

season 3 episode 1: reMAKING economics 101

SUMMARY KEYWORDS

people, economists, australia, economics, monetary system, world, gabby, economy, labor, modern monetary theory, talking, climate change, university, steven, years, adelaide, called, planetary boundaries, put, group

SPEAKERS

Gabrielle Bond, Steven Hail, Lily Spencer

Lily Spencer 00:13

Hey everyone, welcome back to the reMAKERS podcast. It is a real pleasure to be back and especially to be diving into kind of a juicy theme in this season. We want to be talking to people about the economy – how it works, how it could work, what it would actually look like to create an economy that works for people and planet, instead of adding fuel to some of our literal fires and the climate disaster that we have unfolding. And so today's guests are two people who are going to help us sort of start that, that very conversation. They are Gabrielle Bond and Steven Hail. Gabrielle Bond is a climate activist and organiser based in Adelaide in South Australia. So she works in the area of progressive economics, bringing together insights from ecological economics with Modern Monetary Theory, perspectives on how federal government spending can actually be a force for transformational social and environmental repair. She's the CEO of the charity Modern Money Lab and helps to run their online postgraduate courses in the economics of sustainability. She's also a member of Extinction Rebellion. Steven is Adjunct Associate Professor at Torrens University, and Research Scholar at the Global Institute for Sustainable Prosperity. He has a PhD from Flinders University, a Master's of Science from the London School of Economics. And he was a lecturer at the University of Adelaide School of Economics for about 20 years prior to starting the course that they're going to be talking to you about today. So this conversation covers a lot of ground. And if you've never heard of things or are not that familiar with ideas like Donut Economics, or Modern Monetary Theory, then you might feel like you have dived unwittingly into the deep end of a rather nerdy pool. But don't be afraid, I want you to kind of stick with us because I think it's important for ordinary people, as well as journalists and policy experts and campaigners, to become a bit more fluid and competent and on the front foot in talking about the economy and how we can make it work for us. I think that it's a debate that is deliberately kind of kept "over there", above our heads, in another room somewhere, because it's boring and dry and full of technical jargon. And the message to the rest of us is like, "well, just let the grownups sort this out, let the professionals we're on the real world and the rest of you can just go on talking about all the things you'd like us to do." But of course, the professionals haven't been doing such a great job with all of that lately, as anyone struggling with the cost of living crisis right now in Australia and other countries around the world knows, not to mention the climate crisis. And so we need some new ideas. And the

same thinking that got us through the last 40 years is not going to do a great job of meeting the challenges of the next 40. We need to be ready to be the ones in charge, as Steven puts it in this conversation, or to quote from Hamilton "to be in the room where it happens." And I really do think economics is the key to that door. So that's what we're going to be exploring a lot on the season of the reMAKERS podcast and I hope that this conversation kicks you off and gets you inspired and fired up, definitely check out the show notes, loads of great links. And without further ado, here's Steven and Gabrielle. All right, welcome, Gabrielle Bond and Steven Hale to the reMAKERS podcast. We're so excited to be chatting to you both today about what it creates...what it will take to create an economy that's actually fit for purpose and how some very good and smart people like you have been putting your minds to that for a while now. Um, I just wanted to open with a quote that I think really sets the scene for what we're trying to talk about. And it's by this a really brilliant writer, Rebecca Solnit. So she's a writer and an historian, and she writes his article for The Washington Post asking, "what if climate change meant not doom but abundance?" And so she says, you know, "much of the reluctance to do with climate change requires comes from the assumption that it means trading abundance for austerity, and trading all of our stuff and convenience for less stuff and less convenience. But what if it meant giving up the things that we're well rid of, from deadly emissions to the nagging feelings of doom and complicity and destruction. What if the austerity is how we live now and the abundance could be what is to come?" And she just goes on to say, "we need a large scale change in perspective to reframe climate change as an opportunity, a chance to rethink who we are at what we desire. What if we imagined wealth existing not at the money we stuffed into banks and fossil fuel derived goods we pile up, but of joy, beauty, friendship, community closeness to flourishing nature, to good food produce without abusive labor? What if we were to think of wealth as security in our environments and societies, and competence in a viable future?" Is it possible? What do you reckon?

Gabrielle Bond 05:43

100%? Yes, absolutely. I find that really, really inspiring. I hear from our students, when I jump on tutorials with them. I love it when the conversation comes back to the fact that human beings have imagination. And we can actually, we're great storytellers. And we can actually imagine a future where...of abundance and care. And one of the beautiful little inspiring things that I often come back to and that I like to play sometimes at the beginning of an event, is a little video that you can find on YouTube, which is called "A message from the future" put out by the Intercept. Yeah, it's pre-COVID, but it is absolutely gorgeous. And the artwork, and the story, and the music is just absolutely beautiful. It's Alexandria Ocasio Cortez, and a little, a little animated story about her catching the bullet train. And looking out at at this, this new world of caring communities, and where people have meaningful work that they can participate in. And, you know, climate damage, of course, is going to be part of our future world. But we we do have the tools we need, are there.

Lily Spencer 07:07

Really? Yeah.

