

Heading upstream to tackle the economic root causes

Briefing paper

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Introduction

The Next Economy (TNE) is working with partners to secure a world in which everyone can thrive, and the natural world is cherished and protected.

Building such a world requires a suite of shifts in practices and policies that deliver systemic economic change; a collection of changes that, together, can transform the economy away from one based on extraction and growth for its own sake, to one serving the wellbeing of people and planet. These transformative changes can be loosely clustered into four components: Purpose, Prevention, Predistribution, and People Powered (the 4Ps).

Examples of shifts across the 4Ps can be found across Australia. Yet these instances are often the exception rather than the rule. At a more foundational level, the focus of current policy and the substance of economic debates fails to engage in conversations around systemic economic change.

TNE is determined to change this. Supported by the Lord Mayor's Charitable Foundation, TNE convened a two-day gathering of change agents in 2024 to generate learnings about the preconditions for systems change in Australia and build understanding of the opportunities and barriers to economic systems change.

This short paper is an abridged version of the background paper distributed to participants. It introduces several key concepts that help build appreciation of the need for upstream change and it provides examples of the problematic way the economy is currently structured and functions.

Heading Upstream to tackle the economic root causes serves as a useful 'primer' for those curious to understand the idea of upstream economic change.

Part 1

Australia's economy: outcomes and failure demand

Australia might be ahead of most other countries in terms of GDP rankings and other economic measures. But all is not well. For example:

- An estimated one in eight people (one in six children) live in poverty.¹
- Households are struggling to keep up with bills; for those in the lowest fifth of income groups, 41% are in 'energy stress'.²
- In 2021, one in fifteen of Australian households were either experiencing homelessness, living in overcrowded housing or in rental stress.³
- The number of Australians holding multiple jobs is at an unprecedented level.⁴ One in five employees lack a minimum number of guaranteed hours and almost one in four of all workers are on casual contracts.⁵
- More than two in five Australians aged 16-85 years had experienced a mental disorder at some time in their life and one in five had experienced one in the last year (2023).⁶ One in seven children have a mental health problem.⁷
- For First Nations people, life expectancy is estimated to be 8.8 years lower than that for non-Indigenous males and 8.1 years lower than for non-Indigenous females.⁸
- For the first time in several decades, life expectancy decreased, by 0.1 years for males and 0.2 years females (from 2021–2023).⁹
- More than a quarter of Australians experience loneliness at any one time, with 37% of young people reporting feeling lonely.¹⁰
- Almost half of Australia's extreme weather events hitting our coasts are caused by climate change.¹¹
- The 2022 State of the Environment report stated that climate change is exacerbating pressures on every Australian ecosystem, with the number of listed threatened species rising 8% since 2016, with more extinctions to come.¹²

As it is currently structured and functions, the economy is one of the critical root causes of such outcomes. The following section explores this in more detail.

Failure demand

*‘Societies which have greater inequalities in health and the consequent burdens on health and social services; and which have greater levels of social harms (e.g. crime) due to greater disenfranchisement and socioeconomic and educational inequality, spend a far greater proportion of public spending on dealing with problems and mitigation, rather than the goods and services that are more desirable and positive.’
- McCartney et al¹³*

Undesirable outcomes of today’s economy, such as those listed above, create avoidable costs for our collective institutions. These avoidable costs flow from what has been described as ‘failure demand’: an immediate, short-term response at the level of symptoms (when it comes to spending as a result of environmental damage, ecological economists talk of ‘defensive expenditure’). This spending helps individuals cope with prevailing circumstances and patches up environmental damage once incurred, but it does not tackle the causes of the circumstances themselves.

