

## 5. What is a sustainable economy?

A sustainable economy is not one that is tied unhealthily to a requirement like the need for continued population increase. It can keep the flow of money and resources moving indefinitely without forcing people unnecessarily out of work during down periods or suffering from over exuberant boom periods. The people trust in its ability to meet their needs; like going to a well and pulling up just the amount of water needed at that moment.

Imagine if we have reached a plateau in many inputs to an economy, i.e. we are all as well educated as we can be, we are all as technically proficient as we can be and we are all earning very good salaries. There doesn't seem to be any room for growth. Currently we are told that this signifies a death sentence for the economy. The long and steady decline to oblivion. Sustainability though is exactly what needs to take over here, as it is the ability to maintain ourselves without the need for constantly changing inputs.

Remember when the population starts to shrink, then with our current model we *are* doomed for failure. However If we have a sustainable economic system then we can maintain ourselves.

An example from my own life would be my work in multinational corporations. We would get something working nicely on a production line and I would be quite content to

then leave this “fix” in place indefinitely even if it was not ideal. My thoughts were always that it was fine so why tinker with it again? However there was always pressure from above to improve, to change, to evolve, get leaner, more efficient and quicker. The belief system was that if we didn’t stop innovating we would die. The reason to innovate was to pump out more and more product to further increase profits.

Around this time I would slink off for a coffee to the canteen (to dream) and I remember a constant thought in my head throughout those years was that at some point we would run out of people to sell to. How can you keep growing and growing and growing unless we suddenly tapped the emerging markets on Mars, Pluto and Venus!

This work ethic was not sustainable.

And sure enough, it never is. Manufacturing tends to last a maximum of twenty years in a particular location before the factory shuts down, or else it moves to newer and cheaper labour force markets. It is almost a rule of thumb.

If output and profit were not the only guiding factors then these factories could perhaps stay in place for the working life of people. So what if profit growth flat lined or moved up and down year to year. If they are supplying a valuable commodity to the market then they should morally be obliged to stay in business to keep those people in employment and to serve their markets. A rush to close off businesses that do not meet pre defined profits is simply the stuff of lunacy. And yet we accept this daily.

As an aside one only needs to look at the current economic meltdown in the world. Downsizing is the new buzz word and even profitable businesses are laying off staff and shutting down sections of their operations. A lot of opportunism is happening where companies figure it is a perfect time to save themselves money by laying off staff or closing down business units. This are smart enough to know that with so much bad news in the world they will escape a public backlash for doing something like this. And they are correct. How can they get a lashing from their workers or from the general public when businesses everywhere are shutting down. I am not saying all companies are doing this and there are certainly many people valiantly doing everything to retain their loyal staff, but there are plenty who see it is a major opportunity for exploitation.

\*

That brings us to the main ingredient that needs to change to move us as a society to a sustainable economy. We need to get away from our addiction to money. We spoke a little earlier about how this piece of paper is used as a representation to trade goods. A higher value written on one piece of paper compared with another means it can buy more goods.

I wonder what an alien visiting us might think of this. Two identical looking pieces of paper with different abilities to purchase. Money in the form of cash has become King but it has no intrinsic value of its own. The paper itself is pretty much valueless. It is the

representation on it that brings value to it. Hence perceptions can change the relative buying power of these pieces of paper, (e.g. currency fluctuations on stock markets). Powerful individuals can manipulate these values at a whim.

The answer I believe is to move back to a much stricter valuation system for goods and services. The idea of a fixed quantity of the earth's natural resources having a fixed monetary value<sup>1</sup> is very credible. This could be any of the natural bounties like timber, water, oil or gas or indeed many others not listed. A basket of these goods could become the standard valuation mechanism. These valuations would be fixed and pegged to a currency for a period of say ten years after which they would be reviewed again.

Therefore we would not be susceptible to the wild vagaries of inflation and deflation.