Gabrielle Bond 07:10

And I think we saw that during COVID, too. Like, obviously, COVID was tragic, and really, really tough and ruined people's lives. I'm not denying that. I think, I think some people – and I include myself in that – that period of disruption actually brought us some gifts as well. And that was a return to

neighbourliness, and community care and solidarity and generosity, and looking out for people who are vulnerable. And I think that that really sort of reminded us all that change is...change brings good and bad, right. And the way the world kind of snapped into one way of being and then basically snapped back into business as usual afterwards has been quite eye opening for me, I think. I wish we could have saved more of what was good about the COVID experience.

Lily Spencer 08:17

What do you think, Steven? I'm curious to hear your thoughts, especially because I feel like this is not the kind of conversation that you expect to have with economists. Like, we're taught that this stuff doesn't belong in conversations about the economy, which are very serious and should be left to grownups who understand dry and boring terms. And you've been steeped in that world for your whole career.

Steven Hail 08:36

Because it is a bit both ways, actually. This very much is the sort of thing that economists should be talking about. But also, those of us who have these kinds of conversations and have these kinds of thoughts, we need to be thinking about how to bring them about, as well, which doesn't just mean organising it, it also means politics too, because you actually have to get elected in order to...people, we can all change our lifestyles and local communities can do many things, to move towards sustainability. But in the end, this is such a huge crisis that we're facing over the next 10 or 20 years, that we're not going to be able to do that quickly enough without, without national governments in – which is beginning to happen a little bit in Europe, less so in the US and in countries like Australia. Gabby took me back, actually, to just before the pandemic, we had a conference in Adelaide where Stephanie Kelton, who was Bernie Sanders' Chief Economic Adviser on both his presidential campaigns played that Alexandria Ocasio Cortez video that Gabby just referred to, as part of the talk she did entitled "Paying for a green New Deal" that if people searched on Google they could probably find Stephanie's talk even now. That conference itself – that Gabby and I organised had more than 400 people in Adelaide, across three days was the result in part of us going on one of the Schoolchildren for Climate marches a couple of years before, and hearing the anguish and anger. And I just had the thought, "where are the solutions? And you're right to be angry, and to call for change. But actually, maybe someday, somebody's going to turn around and say, 'okay, it's your turn, what are you going to actually do? What happens next?' What if you are the Prime Minister? What are you going to do to change the world now you've got the power to do it?" And I realized that economics education in Australia, and actually in most places in the world, is not equipped to contribute to that. So the first thing we did was we had a conference where we brought together people we thought could contribute. So we had ecological economists. Our famous person, who at the time was at ANU in Canberra is Robert Costanzo, very famous ecological economist. And Mark Diesendorf, who is well known for his work on renewable energy and a colleague of ours called Phillip Lawn. And we also had people who had a progressive and realistic approach to thinking about the monetary system, and the role of government in the economy. And that included Bill Mitchell, we had AOC's...we had one of AOC's advisors there, Andres-Bernal, and we had Stephanie, there doing a couple of talks too. And we were inspired after that...I was inspired to quit my job. And Gabby also quit her job because she used to work for Get Up!, the campaigning organisation. And we set up a charity, and we looked around for a university that would let us set up some online global because they had to be available to everybody, and we didn't

want people flying to Australia to do the course, qualifications to meet that need. And we ended up...we ended up going up with a partnership, going into charity with Torrens Uni, which is one of two private universities in Australia, simply because – difficult, though this might be to believe – we couldn't find a public university that was interesting.

Lily Spencer 12:38

Why not? Like why is economics as we've become accustomed to it so resistant to these ideas that the economy has to exist within planetary boundaries? Or, you know, the GFC? Like, it's not like we haven't had crisis after crisis. So why is it so hard for economics to change that you had to go off and find...it was such a struggle to find a university that would let you teach this course when you were already teaching in Adelaide at the time, weren't you?

Steven Hail 13:05

I was teaching at Adelaide, but very much...people who are not part of the orthodoxy of the past forty years, they are collectively called heterodox economists. They include feminist economists, ecological economists, and all sorts of people with other labels, because there are a variety of different ways of looking at the world. Anyway, if you're not orthodox, you're heterodox, and I just got tired after a while of being the token heterodox economist in any university. And also it's important, which we're not going to bring about change, unfortunately, unless we have...that there's the RBA, Reserve Bank of Australia, has just had a review, they're going to be putting six economists onto a body that's going to be thinking about interest rates and other issues. At the moment, it's difficult to think of very many candidates who haven't all had exactly the same education and don't agree with each other on precisely everything...who would be candidates to go on to that board. And what we need – and there's actually a demand for this amongst employers, and not just in not-for-profits and campaigning organisations, but even in financial institutions these days. We need people who are economists who do have an understanding of planetary boundaries and ecological constraints. And particularly who understand that it isn't just about reorganising how we do things, and slightly changing what we buy. We have a problem with the scale of our impact on our ecosystem, and just moving towards renewables where there are problems to do with organising that. There are also potentially problems with resourcing it. I don't mean paying for it. I mean finding the minerals, the rare earths to make it possible to electrify the global economy, and to have 100% renewables – well it's already not quickly enough – but quickly enough to mitigate the effects of climate change. And of course, that's only one of the nine planetary boundaries which earth system scientists identified a little bit more than 10 years ago. So we need to reduce, on a macro level globally, our impact on the planet. But we need to do that while still allowing the great mass of the global population to consume more goods and services than they are at the moment because although we are over consuming in the rich world, or many of us are anyway, that is not the case with the Global South. You're right though, this is not about austerity. It's about shifting our focus away from growing what people often call gross domestic products, to improving well being over time. Having other targets like Kate Raworth with talks about in Donut Economics, or like some economists talk about when they discuss a measure called the Genuine Progress Indicator, which looks at both benefits and costs of economic activity, and includes things like household labour, unpaid work, and covers a range of social and ecological issues, too. We can improve the quality of people's lives while reducing our impact on the planet, but we have to train people so that there are lots of economists out there who understand these things, and they find their way into national treasuries and into banks – because