Working in this way comes at considerable cost, for example¹⁴:

- The International Monetary Fund has been calculating explicit and implicit subsidies to fossil fuels for several years. They explain that ‘implicit subsidies occur when the retail price fails to include external costs...External costs include...greenhouse gas emissions, local health damages...traffic congestion and accident externalities associated with the use of road fuels’.¹⁵ Implicit subsidies vastly outweigh explicit subsidies, and the IMF estimates that in 2022 the two combined amounted to \$7 trillion (7.1 % of global GDP).¹⁶
- Each year, responding (albeit inadequately) to the effects of poverty costs the UK £78 billion.¹⁷
- In some US cities more people are employed in ‘guard labour’ than there are teachers.¹⁸
- In Australia extreme weather brings ‘direct costs...[which] are estimated to grow by 5.13 % each year (before inflation) and reach \$35.24 billion (in 2022 dollars) by 2050’.¹⁹
- Poor mental health costs the Victorian economy \$142 billion and in 2019 45% of the Victorian budget went to acute services (especially prisons and child protection), an area that has been growing more than the government’s revenue.²⁰

Part 2

What do we mean by ‘the economy’ and why is it in our sights?

‘...the causes of the causes should also be focused on.’
- Professor Michael Marmot²¹

The economy

There are different ways of thinking about ‘the economy’. The term originates from a Greek word meaning ‘household management’. Today, that idea can be expanded to conceive the ‘household’ as wider society, even the global community. As such, ‘economy’ becomes the way societies provide for each other, now and into the future.

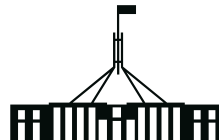
This encompasses how resources, including natural resources, are shared and cherished. Realms where this might take place or mechanisms by which this happens are through



households



the commons²²



the work of government



via markets²³

For the purposes of this paper, ‘the economy’ is largely looked at in terms of the market and government (since government provides resources, and because government can shape the way markets allocate resources). That said, it is critical not to forget about the other realms as they matter a great deal to outcomes for people and planet.

Why the economy matters²⁴

Production and consumption patterns and distribution of resources – which are the result of the structure and function of the economy – profoundly impact people and the planet. For example:

- Uneven distribution of resources and power, as benefits of economic growth have largely gone to those at the top.
- More being taken from the planet than can be regenerated, due to inadequately accounting for environmental inputs and seeing the environment primarily as an input to production.

‘If a plant were wilting we wouldn’t diagnose it with “wilting-plant-syndrome” – we would change its conditions. Yet when humans are suffering under unliveable conditions, we’re told something is wrong with us, and expected to keep pushing through’ - Sanah Ahsan²⁵

Downstream outcomes such as floods, droughts and bushfires, food insecurity, homelessness, loneliness, suicide, and anti-depressant use have roots in how the economy is set up and delivered. These impacts do not end at Australia's shores. Production and consumption systems in rich industrialised countries, like Australia, impact communities in the majority world (the 'global south') and their ability to attain basic material living standards.

There are multiple ways, 'causal pathways', in which the economy impacts people and the planet, including:

- their health;
- access to and distribution of economic resources; and
- anthropocentric views of the environment and imbalance of responsibility for environmental challenges.

In many cases these overlap and reinforce each other. The following examples across the areas of health, access to and distribution of economic resources, and the environment, highlight some of the dynamics that exist.

The social determinants of health

The Australian Medical Association explains that the conditions in which people live – social, economic, cultural and environmental – shape their health. Social inequalities create health inequalities because of disadvantage across these conditions.²⁶ The World Health Organisation similarly explains the 'social determinants of health' as:

***'...avoidable health inequalities arise because of the circumstances in which people grow, live, work, and age, and the systems put in place to deal with illness. The conditions in which people live and die are, in turn, shaped by political, social, and economic forces.'*²⁷**

The consequence is that health outcomes have a socio-economic gradient: people with more economic resources usually experience better health than those with less. Manifestations of the social determinants of health are evident across a range of concerns such as heart conditions, various cancers, and mental health.



Examples include the links between:

- poverty and cancer²⁸
- food insecurity and stress, which can result in overeating and obesity²⁹
- insecure work and stress at work with excess (49%) risk of heart disease³⁰ and a range of mental and physical health risks³¹
- renting and negative health impacts³²
- living in a deprived area and mental health challenges³³ and
- living in a deprived area and lower access to healthcare³⁴

Complex explanations for these links have been offered, including theories involving social capital, anxiety about status, and material factors.³⁵ Researchers explain that ‘these disparities come about through disempowerment, social discrimination and disadvantage’.³⁶ One of the most powerful mechanisms that underpins these is stress:

***cop**ing with chronic daily stress — the “allostatic load” — leaves us with elevated blood pressure and immune systems too weak to respond when a “big challenge” emerges... [this] can start impacting how our lives unfold even before we emerge from the womb.³⁷*

Estimates of the extent of the contribution of socio-economic factors³⁸ include a study considering US counties suggests that clinical care contributes to only 16% of health outcomes; health behaviours account for 34%³⁹; while socioeconomic factors contribute 47%.⁴⁰

In Australia, research bears out the impact of social determinants. For example, the burden of disease ‘decreased with increasing socioeconomic group: total burden rates were 1.6 times as high in the lowest socioeconomic group...as in the highest group’.⁴¹ As the Australian Institute of Health and Welfare records, death rates are ‘highest in the lowest socioeconomic areas (782 deaths per 100,000) and lowest in the highest socioeconomic areas (526 per 100,000)’.⁴² These patterns are particularly acute for First Nations communities, with social determinants of health constituting ‘around 30-50% of the health gap’ between Aboriginal and Torres Strait Islander people and their non-Indigenous counterparts.⁴³

Access to and distribution of economic resources

When people do not have enough economic resources to afford the basics, to buffer against shocks, and to participate in society, things in a range of areas of life are tough. There is an additional emotional element to this, in that possession of certain items often enables participation in society without shame, and in turn that means people benefit more from what society has to offer.⁴⁴

There are other implications of the distribution of income and wealth, for example:

- Pressures to afford food, housing and so on can compel people to work longer hours and seek ways to attain additional income.⁴⁵
- The stress of living in poverty leads to higher stress hormones in children, which can impact memory, pattern awareness, and verbal skills.⁴⁶
- In low-income areas, services such as transport are sometimes limited, schools are often under-resourced, and facilities such as playgrounds less likely to be maintained.⁴⁷
- Growing up in disadvantaged neighbourhoods can lead to an enlarged amygdala (the part of the brain that controls emotions)⁴⁸: this can create heightened sense of fearfulness⁽⁴⁹⁾ and sensitivity.⁵⁰
- Low-income regions can see higher rates of children referred to the social care system, with reports from children's services in the north-east of England that poverty levels are the cause of a significant rise in child protection interventions and the number of children in care.⁵¹

The distribution of income and wealth is a critical consideration. There is a suite of evidence that unequal societies generate mistrust, crime, violence, and other social ills.⁵² A clear trend is evident: the more unequal the society the worse health and social problems are.⁵³

In Australia, the way the economy is designed directly impacts the way economic resources are distributed (particularly the existence of poverty alongside great wealth). For example, policies that allow for wealth extraction and wealth capture lead to greater inequality in wealth compared to income inequality. A particular demonstration of this is the extent of 'rentier' income.⁵⁴ This refers to returns on stocks of wealth: for example, interest paid on bank deposits, dividends paid on shares, and capital gains flowing from increase in value of property. Beth Stratford, a UK-based scholar of rent-seeking, explains: 'rent-seeking involves acquiring existing assets like land, patents or financial assets...Rent will typically account for a large proportion of interest, dividends, capital gains, ground rents and so on'.⁵⁵

Certain groups resist changes to, and even lobby for, the institutional arrangements that enable such rents. For example, how the resources industry, which profits from access to natural resources, 'is by far the biggest donor in Australian politics...it's now become routine for industry groups to threaten a "mining tax style campaign" every time they don't get their way with government'.⁵⁶

In a way, the other side of the coin to rent seeking is the structural causes of poverty. The Australian Senate's Community Affairs Committee explains structural causes of poverty as emerging from 'Economic factors (including fiscal policies, inflation and cost of living pressures); labour force factors (including employment and education opportunities); housing factors (including rental affordability and home ownership opportunities); and social factors (including intergenerational disadvantage and family violence)'.⁵⁷

Environment and accountability

In Australia, how the environment is conceptualised, treated, and regulated often suggests that its primary value is seen as an input to production processes. This is a limited way to understand the environment and it neglects conceptualising the environment as providing all sorts of benefits to humans, beyond inputs to production; as having inherent, intrinsic value; and Indigenous belonging to Country.

