

A Service-based Economy to Resolve the Conundrum between Jobs and Resources

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The Issue

Two of the THEMES

- Use ECONOMIC principles and instruments to MANAGE water
- Use WATER EQUITY to eradicate POVERTY

Consider:

POVERTY is the SOCIAL CONSEQUENCE of a **BAD** ECONOMIC SYSTEM

The **SAME** absurd argument can be applied to **ENVIRONMENTAL SUSTAINABILITY**

CHANGE THE ECONOMIC SYSTEM!

Proposed National Water Resource Strategy 2 (NWRS 2) :

SUMMARY

Managing Water for an Equitable and Sustainable Future



Summary July 2012



water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA



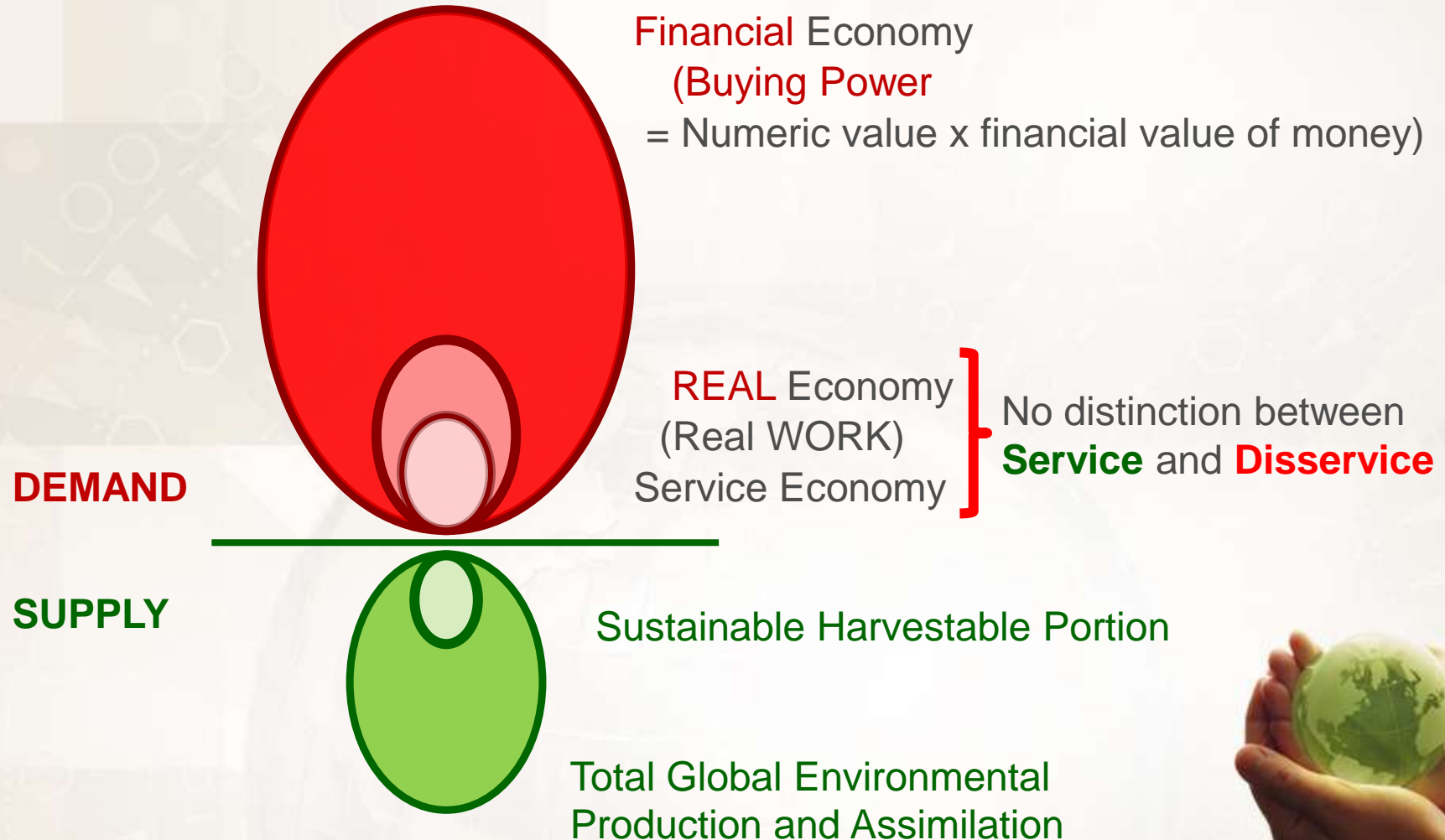
PART 1

UNDERSTANDING THE PROBLEM

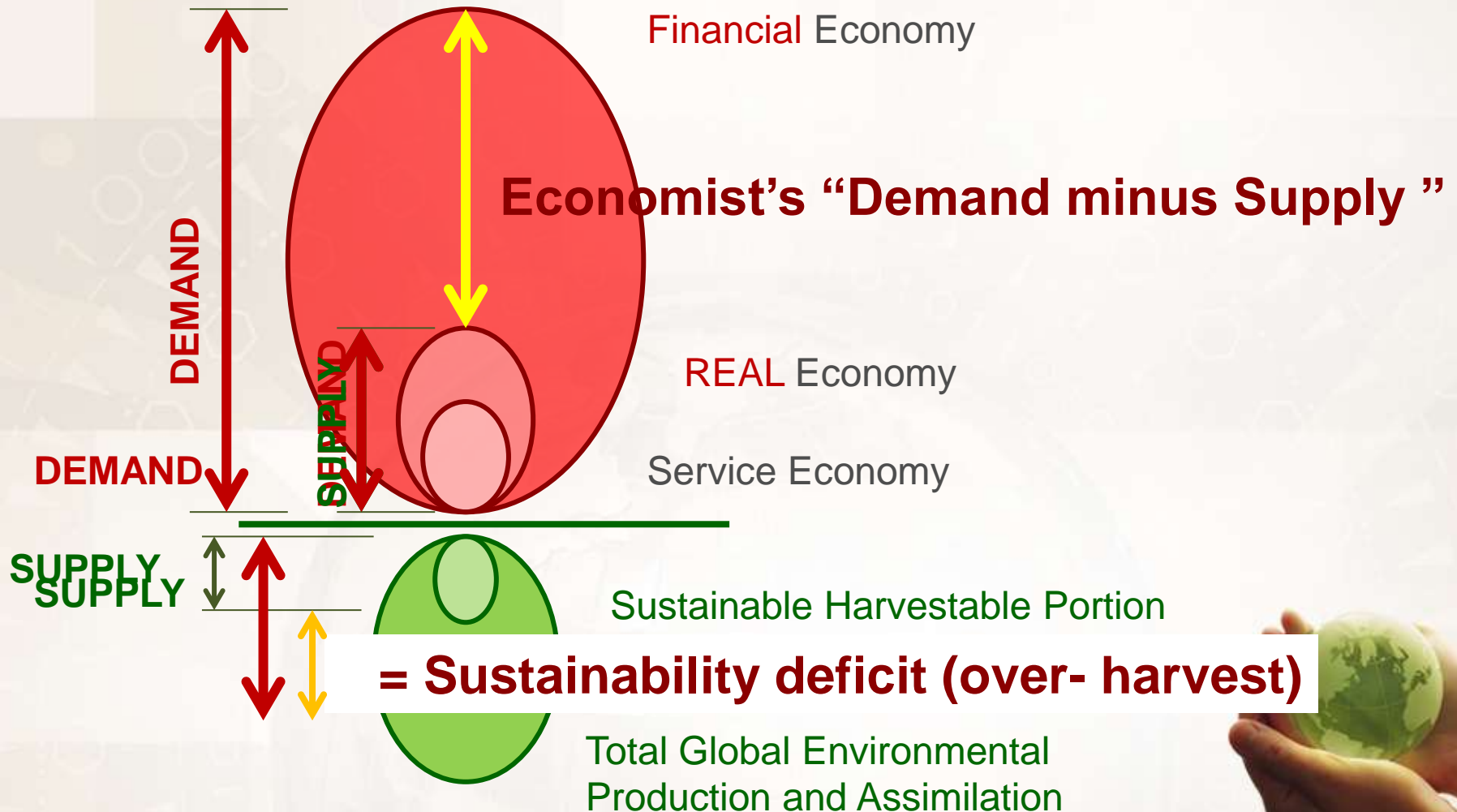
“Can’t hope to solve a problem if you don’t understand the problem”