we're not going to be abolishing all banks, that's most unlikely to happen. We're not going to be getting rid of money, we've had it for 5000 years, it's likely to last a little bit longer. But what we do need to do is change our higher goal in the future. And what we would like is to demonstrate to universities around the world, that this is the best way of educating economists with a pluralist approach, starting – the very beginning of our first course – we start with planetary boundaries. That's the right place to start. It's not something to tack on at the end of the course, or ignore completely.

Lily Spencer 17:32

It's not an elective, by the way, if you're interested in some fringe little side route. Yeah.

Steven Hail 17:38

That's absolutely right. And that's what Gabby and I, we are literally – and we have at least two years now – we're working on this seven days a week, and pretty much around the clock, if we look tired. We've got some great students, but we want more of them. And we want then the top universities in the world to put us out of business, make us redundant, right? Copy us, so that we don't need to do this.

Gabrielle Bond 18:06

Wow. I was just gonna...I was thinking while Steven was talking about how we sort of opened this conversation with with the idea of imagination and storytelling and a positive vision for the future. And I just wanted to mention that Kate Raworth's with Donut Model, and the work that's come out of that, and that you know, how they're applying the Donut Model to cities and metropolitan areas and states and local areas. That is, you know, the imagination that went into kind of creating that model and, and telling that story in something as simple as two concentric circles, right? This is why we have the tools to solve the problems that we're facing, because we have, collectively, the imagination and the will to do it. We just need to get our leaders on board with these things. Anyway, I thought I'd try and bring it back to where we started.

Lily Spencer 19:09

I love that. And you guys are both already giving me hope making you want to sign up for the course which by the way is linked to in your show notes or will be so you can find out all about that. But Gabby, I'm curious about how you came to economics as your kind of thing that you're putting your passion and energy into, you know, seven days a week as Steven was just saying. Because you do have this background wearing different hats and – campaigner organiser, environmentalist – like do you think that people who want to change the world for the better need to get a lot more economically literate and on the front foot? Is this the kind of missing piece for you?

Gabrielle Bond 19:41

Yes, I do think that's that you've kind of nailed it there. What brought me into thinking about economics differently – but like many people, I think – I sort of came to activism through being concerned and worried about climate change and its impact. And economics was kind of a thing that the other side of politics talked about. Yeah, yeah. But what brought me into thinking about economics differently was a campaign that GetUp! had called Future to Fight For. And it turned out that Steven was one of the the kind of brains behind that. Well, the brain, I suppose behind behind that campaign, and it had five pillars.

Steven Hail 20:25

Hang on, can I just interrupt you?

Gabrielle Bond 20:27

Yeah, go for it.

Steven Hail 20:28

Joseph Stiglitz, who has a Nobel Prize in Economics, was behind the campaign.

Gabrielle Bond 20:32

You and Joseph Stiglitz.

Lily Spencer 20:33

You and Joseph together. We'll let him have a moment.

Gabrielle Bond 20:37

Yeah, it had a number of things. But the biggest one that, that kind of captured my imagination was the idea of a job guarantee. And a lot of people have been talking about, like, I know, the discourse at the moment, is very much around raising the rate of, of welfare payments, which is absolutely necessary. And a lot of people sort of on the progressive side of politics get turned off the idea of a job guarantee, because they see it, as you know, you have to work otherwise you don't, you're not valued, so you are your labour. Whereas the kind of job guarantee that was in Future to Fight For, and the kind of job guarantee that we believe, is, the one that we want to promote, is one where you have the option to work, but you don't have to. So quite different, quite a different feeling, quite a different...because obviously, most people actually do want to work and contribute. Some people want to, but they can't, because of all sorts of reasons: caring responsibilities, disability, not having the opportunity. But if people want to work, we believe that the Federal Government should resource them to be able to contribute to their communities, by way of full employment. And I think that was that was really clearly set out in that campaign, Future to Fight For. And the more I read about it, the more I thought, yes, this is...economics has done so much damage, I think, and part of why we are working so hard on this alternative is to undo that damage as much as we can. We're only, you know, two people. I know there's others out there doing great work as well. But the fight is not even. So if you're thinking about becoming more educated in progressive economics, we need you to run our courses. Please come and join us.