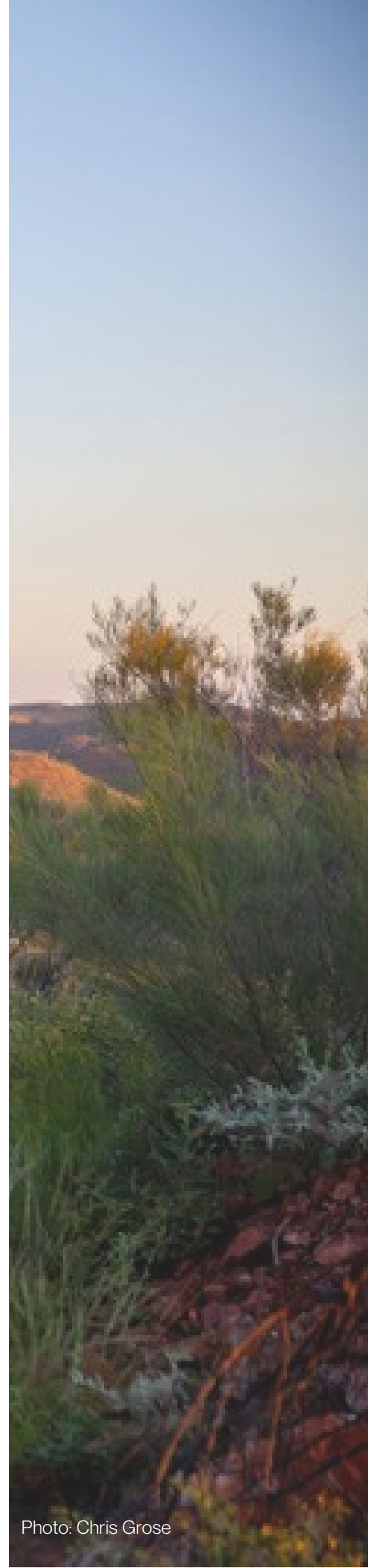
Discussion of the way in which the economy affects the environment often focuses on everyday individual actors changing their ways, rather than considering economic drivers and those individuals most culpable. For example, emphasis of individual choice can be a 'diversionary tactic' that positions blame on 'individuals rather than commercial actors'.⁵⁸ This is illustrated in the case of individual carbon budgets: originally conceptualised and promoted by the petroleum industry, they are now championed by many environmental organisations.⁵⁹ These initiatives direct individuals to online carbon calculators, shifting focus away from big polluting actors, and towards the behaviour and choices of everyday people.

Instead, a considerable body of research points to the extent to which certain companies and the wealthiest echelons of society are most responsible, rather than everyday individuals. For example:

- Recent research has found that 56 companies are responsible for over half of global plastic pollution⁶⁰
- Dario Kenner has documented the extent to which the wealthiest people in the UK and the US drive climate change, via their high consumption patterns and via their investments⁶¹

The behaviour of big polluting companies and the existence of extremely wealthy individuals whose actions account for a disproportionate impact on the planet are an outcome of the way the economy is designed and delivered.

Finally, economic structures also drive individual behaviour that has environmental impacts. For example, economic inequality has been shown to lead people to judge others by status and material possessions, which places pressure on people to consume.⁶²



Part 3

What is meant by ‘heading upstream’?

The term ‘prevention’ is often used in Australia. However, there are different ways of understanding and explaining it, and it can be unclear what people mean when they use the term ‘prevention’, particularly how far ‘upstream’ they envisage going. Prevention can be split into the following types of interventions:



One useful metaphor that is often used is pulling people out of a river downstream or stopping them falling in in the first place, upstream.

Hashim AlZain, drawing on Dan Heath’s book *Upstream: The Quest to Solve Problems Before They Happen*, suggests that upstream work is akin to Batman’s activities, whereas downstream is Superman’s domain: ‘Superman...saves the day in broad daylight...[whereas] Batman detects problems early on, targets leverage points in complex systems, finds reliable ways to measure success, [and] pioneers new ways of working together’.⁶⁴

Heading upstream means exploring the root causes of a challenge as opposed to treating the symptoms.

