

INTRODUCTION

*On the imposition of uniform duties and customs, trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free.*¹

Section 92 of The Constitution Of The Commonwealth Of Australia.

To my mind, two of the most contentious issues for discussion in Australia, and the world today, are the degradation of the natural environment and the widening gap between rich and poor. Consequently, this thesis is directed at these two issues, the former explicitly and the latter implicitly. The abuse of the natural environment and the inequitable distribution of wealth are exacerbated by economic activities, and associated economic theories, over the past two hundred and fifty years. The primary cause of exacerbation is because the economic environment has dominated the natural and social environments. The economic environment does not respect the other environments in a manner that regards each environment as equally important. On the contrary, the other environments are expected to revolve around the economic environment. Unfortunately, this ascendancy has created social alienation within our communities as well as the alienation and degradation of the natural environment, the Australian landmass and its waterways.

To address these issues, the thrust of this discussion calls for constitutional recognition of environmental quality as a means of minimising human alienation from the environment. Constitutional recognition of the natural environment is essential to counter-balance the externalities, or unidentified costs, condoned by Section 92 of the present Constitution. Unfortunately, the current economic ascendancy does not appropriately recognise the detrimental effects or externalities

created by the economic market. We have a situation where community well being is under constant pressure to survive, let alone function in a manner that displays elements of cohesiveness. The well being of the community is further marginalised by having to absorb the detrimental economic, social and environmental costs created by the current political and economic structure. These costs reflect the failure of the economic market. This failure is evident on the Australian landmass since European appearance, and has been expedited by the implementation of economic theories proposed by Adam Smith, adapted by Marx, modified by Keynes and re-invented by Friedman.

Marx theoretically addressed the market's failure of economic and social inequality, or the division between rich and poor, while Keynes practically applied theories to minimise the economic and social inequalities, and therefore enhanced the well being of communities. However, no previous application of an economic theory has adequately addressed the market's failure to respond to the needs of the natural environment.

The contemporary pace of technological change, utilised by current economic practices, has had a detrimental impact on our social, political and natural environments. Technological change needs to be recognised as a guide to rectifying current market failures, not a solution. Technological change also highlights the pace and intensity of globalisation in our changing environments, and the need to have political institutions that can be utilised to negotiate acceptable change for respective constituencies.

Our societies are made up of a vast range of ideals, and it is important to respect those ideals by advocating for political institutions that restrict the prospects of one ideal becoming the perpetual dominant ideal in the contemporary Australian

and contemporary global community. On this premise, the second main element of necessary change in dealing with the global dominance of the contemporary economic environment is a political structure that empowers the people with greater control over their communities. Arguably, the most equitable method is through a two tier political structure, with greater control of resources at the lower tier.

All aspects of our society are being asked to restructure as a means to create a more efficient society, and yet we find our parliamentary systems remain intact. It is possible that the current system is no longer effective, if it ever was truly effective, and should rationalise to a two tier structure to counteract the paradox of the free market exacerbating public centralisation and monopolies in our society today.

It is not my argument to propose a precise regional outline, as the legal implications of the precise number of regions and a precise outline of a parliamentary structure requires appropriate authoritative input. However, it is appropriate to explore current aspects of market failure, their impact on Australian society as well as elements that impact on the global society, and propose a general structural outline that may contribute to reduce the impact of market failure in the context of contemporary globalisation.

THE PAST

Without a natural environment that sustains itself, life as we know it ceases to exist. Our immediate needs are so basic it is incredible to realise that many of our political societies seem to have forgotten the importance of clean air to breathe, clean water to drink and sustainable soils to provide food. If our political societies have forgotten the importance of these three essential elements to our existence, then it is a natural step to question the validity of our political societies.

There is no doubt the accumulation of material wealth in countries like Australia has produced a comfortable existence for some. I say comfortable in the context of minimal physical exertion to provide access to air, water and food. Assessing minimal exertion on its own is not necessarily a bad thing. However, when viewed from the perspective of resource depletion, the need for immediate and short term comfort contributes to long term detrimental effects on the quality of existence for contemporary societies, and for future generations.

It is unfortunate that the pursuit of comforts and wealth has been so overwhelming and paramount that it has clearly distracted many people and many political societies from the awareness of the need for basic essentials. Some of us have forgotten how important our natural environment is. Some of us have been born into families who have forgotten, or have never known, how important our natural environment is. A significant proportion of the people in Australia are now alienated from the natural environment. Some of us are so alienated from the natural environment we are actually frightened or scared to go into the bush. Some of us are unsure of the flora and fauna because we have never seen it before. Some of us are unsure of the flora and fauna because we have never heard it before.

We who are so unsure of the naturally occurring sustainable environments find greater comfort and warmth in unnatural environments where industries spew out pollutants into the atmosphere, where industries use our waterways to carry away other pollutants, so that we continue to fabricate an environment that hides us from reality.