Steven Hail 22:40

We're not only two people, though, there's lots and lots of us. And amongst our team we've got Colleen Schneider, who's a brilliant Austrian ecological economist. We've got some famous – if people have heard of this term, Modern Monetary Theory – economists, someone called John Harvey. If people want to look him up on YouTube, he does shows he calls himself a cowboy economist. He puts a cowboy hat on to explain things. Scott Fullwiler is very well known. There's a young German called Dirk Ehnts who's working with us. So we've got a...there's a, there's a lot of support for this. Stephanie Kelton has been a great supporter. Fadhel Kaboub has a very important job in in Addis Ababa now for

multi, multi-country governmental organisation, pushing to negotiate between the global south and the global north about climate change climate reparations. All these people have been very, very supportive. And we have students from all around the world. But yeah, Gabby is right. At the moment it's very uneven. And partly, it's uneven because we've had 40 years of state capture. And some of that I'm afraid – I don't want to sound like a climate change denier or conspiracy theorist – but there is but that has affected economics education, too. Because all sorts of groups...I mean, in Australia, you often think - to quote from somebody, I can't remember who - but it's difficult sometimes down the years to see where the fossil fuel sectors ended, and governments begun. And if you're at the University of Adelaide, where I was for 20 years, one of the best lecture theatres there is named after Santos.

Lily Spencer 24:31

Wow. Yeah.

Steven Hail 24:32

And there's influence. If you, if you, if you go down a particular path – at least up until very recently – you'd have much more chance of having a good career.

Lily Spencer 24:44

Yeah.

Steven Hail 24:45

And what we're doing is saying this is, this has had disastrous consequences. Somebody got a Nobel Prize for Economics five years ago for arguing that the optimal degree of global warming was four degrees.

Lily Spencer 24:59

What?!

Steven Hail 25:00

And that six degrees of global warming was better than trying to keep it below two. His name is William Nordhaus, you could look up his Nobel Prize speech on YouTube. Our colleague Steve Kean, who does guest lectures for us, published last year a paper called "The appalling neoclassical economics of climate change," where he explained all the unrealistic assumptions behind this. Our colleague, Will Steffen – who was a famous systems scientist who sadly died a couple of months ago – he, he did a talk after Nordhaus got the Nobel Prize saying four degrees of global warming is not survivable – at least not for an economy. That's... so these are the kinds of things – and it's obvious that the discipline is captured when you can get a Nobel Prize for an argument that one of the leading climate scientists in the world comes out and says, "what you're saying is optimal might mean a global population of 2 billion, but not 8-10 billion." Catastrophic. This is the kind of thing that we need to fight back against, and we are making progress. Even Gabby talking about a job guarantee, is part of this. Gabby's had a campaign group on the side, as well as charity. And one of that group, Dr. Tory Wade, did a-published report last year on a federal job guarantee, and that's...that work has been influential. The Greens passed through the Tasmanian Parliament, a couple of years ago, the first measure to pass a parliament in Australia, calling for research on what a federal job guarantee would involve. Every

branch of Young Labor in Australia is now in favor of a federal job guarantee, except perhaps New South Wales. And they-that's just, that's just because of New South Wales I don't think they've discussed it yet. Members of the federal cabinet said about a federal job guarantee, "well, at least it's not a UBI." I was gonna ask you about UBI. This feels very generational to me. Like it just, you don't want to be all like, rage on the old white dudes. Because, you know, like, it's not about picking off one group is the problem. But it does seem like there's a generational shift to people coming through going "well this is also obvious," but the people in power are really resistant to that change. Like, how much traction – because I know that you know, you're still in the minority in terms of the university courses, although I've, I see more and more the Cambridges and those types offering these kind of six week online kind of mini, you know, introductions to sustainable business... ...They don't really...

Lily Spencer 27:24

...like "you too can come get your certificate and then go consult." But okay, so academia has got a long way to go. And I know, you know, there's people like Kate Raworth at Oxford with her Donut Economics, which we can talk more about for people who don't really know what that is or what we're talking about. But like, what about the circles of policy? Is it...are we still waiting for generational change? And we've got a Labor government in power now who's talking about a more values based capitalism, like, are there opportunities for some meaningful change, do you think, in this current group of leadership and what would you be having them do?

Steven Hail 28:27

Well, one would hope so, although a lot of it is greenwashing at the moment. And remember, we are talking – Mr. Charles has been talking – about your rights and Wellbeing Economy. But so far – although this morning in the news, they seem to be stepping back a bit from this – but so far, for example, they have simply refused to raise the JobSeeker payment, from what is a disgracefully low poverty level in what is one of the world's richest countries. And people like Kate do magnificent work, but they're not really at the center of the economics departments of the universities, they're in. Cambridge might run a course with sustainability in it. But if you do an economics degree at the University of Cambridge, you won't be doing that. It's not in the economics department. The word "sustainability," of course, is now a great marketing term. So you put "sustainable" in if you are selling stuff. And you say "you're sustained - you'll get more customers." If you want to get young people on to your degree, before you brainwash them into thinking about something else, put the word "sustainability" somewhere. Sometimes, there are places in the world where you can study Ecological Economics. There are universities that have strong Ecological Economics departments. The University of Leeds, which Kate often works with, is one of those. And there are places in the world where you can look at the monetary system in a way which is realistic. In Kansas City, there's a university called UMKC which does that. Bard College in New York. Not really anywhere in Australia. But there aren't any places – and this is, as much as anything else where we put this course together, there aren't any places where you can put these two things together.