The “Unsustainability” Diagram

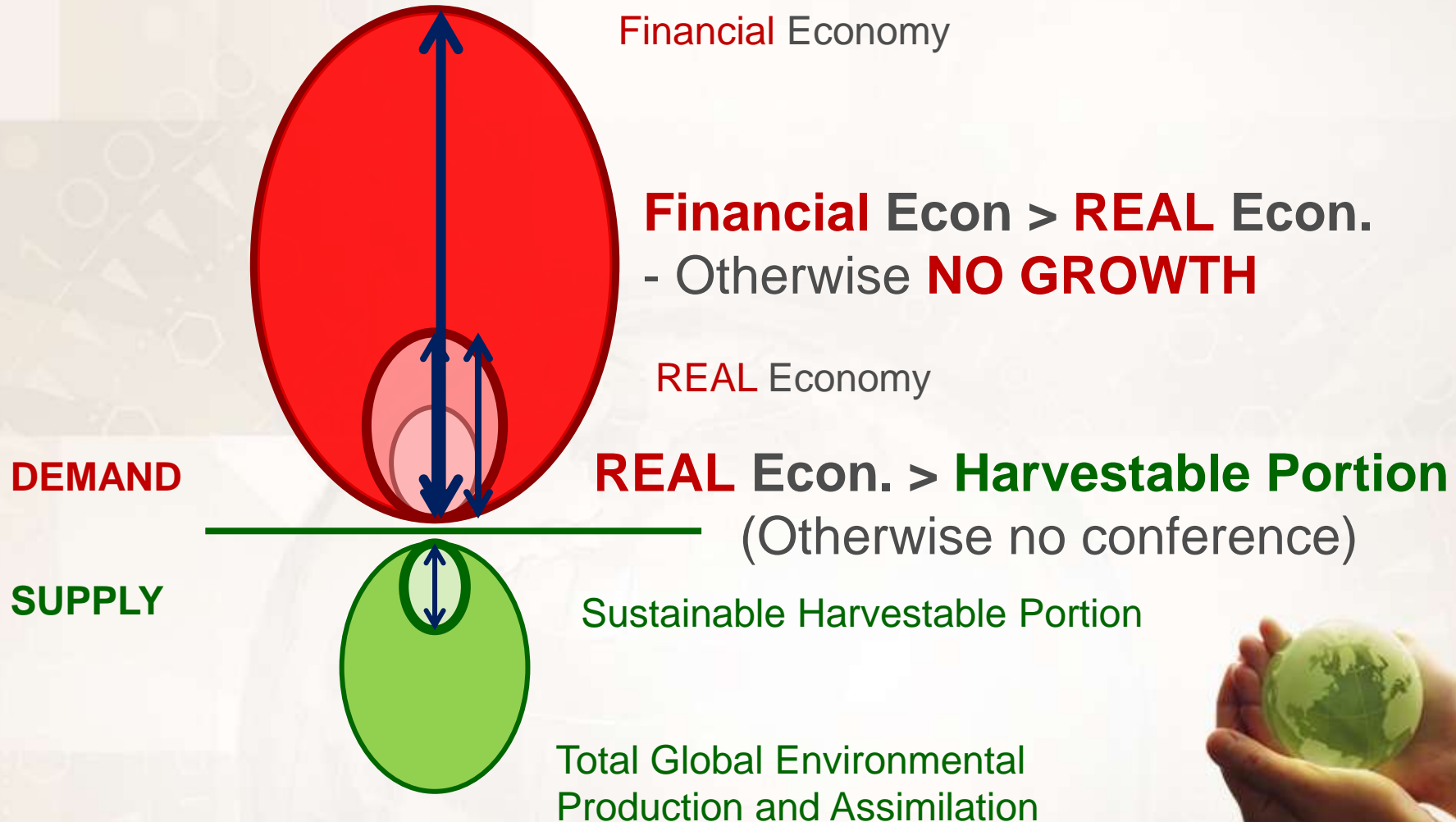


Sustainability Deficit - Unsustainable “Supply and Demand”

