

18th December, 2001.

Mr. John Kelleher,
Department of the Environment and Local Government.

Dear Mr. Kelleher:

In response to the government's invitation to individuals and organisations to help it prepare a response to the UN's request that it report on Ireland's progress towards becoming sustainable since the Rio Earth Summit in 1992, the constraints which have prevented it from doing so more fully and the challenges and the strategies for meeting those challenges in the future, Feasta, the Foundation for the Economics of Sustainability, has pleasure in submitting the comments on the following pages. Since we can see few accomplishments for the government to report, we have confined our remarks to parts 1B (the constraints) and 1C (the future challenges) of the UN's request.

Feasta was set up in 1998. It is a Dublin-based registered educational charity with a current membership of 300. Its goal is to identify the characteristics that a society has to possess in order to be economically, socially and environmentally sustainable and to share our analysis with the widest possible audience. We have a co-ordinator who is paid for ten hours a week. Otherwise, all our work has been voluntary and we have had no state support. We have organised three major annual public lectures on sustainability in Dublin by international speakers, two two-day conferences in Dublin, one on Money, Energy and Growth, the other on Interest-Free Banking, and a three-day conference on Localisation in Stockholm. We have also organised or participated in several other seminars, conferences and meetings in Ireland and abroad. The first 204-page issue of the *Feasta Review* appeared in May 2001. The next is planned for 2003. A major publication on Irish sustainability indicators is in preparation and will be published before the World Summit. We are planning a three-day conference on money systems in Johannesburg immediately before the Summit.

We would be happy to help in whatever way we can in the preparation of the UN report.

Yours sincerely,



Richard Douthwaite,
Feasta Executive Committee member..

1B. The constraints on Ireland's progress towards sustainability.

The fundamental reason why Ireland has made no progress towards becoming more sustainable since 1992 (and has probably regressed) is that the country has lacked not just a widely-held conception of what sustainability means in concrete, practical terms but also the necessary level of knowledge of the characteristics that a economy and society would have to possess to be sustainable. Even Comhar has been unable to establish for itself a clear understanding of what sustainability entails. This has inescapably meant that the country has failed to develop a set of sustainability goals at which to aim. This in turn has left Ireland with no basis from which to develop a range of appropriate statistics to track its progress towards sustainability..

But would Ireland have made any more progress had it had a set of sustainability goals? In Feasta's view, a statistic becomes an indicator only when someone with the necessary powers decides that, if its value ever exceeds a certain level, action will be taken to try to restore it to a more favourable one. In other words, for a figure to be an indicator requires some agency – usually the government - not only to be prepared to intervene to rectify a situation which it judges to be undesirable but to understand how the system works sufficiently well to be able to do so. For example, rainfall records are at present just a collection of statistics. They will remain just that until humans can control the weather and, even then, will become an indicator only when they are used as guides by an organisation which has taken upon itself the responsibility for ensuring that the optimum amount of rain falls. Even then someone would first have to determine what that optimum was and since there would be many competing interests, some wanting more rain, others less, it would be more a matter of personal judgment than economics or science for that determination to be made.

The use of indicators therefore involves:

1. The collection or assembly of appropriate statistics
2. The exercise of judgment on the range within which a statistic can be allowed to move before corrective action is taken.
3. The willingness to act to alter the workings of the system that the statistic represents.
4. The means to alter the system and thus the statistic. This entails understanding how the system works sufficiently well to be able to control it and having sufficient influence over the system's components to do so effectively.

So the question is: even if Ireland had had a sufficiently robust definition of sustainability to be able to say 'such and such a trend is unacceptable, we must take steps to reverse it', would it have been both prepared and able to do so? In the ideological climate of the 1980s and 1990s very few statistics became indicators anywhere in the world because, in most cases, the required corrective action would have had to have been taken by the state and such action was thought to be undesirable as it would lead to distortions and inefficiencies in the market. Moreover, the extent of any state interference was likely to be very far-reaching since, unless several undesirable trends had a common cause, each adverse trend would require its own set of corrective measures. This potential proliferation of red tape was a terrifying prospect to those who believed that the market rather than the state had to be paramount. In any case, such people thought the market was a self-correcting mechanism, a belief which naturally made indicators superfluous.

Outside Ireland these simplistic attitudes are beginning to change and a growing body of opinion now accepts that, far from being sacrosanct, markets are human constructs which should be taxed or

otherwise controlled to produce the desired social and environmental results. In Ireland, however, there is no evidence that the government is prepared to intervene in the market on the scale required to make the country more sustainable. Nor is it clear whether, even if it was prepared to act, the state would feel able to do so for fear that its actions would damage Ireland's international competitiveness, the maintenance of which is currently this country's paramount objective. Consequently, until a better balance is achieved between the sustainability goal and the competitiveness goal, Ireland is unlikely to make any significant progress towards sustainability. Indeed, there have been several instances since 1992 in which Ireland has actively resisted pressure from its EU partners to make itself more sustainable for fear that the required measures would damage its attractiveness as a business location. For example, in 1998 when the CO₂ emissions cuts were being apportioned among EU members to ensure that the Kyoto Protocol commitment of a 8% reduction on 1990 levels was met, Ireland insisted on being allowed to increase its emissions by 13%. Ireland has also resisted the imposition of carbon taxes and the extensive road building being carried out under the National Development Plan to improve the country as a business location commits the country to high levels of fossil fuel use in future.

1C The future challenges

The previous section should have made it very clear that the primary challenge for this country is to develop some idea of what the economy and society of a sustainable Ireland will have to be like and to work out ways in which a transition to them can be brought about. In particular, it will be necessary to move from an economic system which needs economic growth each year if it is not to experience, at best, a return to high levels of unemployment and at worst, a catastrophic breakdown, to one which is able to tolerate zero growth or even an economic contraction without causing widespread hardship

This new economic system is required for two reasons. The first is that the continuous, historically-rapid economic growth required by the present economic system is incompatible with both national and global sustainability as there are inadequate resources to sustain it. To give one example: current growth is very fossil-energy intensive - it has been estimated that roughly half of all energy consumption is the result of the growth process - and, as world oil production is likely to peak within the next ten years and world gas production in the next twenty, Ireland is unlikely to have the energy necessary to carry on growing for very much longer unless other sources of energy are developed. Even these might prove inadequate. Studies done for the UK show that renewable energy sources will be unable to provide sufficient power for economic growth to continue at anything like the current rate. Feasta is planning a similar study for Ireland and hopes to have the results available in summer 2002.

The second reason for replacing the current economic system is that sustainability needs to be achieved in two time-frames. One is short-term, largely economic and very demanding. We need to eat tonight. Employees have to be paid at the end of the week. Interest has to be paid at the end of the half-year. With its focus of competitiveness, this is the time frame which has occupied Ireland's attention almost exclusively so far. Actions required to achieve sustainability in the second time-frame seem less urgent but are no less important. The natural environment has to be preserved. Capital equipment, buildings and infrastructure have to be kept up. Health has to be maintained. Knowledge and skills have to be preserved and passed on. And social structures such as families, friendships and neighbourhoods have to stay strong. Unfortunately, in almost every country, the achievement of immediate, short-term sustainability has made it difficult if not impossible to take serious steps towards attaining the longer-term type. Only by changing the economic system can countries get the freedom and the resources to attend to longer-term sustainability.