Lily Spencer 30:20

Right.

Steven Hail 30:20

And we think you have to put these two things together. Because we think the federal government is vitally important, if we are going to have people live in the future, in economic security, with a much, much less uneven distribution of income, and wealth – which we think is important, if we're going to have a sustainable future, if we're going to plan for and bring that about, and people need to understand the monetary system. You can't just say, "I'm not interested in money, and banking." That doesn't work, you have to get interested in it. Bit like if you go to yoga, and there were some poses you don't like doing. Those are the poses you have to do, you've got to learn these things. And similarly, there's no point understanding the monetary system if you're just going to go on and destroy the world.

Lily Spencer 31:29

Hey, just wanted to say that if this conversation has got you thinking, well, we would really like to hear from you. So you can get in touch with us directly by email podcast@AustraliareMADE.org, you can also give us a call, and the details for that are in your show notes. I wanted to give a huge shout out to everyone who takes a minute to spread the word about this podcast or to write a review. It means the world to us. We are a small not-for-profit, independent team, building a community of people who want a kinder, smarter, more hopeful, and solutions-focused politics. So if that sounds like your jam, please go to the website, AustraliareMADE.org and sign up to get updates and stay in the loop and check us out. Thanks, back to the show. So it makes sense to me why you're try to bring these two things together, and we'll circle back later about kind of what we would have the government do differently on a really practical level, if you've got some ideas there. You know, how would you – on the jobs guarantee thing – think that's really interesting to unpack as well. Then there's people talking about Universal Basic Income, and all kinds of things. But first – just to high level it for people – understanding the monetary system. My very basic understanding of Modern Monetary Theory it says, "comparing a household budget to a nation is ridiculous." That in a context where you can literally print your own money or go on to a thing and add zeros to a digital spreadsheet, and flood your economy with money – that the issue here is not that we just have to spend within our means we have to think differently about our capacity and the real, the real breaks are inflation. You know, do we have the resources, both in terms of people and resources in order to spend this money? And if we do great, and if we don't, then maybe we should think about not pumping too much into the economy because it will create inflation. So is that kind of right? Or is there a lot more than Modern Monetary Theory that people don't get or misunderstand?

Steven Hail 33:47

There's a huge amount to it, because it's the work of lots of very clever people over 30 years. So anything we're going to say in a podcast...

Lily Spencer 33:55

...anything we're going to say here and now, especially out of my mouth is...

Steven Hail 33:58

...out of, out of, out of anybody's mouth, you just can't. It's gonna...it takes a long time, because it involves a detailed study of not just – monetary systems are not all the same – so monetary systems in general, and the accounting and assets and liabilities and how private and public balance sheets fit together. But then you have to say, well, the US monetary system is not the same as the monetary

system that Germany is part of. And the Eurozone system – well, you know, that's not the same as the monetary system of a West African country using the CFA franc is part of and there's lots of...so obviously, there's a lot to it. But actually, I don't like calling myself an MMT economist. I don't start from MMT. I start from the higher purpose. The first thing I would do if I was the treasurer is shock everybody. I'd say, you know, we have to make some investments over the next few years. So GDP is going to grow over the next few years, because it will include those investments, and we need to put in place alternatives before we start eliminating some of the things we're doing at the moment. But in 10 to 15 years time, we are not going to be growing our economy anymore. We're going to have a different way of providing people with a better quality of life. But before we do that, we have to give people the means to have a good quality of life, and to do so securely. And then yes, you've got the federal job guarantee going in there. But you've got the...let's use the monetary system to...while continuing to keep inflation low and stable, transition to electrifying our economy and renewables much, much faster than we're currently planning to do, which is going to involve the government playing a much bigger role than we might have been told over the last 40 years is the best way to manage things. But over the last 40 years, we have been heading at an accelerating rate towards disaster, and, on a global level, carbon dioxide emissions will be at their record level in 2022, and they'll almost certainly be at a new record level in 2024, and 2025, and we need to do something about this. On a per capita basis, when we look at research by Jason Pickle and other people, Australia, outside of, you know, Gulf countries that are exporting oil, Australia is the worst offender. So we have a moral obligation to be in the lead about doing something about this. And next time there's a COP meeting – we've failed to deal with this for 30 years now – we have to, we have to try and persuade the US and Europe and China – or at least two of those three – to start taking this seriously. But we can't do that unless we're taking it seriously. So we know the general direction that we need to go in, we know that communities that are going to be affected by the changes that we'll need to make, because we need to transition out of coal, at least very, very rapidly, at least where that coal is is part of a very narrow range of activities that we might not yet have an alternative for. But coal mining communities – the good news is they're not, they're not hundreds of thousands of people involved – we, we need to support them in that, we need to ensure that they don't bear the burden disproportionately of the transition that we need to make. But there are lots of other investments we need to make too. If we want people to use private cars less, we need excellent public transport. If we want – over time – for people to, to shift away from an obsession with higher and higher income, and over-employment, then we need to ensure that people have access to enough income and enough employment – and that employment should contribute towards the community and the environment, it shouldn't be making the problem worse. And there's a whole variety of other things, too. But we need to have a plan there. And at the moment, there really isn't a plan. Other than, let's put pressure on big polluters gradually to reduce the amount of pollution that they're generating, and leave everything else to the market. That's the plan. At the moment, that's, that's, that's not going to get us there quickly enough, and we are not playing an active enough role in leading the discussions internationally. Then beyond that, there has to be a massive transfer of technology, of real resources. In other words, from the Global North, to the Global South. Because, as I was saying earlier, most countries in the world do need to grow their economies, but they need to grow them in a way different to how we grew them. They can't build their wealth on fossil fuels. And, across most of Africa, we shouldn't be using fossil fuels that are ready to generate electricity. Most of these countries are very sunny. We really ought to be able to move rapidly to the situation where there's 100% renewables, and that means a technology transfer. And to pay for that technology transfer, there needs to be financial