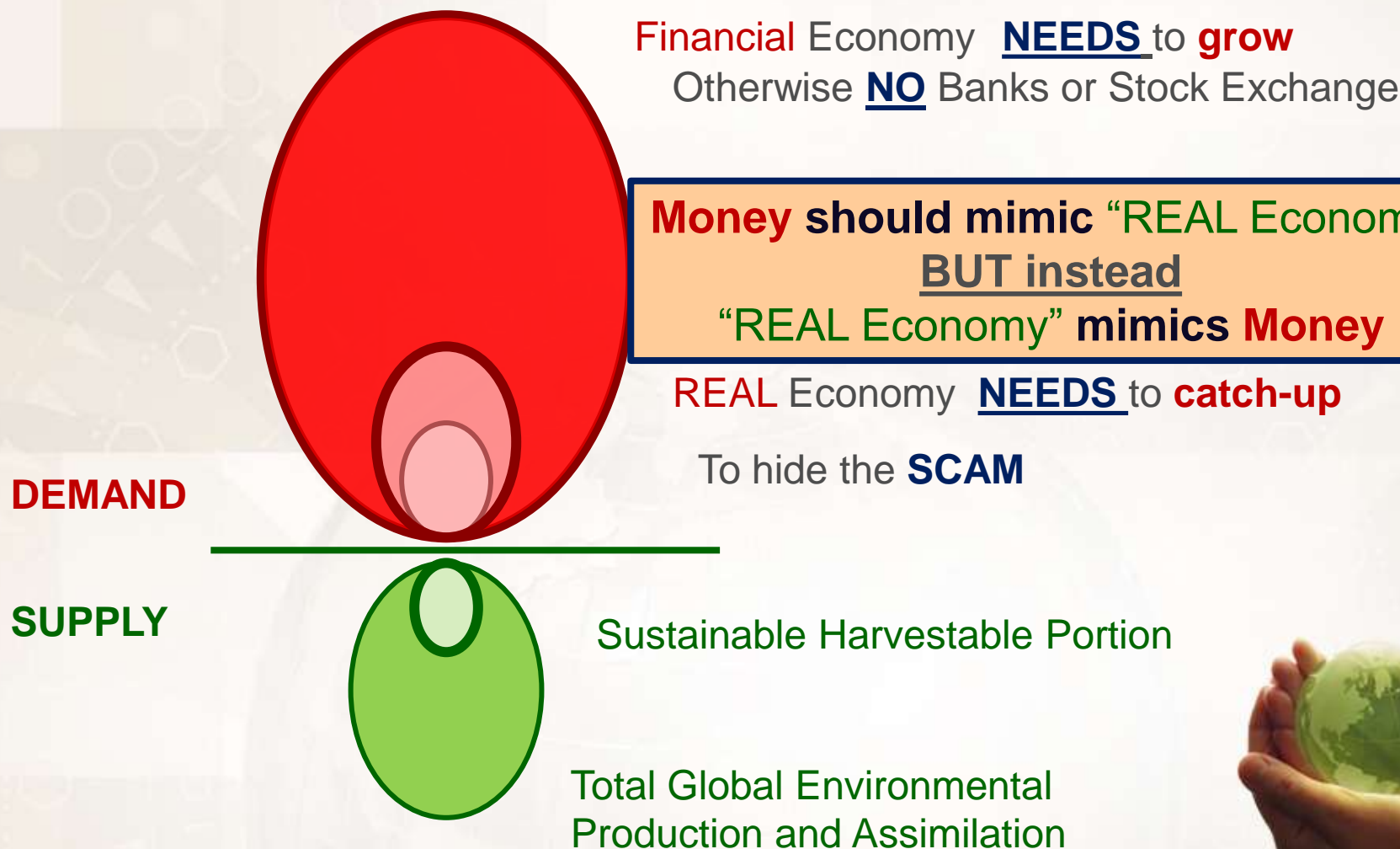


Reason for “Growth”

