



Economic Mythbusters course

Week 4: Tuesday 4th June

Myth: *Britain is broke? We can't afford to invest*

Transcript of QPSW Consolidation session

Presented by Sunniva Taylor, Sustainability & Peace programme manger

Welcome Friends. My name is Sunniva and I work for QPSW as the programme manager for the Sustainability & Peace programme. I work closely with Suzanne and Symon, members of QPSW staff who you have already met in previous consolidation sessions.

This consolidation session will follow the same format as previously. I will provide some reflections on what we have heard and some additional ideas from a Quaker perspective: I'll touch on the question of what *can* the government afford to invest in; despite saying they do not have the money to invest. And then on the question of what economy and jobs, we, as Quakers, would like to see them in investing in if we do in fact have the resources. Then I will provide some ideas for further consolidation.

I am pleased that this session has opened up the space to think about investment. I think that where we – individuals or institutions – invest says a lot about what we believe; perhaps even more than what we say we believe. If you like: where we put our money reveals our ideology.

What the government *can* afford

The session focused mainly on the money that the government *isn't* spending in order to help an economic recovery (more on what a 'recovery' might mean in a minute).

But when we think about this, we also want to think about what Government **does** find money to invest in, which often isn't talked about in debates on public spending. As Quakers, some of the things that government does invest in challenge our testimony. For example:

- The arms trade: The Stockholm International Peace Research Institute (SIPRI) estimate that the UK Government subsidises the arms industry **£700 million per year** (including arms export promotion activity, export credit support and research & development funding). [\[http://www.caat.org.uk/issues/jobs-economy/subsidies/\]](http://www.caat.org.uk/issues/jobs-economy/subsidies/)
- The fossil fuels industry:

- It's very difficult to calculate by how much the Government invests in the fossil fuel industry, as routes and modes by which it does so are varied and complex.
- Investment comes through forms of subsidies, tax breaks or diplomatic support. This can be for research and development, or the extracting, prospecting, refinement, or use of fuels.
- The Organisation for Economic Cooperation and Development and the International Energy Agency claim that gas, oil and coal companies in the UK currently receive more than £3 billion a year in the form of tax breaks and other incentives for production and consumption.

I am sure you can think of many other examples of continuing investment that make you feel uncomfortable.

I find it interesting that the government finds money for these things, but not, for example, for renewable energy or social housing. What does this say about what the Government thinks is more important? What sort of economic system are they trying to 'recover'?

I also find it interesting that the government often justifies these forms of spending by arguing that these investments ensure security, create jobs and are 'good for the economy'- so in these contexts they do argue that there are social benefits to public investment.

Next I'd like to think briefly about what would a 'recovery' for a good economy would look like?

Howard and Ellie argued that investment is 'a prerequisite for a sustainable recovery' and they started to explore what that investment could be in.

It's important when we use the term 'recovery', we think about what actually means, or should mean. This is where speaking confidently about Quaker testimony is important.

If Britain can indeed afford to invest, and government can choose what to invest in, perhaps we need to think not just about a 'recovery' (i.e. back to what we had before the economic crisis) but what new and 'good' economy we want to create and support.

I use the term 'good' as employed at Yearly Meeting 2012 to describe a 'more just economy, one based on goodness, justice, and selflessness, rather than greed, selfishness and waste.'

Partly, we could see this as meaning that the government should directly invest in aspects of our economy that are good for people and the earth, rather than destructive things that we could see as only serving the economic elite or 'business as usual'. Things like perhaps:

- Social housing
- Education
- Research and development for socially useful medicine and technology
- The Green New Deal (as mentioned by Howard)

Climate jobs

I've then been wondering, if the UK is to build, and invest in, a 'good economy', and this economy operates within Quaker testimony, then what would a 'good job' be like?

What kind of jobs should the UK prioritise investing if finance is indeed available? And what do we do about the people who don't have 'good jobs' who might lose out in a transition to a 'good economy'?

One of the key forms of positive investment that campaign groups are now calling for is in 'climate jobs'. By investing in things like renewable energy, energy efficiency, and low carbon transport and industry, the government could create jobs whilst also transforming Britain into a low-carbon economy.

In your preparatory reading was an article from QPSW's Earth & Economy newsletter from May last year about the involvement of Friends over the country in the Climate Jobs Caravan. The caravan travelled the country to promote the idea of climate jobs and to call on government to invest.

Since then, QPSW has been involved in the Alliance for Jobs and Climate, which calls for large-scale public and private investment in climate jobs, mainly through the renewable energy sector. The benefit of renewables is not only that they are low-carbon, but that many forms of renewables create far more jobs than the fossil fuels or nuclear industries do.

The Alliance is in the early stages of bringing campaigns groups, trade unions and faith groups to call for a massive shift in investment. [You can find out more at www.jobsandclimate.org.]

I'm sorry to end on a negative note, but I think it's important to quickly mention a recent related development. QPSW has, in partnership with other churches, and alongside other environmental groups, been campaigning for changes to the Energy Bill currently going through parliament. We have been calling for it to contain a target to decarbonise the energy sector, and incentives for the development of renewable power. We've just heard that the amendment to the energy bill, proposed by the former Tory minister Tim Yeo, which called for a decarbonisation target to be included in the Bill, has been defeated. Several Tories and Lib Dems did back the measure against the coalition's line. The Guardian is reporting was [one of the narrowest victories](#) for the government in a whipped vote during this parliament. We will be writing a response, and will circulate to you when done. My own personal immediate response though, in light of today's session, is that this is a missed opportunity to provide an environment that would incentivise investment in a green economy. The energy bill will now move to the House of Lords, where there will be a further chance to bring forward a decarbonisation target. Again, we will share with you future opportunities for action.

Suggestions for consolidation

Our suggestions for consolidation this week are a bit different to usual, in that we are asking for you to spend some time reflecting on the course so far. There will be an opportunity to share these thoughts next week, so you may want to jot down a few notes.

Please have a think about these three questions – up on screen. They will be circulated in email after the session [below]:

- How have you found the Mythbusters so far?
- What is the biggest challenge to taking on these myths?

- What is your favourite argument from the last few weeks?

And, as previous weeks, please do share your thoughts and reflection on the session on Quakernomics as well [www.quaker.org.uk/quakernomics].

Conclusion

That's all from me for this evening. I hope you've found it a useful session. Remember; click the cross in the right-hand corner to exit.

Next week we'll be learning about tax, with a session called '*A 'competitive' tax system is a better tax system*'.

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