

## **Preston New Road talk.**

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### **After Fossil Fuels: a Viable Economy?**

#### **Preamble**

Pleased to be here.... Who we are ..... We are going to talk about national and local policies for a fossil free-future.

#### **Background**

Diverse campaigns are fighting fossil fuel extraction: anti-fracking, divestment, green new deals and promoters of renewables.

We know the damage fossil fuels are doing to our climate and that we can't keep on extracting them.

But while we campaign against fossil fuel extraction, we need to have some understanding, and vision, of what comes next.

If it wasn't for their impact on the climate, on workers, and on communities with the misfortune to be located over fossil fuel deposits, then fossil fuels would be rather wonderful. They provide concentrated energy, easily transported, deployable as needed, rather than reliant on natural flows. It's hardly surprising that capitalist industrialisation came to rely on them. Moreover, the fossil heritage provides a level of energy that is going to be very hard to replicate.

#### **An energy descent future.**

Can we simply replace fossil fuels with clean energy?

Some optimists think we can. But there are some very big questions.

Renewables have expanded considerably in the last 20 years but so far, increases in renewable energy deployment have not led to a reduction in fossil fuel usage globally. Overall their deployment has been essentially to add to the global energy mix rather than replacing fossil fuels.

Global energy use continues to increase and mainstream commentators see no end to that expansion. Renewables only account for about 5% of global energy use. To replace fossil fuels at current levels of energy use would require something like an 18-fold increase in renewables deployment.

Moreover, it is doubtful whether renewables can provide the scale of concentrated energy used by the current global economy. The problem is not with the power that could theoretically be generated from the natural flows of sunlight, wind and so on, but in the minerals needed to harvest and deploy them. That's minerals used in generators and motors, in batteries and in electronics, as well as the transmission of power. These are finite and with limited substitutability. The revolution will be low powered.

The other inconvenient reality is the scale of our current economic activity. That is to say, the rate at which physical and biological resources are turned into commodities and services, with their residues going into the earth, air and waters. Globally, “we are using natural resources at a level never seen before. The total amount of 70 billion tonnes of raw material extraction is unprecedented, and per-capita levels of resource consumption are at their highest level in history). These numbers are predicted to rise unless stringent reduction targets and policies are put in place.” Put another way, the UK's ecological footprint already exceeds the available biocapacity of the planet by a factor of 2.85 (globally it's around 1.5) – that's like living as if we had one and a half planets (nearly twice that in the case of the UK). The priority is to reduce this, not expand it.

Let's think then about what a lower-powered society and economy might look like.

### **Steady State? Post-Growth? Degrowth?**

A number of terms have been used to capture the idea of the right-sized economy – one that is managed down to a size that is safe, for ourselves and those that come after us, as well as other life-forms that we share the planet with.

All have their advantages and disadvantages. We've used our own term to give a positive message as to what we are advocating, and to take the debate beyond the environment towards the question of *what kind of a society do we want to live in?*

We are for a **Viable Economy** – and the ***viable society*** that goes with it. But what does that mean?

We want to live in a world that is viable, rather than one that risks tipping into decline or crisis: that means an economy that is resilient and dynamic, providing enough for all, while supporting social well-being. And it must be ecologically viable, not causing further damage to the earth's fragile systems without which life is not possible.

We are using this title, Viable Economy, to both give a positive message ..... and to emphasise the need to align the economic, the social and the ecological. No economy can survive that is not viable in all three domains.

The economy we have is not viable in any sense, and so we set out the principles for a viable local and regional economy and suggest some positive policies that could be implemented to take us in the right direction. A Viable Economy would offer more security for us all because the environment would be protected from further destruction.

It's easy enough to identify some of the **key aspects of a Viable Economy**. It would involve,

- Re-localising food and other production in and near to the city.
- More secure access to goods especially food: we will be more resilient should there be climatic (e.g. floods) or financial shocks.
- More money staying local and more control over savings and investment.
- The wealth of our cities, towns and counties being used for needed developments, for example energy efficient, affordable housing and invested in other local, green and ethical enterprises
- Balance. Some sectors must grow, (e.g. renewable energy) and some must shrink (e.g. fossil fuels, aviation, private motoring, arms manufacture).
- The focus is on the things we want the economy to deliver, rather than growth for growth's sake – that means a “right-sized economy” not a bloated lopsided one.
- Less unnecessary consumption and a new culture of solidarity and participation.
- Less exploitation of the majority world while keeping open channels for communication and learning globally.

Underpinning it all is fairness, to other regions and other generations, with decent green livelihoods and much more equality here.

That's all very nice sounding, but how do we get there, and what kinds of economic policies are needed to deliver it?

We split this into policies at the national and at the local level.

## **National level policies:**

### **1. Stop subsidizing and investing in activities that are highly polluting moving the liberated public funds towards clean production.**

UK government subsidy for fossil fuels: £6.9Bn p.a  
for aviation at £9Bn).

### **2. The economy is abundant – let's share out the work and the resources.**

reduce the working week at least to 32 hours  
support employers to facilitate job-sharing  
restrict income loss to, say, the top 10%  
stop the waste.

### **3. Minimum and maximum income.**

High incomes mean disproportionate resource use (top 10% - 40% emissions): cap them but also set a floor.