resources provided, and most financial resources need to come from the monetary sovereign governments in the Global North - and we're not talking about the trifling amounts discussed last year, in Egypt. We're talking about something like 5% of our gross domestic product. And then you need to think about how we're going to manage inflation. And managing inflation, it turns out just jacking interest rates up is not the best way of doing that. Something we ought to be using much more actively than we have been, is what sometimes called macroprudential regulation. The Reserve Bank – or the prudential regulator in Australia, APRA – between them, should be limiting the amount of lending private banks were allowed to do, and influencing the nature of that lending, so it should be going much more towards funding investments to transition as to a sustainable future. It should not be feeding spot speculation on financial markets, or the property market. There's so many other things we could go on all day. I haven't got on to public housing, and homelessness and all sorts of other things. But the the thing is, we're not dealing with any of these issues at the moment. I might just finish, just to show how much we need to change things, by telling you a little story. And before the last federal election, the Labor Party ran an event at the University of Adelaide, where I was working. And because my students were involved in organising the event, I got to go, and I was invited to ask a couple of questions. And the speaker was a very brilliant, albeit mainstream economist called Andrew Lee, who was the Shadow Deputy Treasurer, at the time, and he was talking about all sorts of ways in which Labor were going to be seriously taking on inequality. The first question I asked him – because inequality has been rising continuously in Australia since 1975, almost without a break – I said, "what have all the previous Labor governments, since the early 1980s, done wrong?" And his answer was – the only answer he could give – was, "well they haven't really done anything wrong, and inequality has just increased around the world, and there's not much we could do about it or anything." So the second question, I said, "well, in 1975, Labor had a Scandinavian, sorry...Australia had a Scandinavian level of inequality. The Scandinavian countries still have a Scandinavian level of inequality. We don't." I said, "you've been talking about inequality. You and I both agree on the best way of measuring inequality" – it's a statistic I won't bother people with. I said, "you set targets for a lot of things. We have an inflation target. In Australia, you certainly want to keep GDP growing, or there'll be a recession, we've got a target for that. How about you set a target for inequality by how much you're going to reduce inequality in the first term, or first couple of terms of a Labor Government. After all, you are a Labor Government – or you will be when you get elected – and that's really important if we're going to move towards a sustainable future." And he, he was very honest, he looked at me and said, "I can't persuade my fellow members of the Shadow Cabinet to do that." That's where we've got to. We've got to the point where a Labor Government is not really interested in inequality. We've got tax cuts for wealthy people that they're still planning to implement, and as we speak, they're resisting any pressure to raise JobSeeker. And although Young Labor wants a job guarantee, there's...that at the moment, there are no plans for that at the federal level. And – although I'm not opposed to a UBI, there is not UBI or federal job guarantee – but I do have to tell people, there is absolutely zero probability of that happening under a Labor Government in the foreseeable future. It's just not gonna happen in Australia. So we we have to push for other things to deal with these issues. But that's the set of circumstances we're in at the moment. At least they're taking climate change more seriously than the previous government, although we're still opening up gasfields. But this is why – not just in Australia, but around the world – we need lots of extraordinarily well informed people getting involved in campaigning organisations, and by all means joining the Labor Party too. And, and taking it over, and changing it, because the next 40 years are not going to be like

the last 40. They're going to be different. And the only thing is uncertain is how they're going to be different.

Lily Spencer 45:06

Gabby, I want to throw to you on that. Because with your campaigner hat on, you know, politicians would say, "look, if we get out too far in front of the people, we just get hammered in the media, we lose the next election, the opposition, take this down." So I hear that a huge part of your theory of change is building up people with the knowledge to then go out and join and lead and infiltrate all of these different organisations where they can affect change. How do we convince the politicians who want to be convinced – the people like Andrew Lee – in the meantime, that they're not just gonna get screwed if they get a little bit brave on this? I mean, why shouldn't we measure inequality?