Root causes are the core issue that give rise to a problem and its visible symptoms. To identify them, we need to ask ‘why?’ a situation emerged, and continue to ask ‘why’ until there are no more ‘whys?’ to be asked. By doing this, the systems and contexts behind the challenge can be teased out and appropriate solutions identified: such as the circumstances people live in, the control and agency they are able to exert, the choices they are able to make, and barriers that mitigate their progress. The economy clearly comes in here via power, stratification, and resource allocation. As Dr Dainius Pūras, when United Nations’ Special Rapporteur on Health, explained:

*People’s lives are often constrained by inequitable laws, structures of governance and power, and policies that stratify society, profoundly affecting human relationships and how people act throughout their lives...including the political arrangements that allocate resources and enable (or restrict) the voices of those in the most marginalized situations.*⁶⁵

Part 4

What would an economy that works upstream entail?

*‘Society can’t seek to keep plastering over ‘wounds caused by inequality by building more prisons, hiring more police and prescribing more drugs.’
– Danny Dorling⁶⁶*

A wellbeing economy⁶⁷

A wellbeing economy is one designed deliberately to work for people and the planet, not the other way around. In a wellbeing economy, the rules, norms and incentives that shape the economy are set up to encourage activities that deliver quality of life and flourishing for all people, now and into the future, in harmony with the environment.

A wellbeing economy can deliver the following outcomes⁶⁸:

- **Connection:** a sense of belonging and institutions serving the common good.
- **Dignity:** everyone has enough to live in comfort, safety, and happiness.
- **Fairness:** justice in all its dimensions at the heart of economic systems.
- **Participation:** citizens actively engaged in their communities.
- **Nature:** a restored and safe natural world for all life.

Core to a wellbeing economy is:

- **Deliberate shaping and configuring of the economy (via policy instruments, regulations, taxes, subsidies, business models, and so on):** so that it delivers outcomes that meet the needs of people and planet (social justice and sustainability), rather than generating harm that necessitates ameliorative and corrective action from government and others.
- **Appreciation of – and acting in accordance with – the reality that the economy is a sub-set of society and of the environment:** designed to serve social and environmental goals, rather than the economy positioned or perceived as an objective in its own right.
- **Being selective about economic growth:** asking what societies need more of, where and for whom - as well as what needs to be powered down.

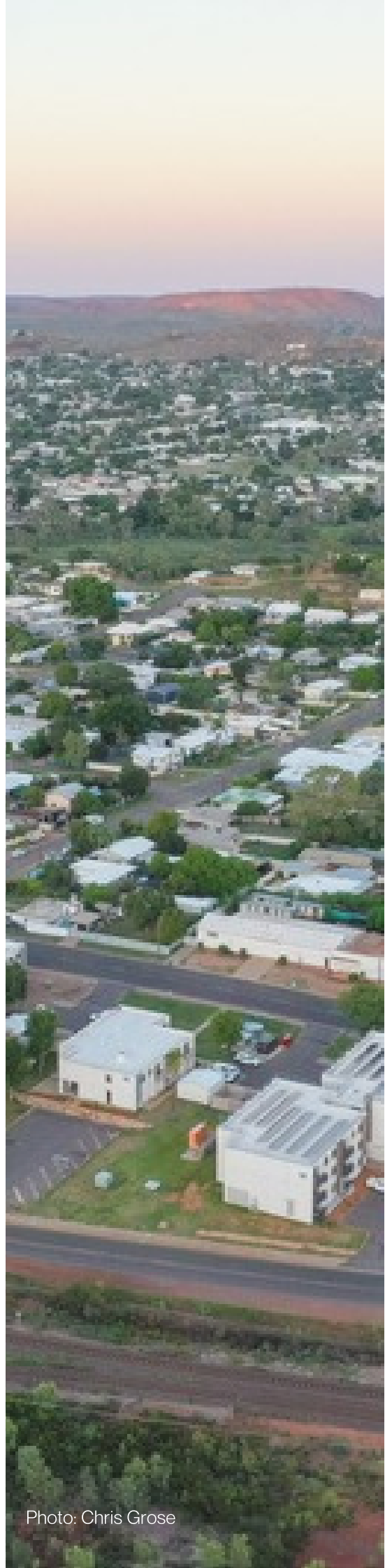
Building it

A plurality of ideas and practices are required to build a wellbeing economy. These can be imagined as a jigsaw with multiple pieces that add up to an economy aligned with what people and planet need. No single change or policy is sufficient on its own, but together they can transform the economy from one based on extraction and growth for its own sake to one serving the wellbeing of people and planet.