Meanwhile, industries continue to use minerals and elements that have been extracted from the earth. The extraction process reduces the sustainability of the soils and in many cases, destroys the sustainability of the soils. Our agricultural pursuits continue to use chemical pesticides to control unwanted diseases and life forms that have responded to our reliance on monoculture. The fact that pesticide residue continues to enter our watertables and waterways which inhibit the sustainability of our natural environments continues to be a major issue of concern. The fact that our irrigation practices continue to increase the salinity of soils which inhibits its sustainability for our agricultural practices and other life forms is also a major issue of concern. The fact that urbanisation continues to create concerns through the inadequate treatment of human waste is an ongoing issue for the welfare of our natural environment.

Somewhere along this line of thought, you have to ask yourself – how did we arrive at this critical point and how can we make realistic steps toward rectifying a situation that is nothing short of a crisis?

Perhaps it is more than coincidence that industrialisation in England during the eighteenth century occurred following the overthrow of the Absolutist Monarchy during the mid-seventeenth century. The Monarchy was stripped of its absolute power and replaced by a business class whose best interests were served by expediting the breakdown of a diminishing feudal structure and replacing it with a

system that focused on individual freedom. This determined that the pre-existing social structure which utilised obligations and interdependency was abolished. It was replaced with a structure that emphasised economic imperatives as paramount to society's well being.

The establishment of the economic environment as all important has meant that other equally important environments have become subordinate to the economic environment. Consequently the economic environment is considered more important than the social and political environments. In the context of this paper, the economic environment is also considered more important than the natural environment. We only need to analyse the history of the Australian landmass, since European "incursion"² from the late eighteenth century, to recognise the destructiveness of economic ascendancy on other equally important environments.

Firstly, salinity problems caused by over-clearing land, and over-grazing of land on fragile soils determines much of the landmass is unsustainable in yield and devoid of diversity, which is so important to sustainability. The grazing of land in areas that are virtually semi-desert has resulted in massive erosion and increased salinity. G. W. Goyder

...warned against the consequences of foolhardy settlement. As early as 1865, after a bad drought, Goyder travelled across the South Australian outback inspecting the country, and laid down a line on the map beyond which, in his opinion, cereal growing should not be allowed.³

However

...greedy Governments allowed farmers to push out beyond the safe lines indicated by Goyder. They eventually went bust in totally unsuitable country, for instance around the

Flinders Ranges. In the process they destroyed the saltbush which not only holds this delicate country together but provides excellent feed, if properly managed, for sheep.⁴

In most farmland areas, stock have unlimited access to creeks and rivers, which causes extensive erosion of creek and river banks, while adding to water pollution through stock depositing excrement directly into waterways. Combine this with industrial pollution of the air, water and soil, and we are only kidding ourselves if we think our natural environment is returning to a level of sustainability for humans and other species that depend upon it.

Consider that global warming, caused by industrialised pollution, or at the very least greatly exacerbated by it, will mean that rising sea levels will have considerable impact on coastal areas. The Intergovernment Panel on Climate Change predicts sea levels will rise by thirty to one hundred and ten centimetres by 2100⁵. In the Australian context, this will have an incredible impact on our societies, as the vast majority of contemporary populations are in coastal regions.

Although this paper concentrates primarily on the ascendancy of the economic environment over the natural environment in shaping our political societies, at this point it would be remiss not to briefly discuss the economic ascendancy over other environments as well as the natural environment. If the economic ascendancy is to function at its optimum level it is necessary not only to subordinate the social environment, it is also necessary to isolate the individual in the social environment. That is to say, it is essential the individual is more dependant on the economic environment and less reliant on the interdependency of the social environment. To put it another way, the more isolated the individual is in the context of society, the greater the need for produced goods.

The way the economic imperative subordinates social environments is clearly evident in Australia and its impact on Indigenous cultures since European incursion in 1788. Indigenous cultures prior to 1788 functioned where economic, religious, social and natural environments were interdependent on each other and functioned harmoniously with each other. Some may disagree, but my understanding is that these environments were inseparable with none having the capacity to overwhelm the others. European incursion effectively displaced this harmony by inhibiting the function of the Indigenous cultures. To be blunt, European culture utilised natural resources for European economic enhancement at the expense of Indigenous cultures. The economic imperative showed little or no respect for pre-existing natural, religious and social environments.

The imperialist expansion of that era saw the same tendencies occur throughout much of the world. Whilst recognising the physical and emotional pain incurred by indigenous cultures, it is important to recognise that the emergence of the economic imperative coincided with a worldwide social, political, religious and natural environment upheaval. It is also important to recognise the upheaval occurred at, and spread, from the source where the economic imperative emerged. Britain's 'dark satanic mills'⁶, for much of the world, were the origins of social upheaval caused by industrialisation and continued by the economic freedom that emerged during that period.

