

PREFACE

In my lifetime, the world's population has more than doubled, the climate has warmed and many of the species that were common when I grew up are now scarce or gone. I have spent much of my career watching these dark clouds gathering. My previous books – *Natural Capital*, *Green and Prosperous Land* and *Net Zero*¹ – have set out how to think about these problems through the lens of natural capital.

The future is what we make it. It is open-ended and what I have tried to do in this book is to set out what that future could look like if it is to be sustainable, what it would be like if we actually lived within our environmental means and hence if we chose an optimistic path and faced up to climate change and biodiversity loss head on.

It would be a brave green world and radically different from the way we live now. It requires the greatest economic transformation to our overwhelmingly carbon-based economy in less than three decades, to get away from the current 80 per cent global reliance on fossil fuels. We would have to stop burning the rainforests and plundering the oceans, while decarbonising agriculture, transport, heating and cooling, and do all this as the population goes on upwards for several decades to come and people in developing countries aspire to Western standards of living. Otherwise, our legacy will condemn the next generation to a poverty of nature, against which their lives will be constrained.

¹ D. Helm (2015), *Natural Capital: Valuing the Planet*, New Haven: Yale University Press; (2020), *Green and Prosperous Land: A Blueprint for Rescuing the British Countryside*, revised edn, London: William Collins; and (2021), *Net Zero: How We Stop Causing Climate Change*, revised edn, London: William Collins.

The more I thought about the scale of the challenges and our feeble responses, the more I became disillusioned with conventional economic answers. The economics toolbox is still remarkably reliant on the theories developed almost 100 years ago, in the years of high theory of the 1920s and 1930s, an intellectual world view created by names still familiar today and who continue to dominate our economic debates, like John Maynard Keynes and Friedrich von Hayek and others perhaps less familiar like John Hicks. Today's economists and the textbooks that set out their ideas are heirs to this older tradition. Their great theories have dominated economic policy debates ever since: in privatisation, liberalisation and competition; in the debate between monetarists and Keynesians; and most recently in the responses to the great financial crash and the shock of Covid.

It is the ghosts of Keynes, Hayek and Hicks that lurk behind today's economists' prescriptions. None had a primary concern with the environment. Many of their tools break in the hands of the sustainable economy: it is not about marginal changes to discrete bits of the economy and cost-benefit analysis; it is not primarily about utility, utilitarianism and making people happy; and it is not about maximising aggregate demand and printing money and creating ever larger piles of debt. To put my cards on the table, I am not a utilitarian and I am not a Keynesian. I don't think maximising utility is all there is to life. The citizens of my sustainable economy have entitlements and rights, as well as duties and obligations to others now and to the next generation. The purely consumerist lens will not suffice, not as currently promoted by governments, companies and the media.

Whilst I have borrowed the bits that help, like the pricing of pollution and the provision of public goods, my sustainable economy is a long way away from the conventional economics, and further still from the Keynesian macroeconomics which places short-term consumption at the heart of economic policy. Its focus is on the longer term, on assets, systems, balance sheets and capital maintenance, on radical uncertainty and citizens and the obligations to the next generation. My academic colleagues may not like the result, but then the conventional economic models are helping to send us towards the environmental cliff edge. The way out is not to boost retail sales, borrow to pay for what we cannot otherwise afford, and hope that the spending will lead to lots of economic growth, just assuming the longer term will take care of itself.

I struggled with the temptation to make this a very academic book, to lock horns directly with mainstream economics and its guiding theories. You may feel I have given in too much to the temptation, but throughout my aim is to take the general reader with me, and to provide a comprehensive overview of the sustainable economy, rather than give detailed supporting references for each and every component part. I plan to turn to the more academic exposition later on.

In writing this, the thought often struck me that maybe I have been just wasting my time describing what to many must seem a utopian dream. But then the reality struck in a simple one-liner: what is not sustainable will not be sustained. We are either going to have to change the fundamentals of our economies and sort out the pollution we cause and the erosion of the fundamental natural capital, or we will face the disaster of much more warming and the consequences of losing a lot more of earth's rich biodiversity. There is simply no escape. Utopia or dystopia: we can choose which path we want to be on.

It is a good idea to know where you want to get to before setting off. This is my best shot at trying to define this end point, what the sustainable economy would look like, one where we humans live in greater harmony with nature, and the battle against nature has ended. I don't shy away from how radical this would be. I don't assume we will choose to do what is necessary, but if we don't we should not delude ourselves about how it will otherwise end.