To help make sense of them, the pieces necessary to building a wellbeing economy can be loosely clustered into four corners, known as the '**4Ps**':

- **Purpose:** realigning the goal of the economy and the entities that comprise it with the needs of people (including future generations) and planet. Not merely pursuing 'growth' in a unilateral sense, but asking growth of what, where and for whom?
- **Prevention:** tackling things at their source is better than responding to damage once done. Prevention is about asking why a problem emerged to understand the upstream drivers and identifying actions to tackle root causes.
- **Predistribution:** designing markets to generate a more balanced distribution of economic resources in the first place. This lessens the need for government intervention redistribute and moderate gaps between rich and poor or attend to misallocation of resources.
- **People Powered:** a diversity of people at the forefront of shaping economic systems is an antidote to economies designed by and for a narrow group. Who is at the table when budgets are designed or economic strategies are written? When policies are prioritised? When business plans are shaped, and investments weighed up? Do future generations have a voice in decisions?

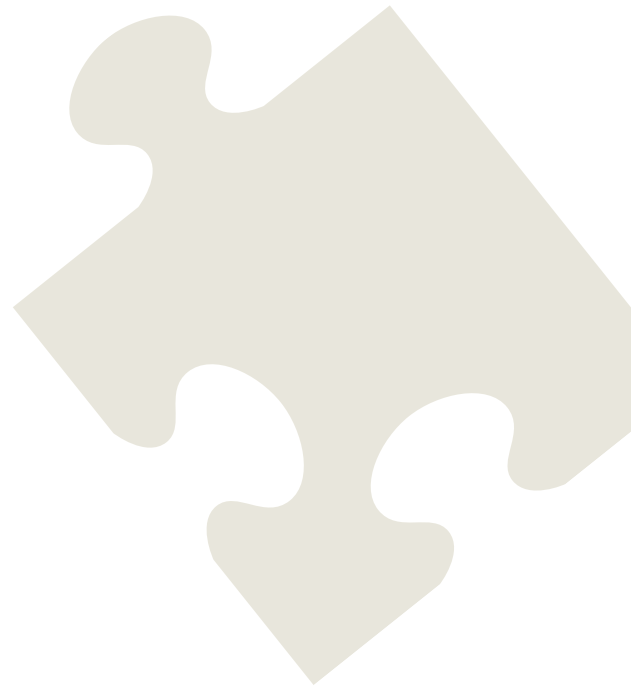
What each P entails and examples of implementation already happening is covered next.



Purpose

Examples of **Purpose** in practice include wellbeing frameworks and dashboards that shape government goals and policies, as well as wellbeing (and outcomes) budgets. At the micro level, this includes the rise of businesses seeking commercial viability to deliver social or environmental impact. Business models that are more conducive to this include B Corps, social enterprises, community interest companies, cooperatives, Economy for the Common Good, and so on. In some circumstances, 'purpose' would also manifest in ensuring certain activities are not reliant on market provision, but are able to be delivered via alternative means such as care, commons, reciprocity, government provision of services.

New Zealand's wellbeing budget, Canada's Quality of Life Framework or Scotland's National Performance Framework are all illustrations of governments elevating wellbeing as a vital goal of government action and beginning to link government budget spending and policy decisions to a wider set of goals. In 2023 the Federal Government published the first iteration of its Measuring What Matters statement and various Australian states and territories are constructing and utilising wellbeing frameworks to inform policy and investment. The Federal Government's Women's Budget Statement is an example of the disaggregation and analysis necessary to inform more wellbeing-aligned decision making. Enterprises harnessing commercial viability to deliver social or environmental goals include foundation companies prevalent in Scandinavia; businesses such as Australia's Cooperative Power and Re Restaurant in Sydney; and organisations such as Zebra Growth, Lush, Ecosia, Hey Girls, and Karma Drinks internationally.