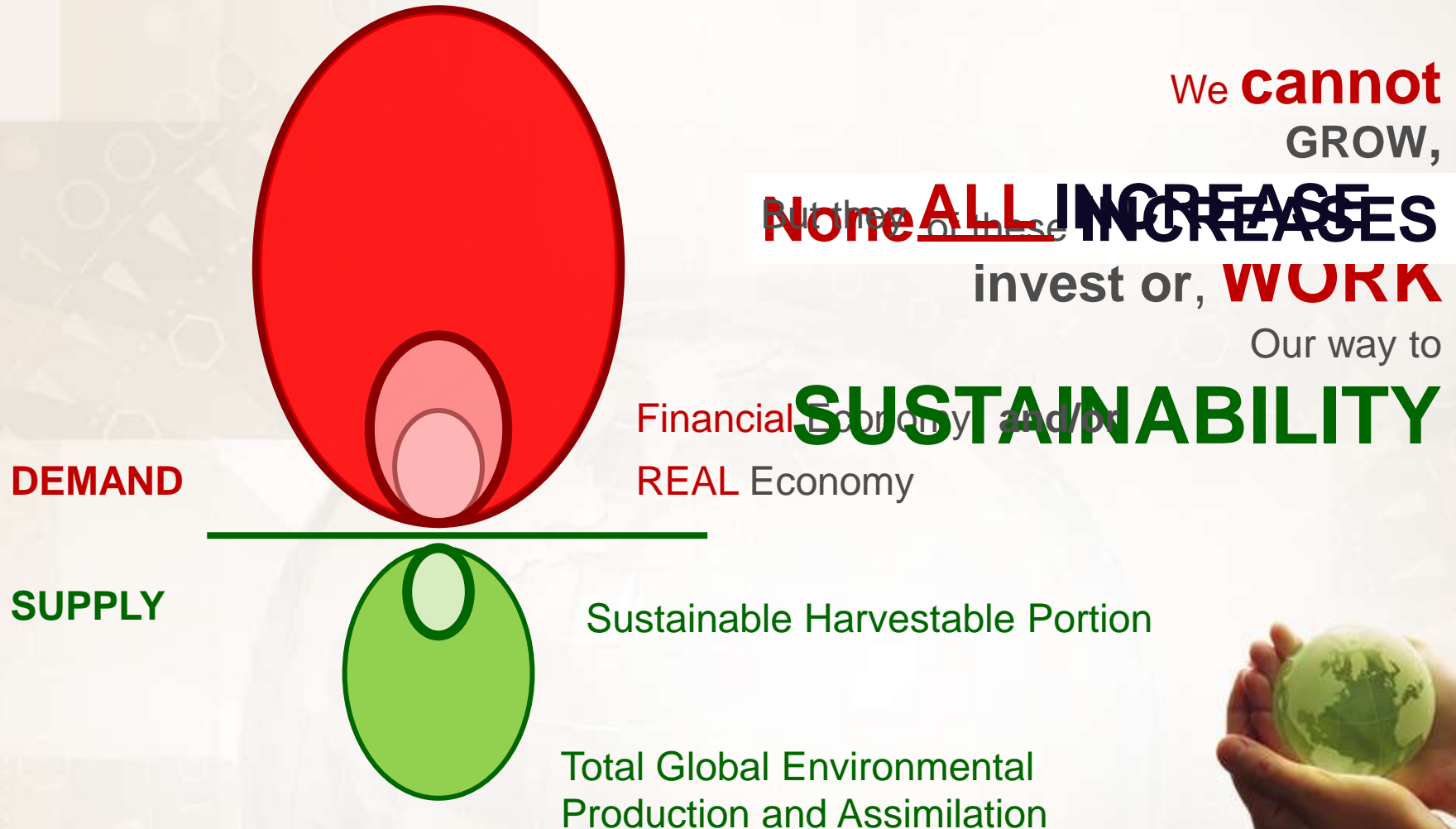
Relative SIZES of the ECONOMIES



Reason for “Growth”



Dispelling the Economic Fallacies



Wrong Incentives

- Incentive - to **MAKE MONEY**
 - Material effect on **SUSTAINABILITY**
 - Designed Obsolescence – Perverse Engineering
 - Designing for failure
 - Changing Models – no spares
 - Etc.
 - Increase **SALES** and **MONEY** –
 - (Instead of “providing service”)
 - **INCREASES** the Environmental Impact