Gabrielle Bond 45:43

Yeah, that's a really, really great question, and I don't think there's an easy answer. But, I do think a lot of it comes back to framing and the language that we use to talk about, you know, the problems that we have and the future that we want. And I'm not a great expert on framing, but I have learned a lot from sort of listening to Steven talk, and reading and listening to, Anat Shenker-Orsorio, and people who are great experts. I've recently read the George Lakoff book, "Don't Think of an Elephant," which is very illuminating. And, I think, like, I guess, to sum it up, my sort of...my conclusion is that the people in charge basically like things the way they are now. They're quite happy with the way they are. And I don't...I think there are alternatives, like, I'm a member of the Greens, and I'm certainly supportive of Greens politicians and candidates and, and Greens policies. And I think if the Greens have a lot of power – or more power than they currently do – and they keep growing their power, that will be a good thing for Australia – and around the world, obviously. So I would love to see a kind of great big movement on the left. Labor have kind of moved across - they're basically a right wing party now. I don't think I would be lying if I said that. You know, in Australia, we've got the Coalition, which way over on the right to the kind of extreme right, then we've got the Labor Party, which is basically to the right of center. And there's, there's a bit of a gap there on the other side. And I don't really know what's going to happen, but I think what what we need to do is get better at talking about the future that we want, and not to buy into the frames that the other side has used so successfully for decades. Things like "the government as a household," right. And one of my pet peeves, for example, is saying that "taxpayer money pays for things." And although that might be true at a state government level or a local government level, it's really damaging at a federal level, because it's just not true.

Steven Hail 48:18

Yeah, absolutely. To be fair to Adam Bandt, he rarely says that, he usually says "public money." And also to be fair to the Labor Party, there are some fantastic young politicians in the Labor Party. One of whom came to an event we ran in Sydney last year, and has done – not because of us – but has done some great speeches – Shireen Morris, the legal academic. She was a candidate – she didn't actually get elected – last time around. There are some brilliant young people - Lachlan McCall, who until recently was the Chief Economist at the ACTU, and I think is going to work in a campaigning organisation now he's not at the ACTU anymore. He was in the Treasury – in the Federal Treasury prior to that. Framing's so important. I would just say that the one big shift...people like us...people have to go through...basic ecological issues were not take...were not really considered then, because it's really

only since 1970, we're told that we've been living at a global level and sustainably by the, the Global Footprint Network, anyway. But after the Second World War, people like us did take over. It took two world wars, a pandemic and a Great Depression. But they did, and it took 40 years for the Neoliberals to take over again. And, you said "let's not get out in front of the people." But actually the person who changed the world was Margaret Thatcher, and she disagreed with you. She did go out, in 1975, and she became leader of the Conservative Party in the UK. She was very unpopular, for a while, but she took advantage of a...an energy crisis. And she just said, "no, no, no, I don't care what everybody else says this is what I think is working." And she won in the end, she won. She didn't just take over the Conservative Party. She took over the Labor Party, as well. And she was asked towards the end of her life "what's your greatest achievement?" She said, "Tony Blair."

Lily Spencer 49:44

Oh that's so depressing.

Steven Hail 50:09

She could have said, "Paul Keating."

Lily Spencer 50:26

Yeah. Or Bill Clinton, who is still beloved.

Steven Hail 50:33

Absolutely right. But the good news is, if they can transform the world, we can transform it back.

Lily Spencer 50:42

And we've got our own series of crises, for sure...

Steven Hail 50:46

...definitely...

Lily Spencer 50:46

...with no shortage of opportunity in that, and it's certainly...back to the very start of this conversation, you know, the opportunities that COVID gave us in that disruption. I was listening to another podcast recently, where they were saying "it was like we trusted people during COVID." You know, it was like, "okay, let's just double the rate of unemployment. Yep. Okay done." You know, there was this automatic sense of like, we're in a real crisis, and all that Neoliberal stuff actually doesn't matter and actually isn't true, and we kind of always be that anyway. So we're just going to do what actually works, which is to give people the support that they need to like live good and safe lives.

Steven Hail 51:23

If I was to be a bit negative about that, I might say the politicians, they treat those of us...I mean they described unemployed as though they're 19 year olds, who are just being lazy, when it's very often - I don't know - a 58 year old woman, who's got divorced and doesn't have any super, and of course, it's not doesn't qualify to spend it yet, anyway. And outside of being close to full employment, the type of jobs that are available might not be - if you've got a touch touch of arthritis - they might not be the kind

of jobs you can do. Working in a fast food place or something like that. So you're stuck unemployed. That's, that's the typical unemployed person. But the normal view is, the unemployed are not like us. That's just...but what happened in the pandemic is suddenly people like us will be...we're at risk of becoming unemployed. But the other thing, which is the great thing about the pandemic, it shows that if governments decide to make changes, really major changes, they can do it overnight.

Lily Spencer 52:29

They really can. Yeah, it was shocking the...how quickly things turned on a dime, and how much grace and willingness there was from the population and trust in government went up and we went, "okay, you're not going to get everything, right. We haven't faced this before in our lifetimes, we might make some bad calls. But you know what, we think you're trying to do the right thing. And so we're going, we're going to do our best to kind of back you". And I know, there wasn't universal support for every universal thing that happened during COVID. But, there was a broad sense of, you know, that cliché, and we're all in this together. So let's get...

