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Driving at speed in the wrong direction

Has the Government been hoist on its own economic petard, wonders Richard Eckersley

The Government's crowing over the latest good economic numbers also contains a surprising admission: we have an economy that is so finely balanced, so unstable, that one misstep would spell disaster.

'One missed cue, one misfire on industrial relations, will set off inflation and bring all this to an end,' the Treasurer, Peter Costello said last week. If we accept he really believes this, and is not just scaremongering, it is surely extraordinary that the Government admits to having built an economic house of card so fragile that the smallest breeze of adversity would bring it crashing down.

The Government's admission highlights the folly of focusing so single-mindedly on increasing our standard of living through economic growth, rather than on the broader goal of improving quality of life. The Prime Minister's recent speeches are a good illustration of the failure by government to recognise how profoundly the world has changed, and so how fundamentally we need to change the stories we tell to make sense and meaning of the world and our lives. Most politicians and political and economic commentators are similarly blind.

The Government's vision, with its mantra about economic growth, prosperity and jobs, is flawed in its ignorance of two crucial lines of evidence: that current economic strategies are reducing quality of life; and that we may be drifting towards global calamity.

Howard repeatedly claims that the best thing the Government can do for Australian families is to provide jobs. He and his Ministers have made it clear time and again that the Government will do nothing that jeopardises jobs. However, an economy that can provide sufficient work only at the price of reducing people's quality of life and threatening our future is the wrong economy. [And Costello is now even warning we could run out of workers!]

My GP commented recently of medicine: 'Before we just tried to keep people alive; now people are staying alive, but they're not very happy'. Similarly, governments might well say: 'Before we just tried to make people richer; now they are rich, but they're not very happy'. Instead of asking what this means, governments remain focused on making us richer still.

Even the *Economist* acknowledges this fallacy of wealth. Long a champion of free markets and economic growth, it admitted a year ago that 'it's high time economists looked at more than just GDP'. A few months ago, it added that while capitalism can make a society rich and free, 'don't ask it to make you happy as well'. The OECD now

has a major, long-term project under way to address the question: how can society better measure its progress or its failings?

Governments seem unable to grasp that we live in a post-materialist age. Prosperity isn't enough anymore. Costs to quality of life can no longer be regarded as unfortunate side-effects of a model of progress whose effects remain largely beneficial. Instead they need to be seen as a direct and fundamental consequence of how we currently define and pursue progress.

The price of progress is apparent in a succession of reports published this year:

- The joint Jesuit and Catholic Social Services report, *Dropping off the edge*, noted the deepening geographic concentration of disadvantage in Australia.
- The Human Rights and Equal Opportunity Commission report, *It's about time*, found that many Australians were not living the lives they wanted and felt pressured and stressed.
- A study by Sydney University's Workplace Relations Centre shows that many Australian workers yearn for the good old days of the standard 9-to-5, five-day, working week.
- The Office for Women's *Women in Australia 2007* report showed women today were working and earning more than a decade ago, but were also getting fatter, drinking more heavily, and suffering more cancer, diabetes and mental health problems.
- A large national survey of depression by Beyondblue and Beaton Consulting has found many professionals, especially lawyers and accountants, have rates of depression well above the national average; those aged under 30 have the highest rates and are most likely to self-medicate with drugs and alcohol.
- A study by Australia 21, a public-interest research company, and the Australian Youth Research Centre at Melbourne University has revealed the extent to which young people's optimism about Australia's and the world's future has fallen over the past decade and the gap between the 'official', or orthodox, future political leaders promise and the future they want has widened.

Behind young people's concerns (shared by older Australians), lies a real and increasing possibility that global warming, resource depletion (including 'peak oil'), the growing world population, disease pandemics, and the geopolitical tensions, economic instability and social upheaval they generate, will coalesce to create a nightmare future for humanity this century.

This is now mainstream thinking among scientists working on these problems. For example, a major global ecosystem assessment report has warned that the dual trends of

the growing exploitation of ecosystems and their generally declining condition are unsustainable. There is an increasing risk of ‘non-linear changes’ in ecosystems, including accelerating, abrupt and potentially irreversible changes, which could have ‘a catastrophic effect on human health’.

However, governments will not admit to this possibility. Given our politics – ruthless, opportunistic, theatrical – they probably cannot admit it. So, perversely, they continue to promise continuing stability, peace and prosperity while, at the same time, exploiting people's unease and anxiety (as Costello's comments illustrate).

Whether the probability of calamity is five per cent or ninety-five per cent is almost beside the point. It deserves far more serious consideration by governments in their visions of the future and their policy priorities. Yet they continue to treat these issues as something they can deal with by fiddling at the margins of the economy, the main purpose of which remains to serve, and promote, our increasingly extravagant – and unhealthy and unsustainable – consumer lifestyle.

Costello likened the economy to a ‘highly engineered racing car’. But we don't want a racing-car economy. Racing cars are gas-guzzling, temperamental and highly specialised creatures, good for only one thing: running round and round a circuit at high speed to entertain us. We need a ‘car’ that is fuel efficient, non-polluting, reliable, robust and versatile, a vehicle that serves the useful purpose of making life better for everyone, now and into the future.

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