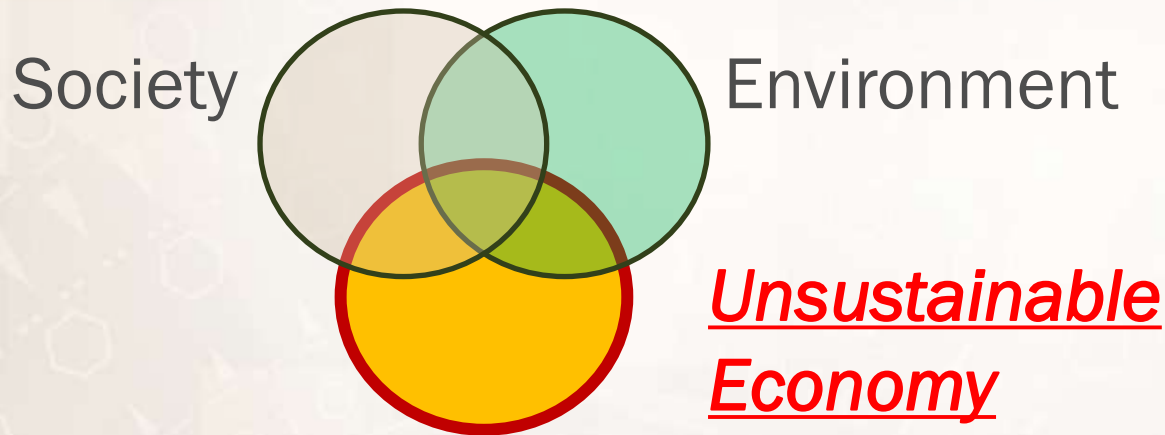
Conclusion to Part 1

- **ENVIRONMENTAL SUSTAINABILITY** \neq
 - **sustained growth** in a **finite** environment
 - **INCENTIVES** to **CONSUME**

Our **TRADE** and **FINANCE** based
FREEMARKET “Economy”
UNSUSTAINABLE



Dire Misinterpretation



Triple Bottom Line

- Excuse to “SUSTAIN” the unsustainable economy
- Carried through to **Green Economy**

CHANGE THE ECONOMIC SYSTEM!



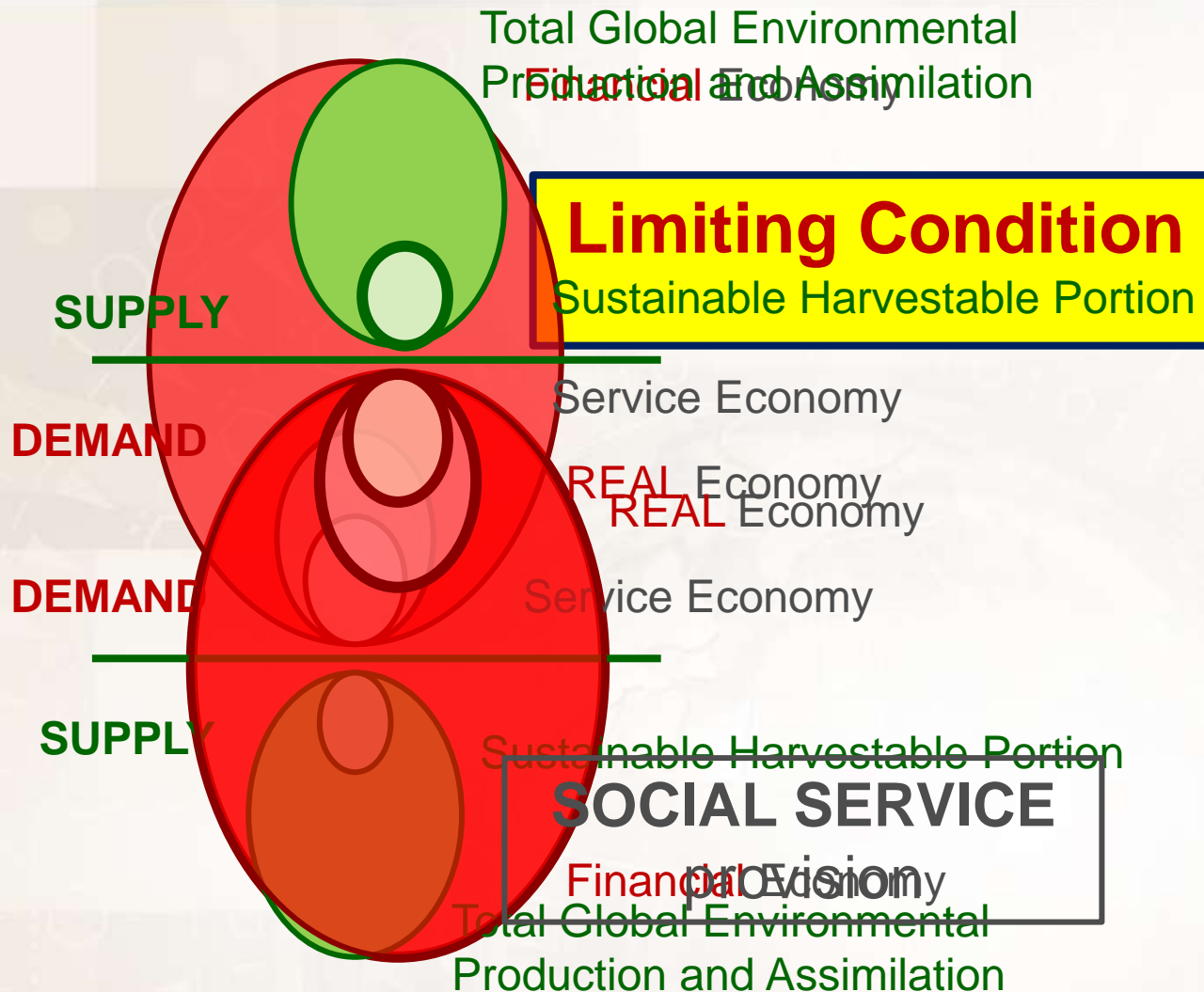
“So what is the alternative?”