Prevention

In practice, **Prevention** means acting to get things right first time around, rather than patching up symptoms downstream, once damage is done. For example, the more people can earn enough to live on, the less need there will be for food banks, rent assistance, and tax credits to top up wages. Ensuring people can earn enough to live on also will reduce the need for support for children whose learning is hindered by growing up in poverty. Jobs that offer autonomy, relatedness and competence will meet people's fundamental human needs and thus reduce demand for anxiety treatments. On the environmental side, the more circular an economy, the less need for beach clean ups. Expansion of renewable energy will lessen the need for carbon capture sequestration and storage, and the more efficient energy systems are today, the less societies will need to spend in the future repairing and rebuilding after climate-change induced extreme weather.

Examples of preventative interventions includes South Australia's progress in moving to renewable electricity; businesses such as Pursuit Marketing in Glasgow and Unilever in New Zealand/Australia moving to 4-day weeks or six-hour days (and as recently recommended by an Australian Senate inquiry); the Victorian Treasury's Early Intervention Investment Framework (an example of preventing worse outcomes than might otherwise occur)

Thor's Hammer, a Canberra based business, is an example of re-using building materials rather than adding them to waste dumps. Other examples are the work of Sustainable Table, Soils for Life and Farmers Footprint that seek to transform farming through regenerative ways of working with the land. Various rights of nature laws (for example, in Melbourne, India and New Zealand) that give legal standing to elements of the natural world prevent harm being done to ecosystems.

Predistribution

Mechanisms of **Predistribution** include community wealth building (that builds economies from the local up via local ownership, local procurement, and local employment); worker cooperatives (where labour owns capital and the purpose of the business is to meet the needs of its members); and true cost accounting (that ensures environmental costs are incorporated and social impacts accounted for, giving a more accurate price signal to consumers). Living wages, pay ratios and efforts to share work better can also help deliver better distribution without relying on government taxes and transfers.

Examples of predistribution in operation can be seen in worker-owned cooperatives such as the global engineering firm Arup, Australia's Earthworker Cooperative and Cooperative Life, an aged care provider owned by its workers. UK businesses such as Richer Sounds and GoApe are also illustrations of workers as partners in an enterprise whose purpose is to deliver benefits for them, not extract financial wealth for remote shareholders. Other employee-owned businesses include Mondragon and Eileen Fisher, while in Emilia Romana in Italy, cooperatives constitute around a third of regional GDP. The community wealth building efforts of towns such as Preston in north England, North Ayrshire in Scotland, or Cleveland in the US demonstrate how local governments and anchor organisations can use their procurement policies to support local suppliers and keep money circulating locally, for the benefit of local people. The Scottish Government's Living Wage policy, Oregon's tax on pay inequality, Mondragon cooperative's earnings ratio, and firms such as Novo Nordisk and Puma which have prepared Environmental Profit and Loss Accounts, all illustrate aspects of predistribution in practice.



People Powered

People Powered economic decisions are evident in participatory budgeting where public money is deployed according to what local people decide it should be spent on. Citizens assemblies bring together a group of people representative of the wider population, with expertise 'on tap' as needed to input to conversations about a certain topic. More employee input to decision making at the firm level (via, for example, employee representation on boards and employee ownership of firms themselves) will also help bring about economic democracy.

Efforts to build a more people powered economy can be seen in the citizens assemblies being used in France, Scotland, Ireland, the UK, and beyond. Major participatory budgeting initiatives have been undertaken in places such as Brazil, Portugal, Paris, and New York. Wales' consultation about 'The Wales We Want' is an illustration of a democratic foundation for wellbeing governance mechanisms. In the Kimberly, Yawuru women and men have co-produced an articulation of their conception of wellbeing, drawing on the Yawuru concept of good life, 'mabu liyan'. Communities in places such as Gladstone and Geelong have created decarbonisation economic plans via community consultation and deliberation. Community owned cooperatives like Yackandandah Community Development Company and Barossa Co-op are examples where community members have banded together to purchase important retail outlets. Housing cooperatives such as Low Impact Living Affordable Community in Leeds, England, illustrate a community's effort to provide for people's basic needs. The examples of worker led cooperatives noted in the sections above are also examples of economic democracy and thus people power.