Various options under discussion from citizens' income to negative income tax and participation income or virtual land budgets.

### **4. Tax reform towards a progressive system that taxes use of energy and resources, wealth, property and land value.**

Could incorporate frequent flyer and workplace parking (like Nottingham) levies.

Tax on financial transactions

Preferential tax rates for labour-intensive business with low energy throughput and consumption of nature.

### **5. Controls on money creation.**

Money creation via credit is necessary for business but uncontrolled it leads to a spiral of unnecessary consumption.

Impose regulation of bank lending for tight but cheap credit.

Make environmental and social impact assessment mandatory for major bank loans and new share offers.

### **6. Citizen debt audit**

Restructure and eliminate unpayable household debts via their “pardon” (as in Slovenia).

Reduces the requirement for increased economic activity to repay debts and eventually would reduce credit-backed overconsumption.

### **7. Support the alternative, solidarity society.**

Subsidies and tax exemptions for co-operatives, social enterprises, community land trusts and so on.

De-privatise public space, opening up resources to community groups.

### **8. Optimise the use of buildings.**

Retrofit, refurbish, downsize and share, saving fuel costs and emissions.

Expropriate vacant housing.

Respond to any remaining need by building low energy social housing, within already urbanised areas.

Jobs-generating deep retrofit programme so property brought back into use is both cheap to heat and has very low emissions.

### **9. Reduce advertising, reducing the incessant promotion of unnecessary consumption.**

Restrictive criteria for advertising in public spaces (São Paulo in Brazil did it).

Make use of the creativity and skill of the advertising industry in public campaigns for environmental responsibility.

### **10. Establish environmental limits**

The UK carbon budget sets an absolute and diminishing caps on the total of CO<sub>2</sub> that can be produced It 's good legislation, if we stick to it.

Use a similar approach to the total quantity of energy and material resources (material, water, land) that the country uses, including, via a footprinting approach, emissions and materials embedded in imported goods.

Cap the entry rather than the exit of energy and resources.

### **11. When negotiating international trade agreements, make them conform with frameworks on climate change and consumption of nature.**

Applies whether or not we brexit.

### **12. Implement ecological footprint and reparability labelling.**

Like current energy certificates (appliances and homes) and food labelling.

Product certification for the ecological footprint of every product and service.

Make it easier for consumers to understand the ecological impact of their consumption choices.

### **13. Abolish the misleading GDP indicator.**

Focus on real things- jobs, incomes, activity, investment, care, health, well-being and environmental restoration.

## **The Regional Level**

Those ideas at a national level might seem a bit out of reach.

As campaigners a lot of our activity is at the local and regional level (e.g. Greater Manchester, Lancashire, the North West), so....

**1. Make climate change and ecological overshoot central to all policies, planning and initiatives.**

It's so serious that we need to radically overhaul the regional economies and political processes.

**2. Set carbon limits/targets** for each sector of the economy (and larger organisations)

“greening” housing, transport and energy production.

**3. Switch investments from fossil fuels to planet-friendly activity, where possible locally.**

Using our shared, stored, wealth for eco-recovery.

Pension Funds, Universities, Charities, especially.

**4. Local authorities and big, local institutions (“anchor institutions”) should prioritise sustainable and affordable food supply.**

Supporting local food production, processing and distribution.

Vulnerability of food supply chains.

**5. Anchor institutions can support local well-being, equality and real prosperity through their policies**

on procurement, recruitment, pay and waste

by exploring how they can make their resources available to communities.

**6. Promote co-operative enterprise and governance in all sectors.**

**7. Metropolitan and local authorities, and other partners, could use their collective strength make our regional economy more resilient through “localisation”.**

Preston and other authorities working on community wealth building.

Shorter supply chains, and employing local people.

Also support necessary international trade with clear ethical standards for social and environmental benefit.

**8. Regional investment funds or banks should be established in order to finance ecologically-sound and socially-just investments for a resilient eco-regions.**

That pension fund money again!

Safe home for local savings and investment.

**9. A parallel Regional Unit of Currency**

to help provide funding for public services, keep money within the local economy and promote financial services for all.

**10. A local strategy for redistributing wealth**

Should consider innovations such as a jobs guarantee or a local participation income, more labour-intensive working, and support to local enterprise.

**11. Local elected leaders should lead a campaign for national sharing of resources**

including fighting against public sector cuts and in favour of government expenditure where needed  
appropriate infrastructure (equalising expenditure with London and the South East) – buses and local trains, not HS2 and airport expansion  
redistribution from the richer areas to the poorer regions.

**12. Any “economic” strategy must consider all activities, whether monetised or not, which support people’s everyday lives and well-being.**

Wealth generation by households, women, caring, gardens and allotments, community volunteering. Recognise and support it.

**13. Policies should aim to promote convivial, caring and proactive communities.**

With government investment and support, they are capable of designing and implementing solutions to local issues.

**Concluding:**

It isn't just about policy: it means creating the conditions for living differently – buying less, using less energy, being more active in local communities. A revolution in everyday life – refurbishing our communities and our selves in the process.

Read more about these ideas at:

<https://steadystatemanchester.net/our-reports/>

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