Part 2

INTRODUCTION TO NATURAL ECONOMY



Getting the Natural Hierarchy Right



Objective of a Natural Economy

- In a “Full World”
 - Provide **maximum social “service”**
 - At **minimum environmental impact**
 - ***Proviso* : Non-transgression**
 - HARVESTABLE productive and assimilative capacities

Reality: We can't service ALL society's **MATERIAL “wants”, sustainably**

- Need a Politically acceptable social compensation



Managing according to the Natural Economic “objective”

- Scientific and Technical – (Known but not done)
 - Measure and know the Harvestable Capacities
 - Know and measure the resource IMPACTS (costs) of each “Service”
 - Limit total service IMPACT to HARVESTABLE Capacities
- Social and Political
 - Know how to and measure “Service”

Measuring “Social Service”

- Joel Santana and the Soccer World Cup
- **time** “availability” is a measure of “Social Service”



Theft of **time** from society

- **time** is a factor of **“WEALTH”** and
- **time** is a factor of **“FREEDOM”**
- **time** is the **COMPENSATION** to society

But UNNECESSARY **work** (disservice) **robs**
society of this **“WEALTH”** and **“FREEDOM”**



Getting **time** to work for **environment**

- **Environmental Benefit:** Countering “Designed Obsolescence”
 - **LONG, trouble free** SERVICE minimises **RECOURCES** consumption
 - Right Incentive
 - **REWARD** while “Product” functioning = **NO** WORK required
 - No **REWARD** while “Product” disfunctional = **WORK** to **FIX**
- **Secondary benefits:** Breaking the **NEGATIVE** cycle
 - Fewer PRODUCTS required = less resource **consumption**
 - Fewer **resources** consumed = fewer mining jobs
 - Fewer mining jobs = less travel = fewer resources
 - **Fewer jobs** = more **time** for society



Giving **time** back to Society

- **Social Benefits** – (apart from more leisure time)
 - Social Restoration – “Time to Care”
 - Crime reduction
 - Less “Financial Survival” crime
 - Less “Father Absenteeism”
 - **time** to Educate –
 - Poverty alleviation
 - Better “**decision making**” and “**vision of the future**” (hope) in the indigent
 - Social Pressure – “Liberation” of not having to find a job



Concluding Remarks

- **NEVER** achieve “**SUSTAINABILITY**” using **UNSUSTAINABLE** management system

Political “sweetner”

- **time** as factor of “**WEALTH**” and “**FREEDOM**”
- **time** incentive reduces environmental impact

NATURAL ECONOMY =
Rational Water Governance +
EQUITY and SUSTAINABILITY



Thank you

Acknowledgement of
eThekweni Municipality

