversity, for forests around the world, for fish stocks, for rivers, and for the atmosphere. It is potentially rather less good news for humanity, however.

For us, this becomes a critical juncture in human history. A burgeoning global population is going to face a devastating economic slowdown. There will be an intensified struggle for resources in which the divisions between rich and poor are going to be increasingly stark, both across and within nations. The temptation will be to say that environmental protection is now unjustifiable, that the overwhelming, humanitarian priority is to re-start economic growth at all costs in order to provide the resources for markets to function once again. Nothing could be further from the truth.

Now is the time to take the initiative, to seize the opportunity presented by this massive failure in our prevailing model of rampant materialism. In many

respects, there is an alignment between the demands of the new austerity, and those of ecological living. If our rediscovered relative poverty means anything, then it means using less resources in the future to achieve the same ends, it means that there is an economic basis for the practice of eco-efficiency. Sure, prices on many commodities have fallen back of late, but in the new era the latent demand is still there. If we can heat or cool our homes more efficiently, use our cars more efficiently, make our consumer durables properly durable, and take all the measures advocated over the years by eco-designers to make our lives more efficient then we have contributed something. If governments at last also grasp the point and make renewable energy a real priority, a sort of modern Marshall plan if you will, then that too will make a difference.

But beyond this, the new era of eco-austerity may actually be one to be embraced and celebrated rather than confronted and overcome because now is the time for a radical change in our culture, in our social structures, in our political processes, in our lifestyles, in the very meaning of 'wealth' and 'success' and 'growth'. As the old world conveniently crumbles to dust around us, it provides a unique opportunity to build a new world on the principles of deep sustainability. Neo-liberalism lies discredited amidst the ruins of the financial sector, the naked greed of our financial institutions has been exposed as unequivocally disastrous, and our profound profligacy has been exposed as wilfully ignorant. Tragically, for many countries it seems as if a substantial proportion of the national wealth in the immediate future will be consumed by paying off the debts of a moribund financial system. It is hard to imagine that our equally discredited governments will do much that is very different to that which has been done in the past, and given the lack of resources there will be no shortage of excuses

Recently, when a higher band was envisaged for high-CO2 emitting vehicles entering London, Porsche came out forcefully to argue that the measures were unfair, discriminatory, and would undermine the status of London as a world financial centre if the affluent over-achievers were not allowed to translate their wealth into luxury items such as the cars provided by the company. Put another way, the rest of us should allow a select few to indulge in wanton acts of environmental degradation, and look on benignly while a few companies and their equally select shareholders make comfortable profits on that basis. Well, Porsche, those days have surely gone. The much-vaunted city has been exposed as a bunch of charlatans who gambled with our money for personal gain with scant regard for society at large or indeed the environmental consequences. There is no reason to pander to such people any more. This is just one small example of the kind of changes that could and should be pushed through as a matter of priority.

So, let us embrace the new era of eco-austerity. It could be one that is more democratic, more egalitarian, more life-affirming, less debt-ridden, and more grounded in our own corner of the world.