Gabrielle Bond 53:03

They basically switched off poverty.

Lily Spencer 53:05

Yeah, even in the US, I mean, doubling the Child Tax Credit overnight, took millions of American kids out of poverty.

Gabrielle Bond 53:14

And, I think, although it didn't last, and it didn't capture everybody, it's still now an example that people can point to, to say, "the better things are possible."

Lily Spencer 53:27

Yeah. It used to be... It used to be convincing people that change was possible was the hard thing. And I think now in Australia, we've had this lived experience, not only of a pandemic, but of these, you know, incredibly catastrophic fires and floods. And we are feeling a visceral sense that all is not going to just carry on as normal, that these are real changes, and it's just a matter of kind of how are we going to navigate them.

Gabrielle Bond 53:29

...change is possible. And I think social licence, for the kinds of polluting activities that big companies do, is becoming more difficult. I know, there's been a lot, in the kind of, in the news about the Adani group, and you know, the Carmichael Coal Mine, and all of those places, and the fracking and the Beetaloo. And people are getting out of their comfort zones and actually doing disruptive protests about those, those projects that are going to destroy lives and cause extinctions. And I'm part of groups that are involved in that. And I think more and more people are getting to the point where that becomes a logical conclusion, so the direction that we're heading in. And yeah, I think, I think that that kind of, that kind of disruptive protest and non-violent direct action is a big part of making change, because you've got to have the radical flank, right? And so...

Steven Hail 54:57

...yeah, Gabby's in XR, and I'm in the XR cheer squad, I'm not in XR, but you need also the positive side...And again, that goes back to the psychologists, and cognitive linguists like George Lakoff, we need to be able to say, not just, "you can't keep digging this stuff up from under the ground and burning, but also we don't need to. There's a better future."

Lily Spencer 55:25

I love that. And it look for anyone who's listening to this and just going, "oh my god, this excites me, but it terrifies me or I don't quite know where to start, or I'd like to get my head around it." Yes, there is the Torrens University course, which we will absolutely link to. And I love that you're making it available to people who want to do a full Master's, as well as people who are like, I just need the knowledge, and I don't have time to go back to university, so let me do the course on a non-degree basis, or at least the first subject and really get into this stuff. So I think that's amazing. You're also doing weekend intensives, which I think is really cool, we are going to be linking to those. So the course will be starting up again in June. There's weekend intensives, there's one coming up, like in May. So you can go check that out through the link in your show notes. There's the action group that you mentioned, the Sustainable Prosperity Action Group, which really appeals to, kind of, the campaigners among us who are trying to get our head around economics. So you know, we'll be linking to all of these things. I think that if we talked a lot more about this and a lot less about the culture wars, we would be setting a positive, proactive agenda that we would win. And I think there's...

Gabrielle Bond 56:27

...absolutely...

Lily Spencer 56:27

...a reason why the right try to keep us distracted with "but wait," you know, because that they know, right? They know that's where they can make inroads, whereas we're actually talking about the stuff that like, we all agree on, like, yeah, we want a sustainable prosperity for ourselves and our kids, that they don't have the answers there. You know, unfortunately, I mean, beyond just let's hope technology will save us and giving shareholders the reins. Like, you both have been so fantastic. I could talk to you for another three hours, but I know that everyone's gotta get back on with their day.

Gabrielle Bond 57:02

Thanks Lily. What a joy.

Lily Spencer 57:03

Any final thoughts that you want to say before we finish up?

Steven Hail 57:07

If people like reading books, and they haven't read these books yet, of course, you should read Kate Raworths' "Donut Economics", Jason Hickel's "Less is More", and there's another great book on inequality called "The Divide," with Jason Row, and maybe Mariana Mazzucato's "Mission Economy" book, and especially our dear friend, Stephanie Kelton's deficit myth book. She's one of Gabby and my

best friends, and in my opinion, the best economist in the world. So that's the book, if you've got it...if there's one book in the world I'd like you to read it's that one.

Lily Spencer 57:43

Yeah, amazing. Thank you, and you've named a few that are on my reading list right now. And I just finished "Mission Economy," which I loved. But yeah, great recommendation. Thank you so much.

Steven Hail 57:53

Thank you.

Gabrielle Bond 57:54

Thank you, Lily, it's been a joy to talk to you.

Lily Spencer 57:57

Cheers guys. After we finished recording, Steven and Gabby told me that the best thing about teaching this course they've been offering has been watching the students meeting the students who's in the room and how they're interacting and coming together from literally all over the world. And everything from professional journalists and policymakers and professors through to musicians and, you know, just people who are interested in this because, wow, finally, an economics degree that seems relevant to the real world. So I hope that it's given you a lot to think about and even if there's stuff you disagree with, or you're not sure that you'll sort of stick with us this season as we talk to different experts about our economy and all of the issues that that plugs into and where we want to go next. Because, it is after all, our imagination and our ability to envision something new that gives humans our big advantage on this planet, and I really do believe that our future can be one of a different kind of abundance and a better one rather than austerity. So until next time, I'm Lily, thank you so much for listening to the reMAKERS.