Another valuable weapon in the move to sustainable economics is to reintroduce the notion of barter. Each of us have unique skill sets. If we can work for each other with no cash transactions, then it negates the need to have to borrow money to perform bigger tasks in life. Imagine if like the Quakers or Amish we all assisted each other to build our homes how free we could be. No outrageous mortgages repayments. We would only have to pay for the goods themselves. Straight away we are taking the power away from money and putting it into our own hands. Now these people do not have to work as hard or as long in their lifetimes in their career of choice as they are not paying back huge excessive mortgages with added interest.

We will see in a later chapter how governments will also need to evolve with the advent of sustainable communities. If we have a barter system as part of our economy it suddenly means there are far less tax revenues payable to the coffers of government. However if people are working for each in community it will ultimately imply that government doesn't need to play such a big role in peoples' lives and hence will not need the current high levels of tax revenue it takes to run our countries.

It is a matter therefore of taking our power back from money/cash. I am not advocating the abolishment of cash or the ability to earn cash for services rendered. What I am saying though is that it holds far too much power in our world. Cash is not King. We let it be, but it is a poor pretender to the throne.

Money in its current format should only influence a percentage of our economy. If we moved more and more to a barter type economy then its power automatically diminishes. We could then safely envisage a future where bartering could become half of all economic transactions and the conventional cash/credit market would run the other half of the economy. This would be a more sustainable long term model.

Another thing a true sustainable economy needs to do is to discourage the hoarding of cash and assets that is taking place in our current world by people. Money should be something that circulates freely in exchange for goods and services. As it comes in so it goes out. Like a lake receiving water from a waterfall but then yielding it down a valley

via a river. There is a flow but yet there is a guaranteed supply of water in the lake for nature to avail of.

We need to adopt a similar belief in money. “I will not hoard this paper, I will let it go freely because there will always be more”. If we all truly believed that statement in our hearts then there would be no more poverty. Why? Because we would believe we all can access the resource that is money whenever we so wished. It is like the deep pool above, we would just dip in and take what we need. Note: It is not just confined to cash as the same is true of accessing goods and services and also for the offering of our own goods and services. The bottom line is we have a trust that we will be catered for.

Imagine if the pool got clogged on the way to the river. Pretty quickly it would back up and get murky, stale and overflow to cause damage. This is exactly what happens with money. As the few who have lots of it hoard it, then it cannot serve those downstream and the hoarding of it doesn't bring them any great joy either. It often clouds or muddies their lives.

Therefore, perhaps we should make money or cash devalue if we hold onto it for too long. If we keep money tied up out of our economy it can't assist others and so we should be penalised for this. Our money should possibly now be able to buy fewer goods than it did before. This is the opposite of what happens now whereby one gains interest on stored capital. But how does that stored capital serve society? The simple answer is it

doesn't beyond being a resource that banks use to then allow them loan out more and more money to people, thereby trapping yet more people into large interest repayments.

<b>Current Society Economy</b>	<b>Sustainable Community Economy</b>
Growth is all that is tolerated, to the detriment of everything. Society will crash if contraction sets in for prolonged periods with the way this society is structured.	At times economies will grow, sometimes they may contract but either way it doesn't matter. Over the long term society can sustain itself regardless of economic performance.
Cash (money) is King. It trumps everything else. Hence we have mad scrambles to amass this resource. It is often hoarded by people and cannot serve society if this is the case. It's value fluctuates wildly and is influenced by confidence levels on a second – second basis.	Power of cash diminishes by several means. <ol style="list-style-type: none"> <li>1. Bartering; where goods and services are exchanged outside of cash economy</li> <li>2. Hoarding of cash leads to it's devaluation</li> <li>3. Currencies are pegged to a fixed quantity of the earth's bounty and not to confidence levels.</li> </ol>
Monetary transactions (cash or credit) account for nearly 100% of world's economy	Bartering in the local economy accounts for approximately 50% of economic activity. Traditional monetary economy accounts for the other 50%
Leads to a lot of people owing large amounts of money that has been borrowed from system to pay for bigger goods and services. This keeps these people trapped into longer and longer working lives to repay money.	Significant amount of transactions could be obtained from barter system, thus freeing people up so they do not have to borrow money from wider economy. This means they need to earn less money in a lifetime to repay these monies and hence they could possibly have shorter working lives.