In the contemporary sense, the importance of the isolated individual is apparent in our habits. For example, the individual uses a car that seats up to five people to transport one person to work. Therefore, in our major cities we may have two hundred thousand cars travelling to places of employment, when it is possible that that number could be reduced to forty thousand. However, this would mean

less petrol purchased, less wear and tear on motor vehicle parts, and therefore less demand for those goods and less demand for maintenance on roadways. The less the demand, the less the production and theoretically the less the need to employ persons, which then exacerbates a downward economic spiral creating greater hardships for many individuals within our communities.

This raises an interesting issue from the reverse perspective of increased individual usage. While causing increased production, increased individual usage causes increased pollution, which causes increased associated costs, or externalities, for which the original producer is not accountable. This cost is paid for by the consumer through higher costs to maintain health at a level that permits participation within our communities. In this instance, the cost of pollution is not incorporated in the cost of the product. Costs of pollution are generally not borne by the producer. There is an imbalance that favours the economic perspective over other perspectives which utilises the isolated individual within our communities.

The emergence of an economic ascendancy has created an imbalance that is socially, politically and environmentally disruptive. Furthermore, if the ascendancy is not harnessed to a degree that is harmonious with these other equally important elements of our well-being, the well-being of life as we know it today is severely threatened. The perplexing question is how do we maintain a level of existence that some have become accustomed to, and many aspire to achieve, while restoring a degree of equilibrium to Australian society, the global society and the planet in general? To begin to answer this it is appropriate to re-visit the emergence of a dominant business elite that removed the English Monarchy from absolute power during the mid 1600's, and established itself as an authoritative permanent structure within government by the 1700's.

Dillard⁷ suggests the 1455 to 1485 War of the Roses was an important period of history where land ownership in England began to significantly transfer from the landed nobility to the landed gentry. The rise to monarchical power by the Tudor's also marked the demise of the power of feudal lords and the creation of '...political unification of the state under absolute monarchy.'⁸ Private land ownership was also enhanced by the confiscation of large tracts of monastery land by Henry VIII, which was sold to merchants and land speculators who supported the Crown.⁹ The shift in land ownership reached a point shortly before the mid seventeenth political Revolution where '... it was said that the landed gentry occupying the Lower House of Parliament could "buy the Upper House thrice over."¹⁰ The Revolution effectively replaced a landed nobility with a landed gentry, who assumed the right to determine government policy on land ownership, and the greater the ownership of land, the greater the influence on government policy.

The English political Revolution also entrenched a particular mode of economic exchange. Now it may be over-simplistic, but it is natural that an elite in power will construct policy to favour its own class. Consequently, when a business elite assumes control of power, it will favour policies that enhance its own welfare, hopefully in a benevolent sense toward other associated groups. However, an overriding importance is attached to the business elite's well-being.

Locke's theory of property politically justified the unequal distribution of land as a natural right. His justification for large ownership of land was based on the legitimate accumulation of excess money. That is to say, if it was legal to own more money than a person may need, it was perfectly justifiable to own land beyond individual needs.¹¹ It is only a minimal step to transfer the unequal ownership of land and money to the justification of unequal ownership of property in general.

Adam Smith, in the 1770's, also produced an economic theory that the new business elite utilised to justify the closing of the last vestiges of the commons, through the second phase of land enclosures that removed any remaining inalienable right or leasehold rights to access of land by the peasantry. The upheaval caused by the closure of the commons alienated individuals and their families from the land, self-sustainability and each other.

Classic economics, as described by Smith, justified the transition to industrialisation by justifying the isolation of the individual in the economic market. Smith did this by arguing that the individual in "his" own right is naturally selfish and is interested only in "his" own gain¹². However, it is arguable that the notion of selfishness is not necessarily a trait that is endemic to all people.

Dillard¹³ suggests it was not uncommon for landlords to overstock the commons as a means of marginalising the peasantry and removing them from the land, the common being the main source of food for the peasantry. This suggests that selfishness certainly existed in the landed gentry as opposed to the peasantry who had utilised the defined rights to the commons.

This notion of selfishness has been fundamental to the justification of an economic theory that requires selfishness, or competitiveness, to enhance economic growth. Economic growth, which is fundamental to perpetual profit, has become institutionalised as a 'convention', or an unspoken necessity since its political legitimisation in the mid 1650's. The theory is pragmatic, or at least its perpetuation is pragmatic in the sense of willingness to adapt economic factors to suit the political climate.