Part 5

Reflections on how the economy functions

Going upstream to the economy itself requires asking some challenging questions about the way the economy of today functions. The questions below highlight a range of issues that need to be considered across different economic mechanisms. They are drawn from reports published by the Carnegie Trust and the Centre for Policy Development, co-written by one of this paper's authors.⁶⁹

Work

- How is 'work' defined, valued, and supported, inside and outside the labour market? Are people properly remunerated for their contributions?
- How well does Australia's labour market support the wellbeing⁷⁰ of people living and working in Australia?
- Do the jobs on offer provide meaning and purpose, and enable work-life balance?
- Who can access these sorts of jobs?
- Is income that workers earn sufficient to live on and participate in Australian society?
- Are Australian workers able to afford goods and services at prices that incorporate their environmental costs and social benefit?
- How can greater earnings equality be attained?

Business

- How do businesses operating in Australia (and those owned by Australians) support the wellbeing of people living and working in Australia, and of people beyond our borders?
- What sort of activities, goals, and enterprise models are worth encouraging, via regulation, tax breaks, and other means, because contribute to collective wellbeing of people and planet?
- What other ways do people organise economic activity that need to be made visible?

Environment

- How do economic decisions impinge on the environment, here in Australia, and beyond our borders? For example, do Australia's production and consumption patterns and emissions generation positively or negatively impact the health of the planet and the environment in Australia?
- Do economic activities in Australia align with an understanding that decisions cannot be taken as if the economy is separate from the natural world, and with the reality of finite planetary boundaries?

Redistribution systems

- Does the operation of Australia's tax system support wellbeing of people living and working in Australia, and those beyond our borders?
- To what extent do the way taxes impact enterprises and individuals encourage behaviours that support wellbeing, and discourage behaviours that undermine wellbeing?
- Does the way taxes are levied reduce economic inequality?
- Is the level of taxation sufficient to support collective institutions and shared services that enhance wellbeing?
- How are resources that are held in common appreciated and protected, for society today and for future generations?

Decision-making

- Are there opportunities for people to tangibly influence decisions that impact their lives?
- How are decisions taken, by whom, and how responsive are institutions to people's needs?
- How are decisions taken for the common good, including those of future generations?
- How diverse are elected officials and those working in Australia's public service?
- How does the way people treat each other support the wellbeing of people living and working in Australia, and those beyond our borders?
- How can stigma and prejudice, racism and sexism be addressed?
- How can we address the historical roots of current inequalities, while recognising that the overlaps across them mean their cumulative impact is harsher than the sum of the parts?

Conclusion

‘Our heroes shouldn’t only be firefighters, policemen, or even Superman [who are] in essence people that restore things back to normal.

‘Heroes are people who’re unsatisfied with the status quo because it’s no longer fit for purpose anymore and somebody brave has to do something about it!’

– Hashim AlZain⁷¹

When responding to challenges such as ill-health, exclusion, and environmental breakdown, rarely is ‘why?’ and ‘what would be better?’ asked. This is despite ample evidence about the social determinants of health, of how poverty and inequality constrain people’s options, and how the structure of the economy is linked to environmental damage.

Without stopping to ask why, the focus is too often short term and limited to downstream responses, with interlinkages between issues (and potential solutions) not considered. As a result, rarely, if ever, do decisions address root causes or account for interlinkages and long-term impacts.

For decades, schools of research and thought (such as ecological economists and feminist scholars) have documented how positioning the economy as a goal in its own right (and as distinct from society and nature) is deeply problematic. First Nations communities around the world for millennia have been living an approach that inherently recognises the interconnections between people, planet and economy.

Yet, an assumption that increased economic growth (as measured by GDP) is the best or the only mechanism to address challenges often prevails. The result is that policy debates are often fighting for bigger cheques to patch up the damage done by today’s economic system.

A range of actors are advocating for systemic economic change, and shifts to a system that rethinks the economy and what it is expected to deliver. Change will require efforts from across society to:

- Deliberately shape and configure of the economy so it delivers outcomes that meet the needs of people and planet
- Appreciate – and act in accordance with – the reality that the economy is a sub-set of society and of nature, and thus designed to serve social and environmental goals
- Ask what societies need more of, where and for whom.

The outcome will be a world in which everyone can thrive, and the natural world is cherished and protected. Walk with us as, together, we embark on shaping the next economy for Australia.

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