A good example of economic adaptability is the response to the emergence of Marxist theory and its call for a far greater equitable distribution of wealth. It was

a call with great appeal for those who felt unfairly treated by the prevailing economic and political system, particularly, the working class. The 'threat' of Marxism is apparent in the 1871 Paris uprising,¹⁴ when the common people controlled the city for a short period of time as a protest to the harsh policies of inequitable wealth distribution. The 1905 Russian uprising confirmed Marxist theories as a direct threat to the function of classic economic theory. In response, a more welfare oriented economic policy emerged, first in Germany from the late 1800's, and reached its pinnacle with the implementation of Keynesian theories in the United States economy during the 1930's and Post World War Two Western capitalist democracies.

THE PRESENT

It is worth noting the rise and fall of capitalist welfare economic theory coincides with the rise and fall of Marxist theories, its practical application, and its demise within the Soviet Union during the 1980's and early 1990's. The return to a more direct form of classic economics in its contemporary form, often called *economic rationalism*, sometimes described as *economic fundamentalism* or *economic libertarianism*, is a return to an elitist form of governance, or perhaps it is more appropriate to say a more elitist form of governance than Keynesian economics.

The various descriptions of contemporary economic theory provide an image that is questionable. The word "rationalism" tends to give the impression of sensible, sound sense or judgement. The use of the word "fundamentalism" gives the impression of basic, foundational or fundamental tenets, while the use of the word "libertarian" presents an image of freedom. Consider the descriptions of sensible, basic and freedom, and one could be led to think that the economic theory is sound and without flaws. However, its practical implementation tends to suggest otherwise, with Australian unemployment figures consistently above six per cent for the past twenty five years and a widening of the income gap between the rich and poor. Extensive analyses by Pusey¹⁵ and Battin¹⁶ suggest that the fundamentals of the contemporary doctrine leave a lot to be desired. Shorter works by Battin¹⁷ and Whitwell¹⁸ also provide concise and descriptive overviews. With this in mind, in order to remain *sensible, basic* and *consistent* throughout this paper, the theory itself will be referred to as 'contemporary economic theory'.

Contemporary economic theory has emerged in an era where technological advancement has determined distance is no longer an issue for investment by

countries, companies or individuals. Monetary funds can be transferred anywhere in the world virtually instantaneously. Consequently, if investment in a particular place is not as productive as what it could be in another place, funds can be transferred almost immediately to the new place of investment. The new investment may be next door, or in the other hemisphere.

Investment has also reached a point where it heavily influences government policy, through the withdrawal or the threat of withdrawal of associated funds. Whereas in the past the threat of withdrawal was not as prevalent because of the longevity of industrial investment and difficulty of withdrawal in terms of time and distance, as well as the emphasis on family enterprises, they are no longer obstructions or impediments in the contemporary era.

Family enterprises in Australia are best exemplified by the influence of the Baillieu family from the eighteen eighties. Encel¹⁹ outlines this connection with studies that show:

The size of the (Baillieu) family and its strong sense of kinship have helped to spread its ramifications through a remarkable range of industrial and commercial activity, including mining, smelting, iron and steel, brewing, papermaking, banking, retailing, cattle raising, textiles, sharebroking, pastoral trading, rubber and woollen clothing.

Encel goes on to show connections with other prominent business families through marriage. In particular, he points out that the Baillieu family has been one of the principle shareholders of BHP, as well as marriage connections with those that hold directorships.

When the influence and control of Australia's major enterprises by a small group of families over the past one hundred and twenty years is considered, the degree of foreign ownership in Australia today has been approved and accepted by its influential business families. Possibly foreign influence gave the leaders of

Australian industries little option other than to accept foreign ownership. However, the increased influence of foreign capital determines that enterprises which emanated from Australian public and private investment, and employed Australians in their local communities, no longer needs to stay local in the pursuit of maximising profits.

For example, BHP can close down factories in Newcastle and reinvest in Indonesia where investment is cheaper for a higher rate of return. BHP in Wollongong is the next place of investment withdrawal, be it on a gradual scale. In this instance, it is financially appropriate for a gradual downsizing in Australia which coincides with gradual increased investment in other countries. Also, much investment today has a technological emphasis that enhances service industries or is of a financial or speculative nature.

In fact investment, particularly large forms of investment, has no need to be affiliated with countries any longer, except where defence forces may be required to protect investments. Many companies now have economies larger than most countries. The size of private investment is further evidence of companies persuading governments to administer policies that enhance the profit margin of the investing company. This suggests that companies are increasingly becoming more powerful and influential than countries, or the traditional state.

In the Australian context, the Murdoch and Packer organisations have reached a point where any government requires the understanding, and at the least minimal support, of Murdoch and/or Packer if major policies are to be successfully implemented²⁰. The main point is that territorial states are generally losing power over their constituencies. Perhaps it can be said that territorial states are giving up their power to international investment and associated corporations.

Another interesting aspect of the weakening of territorial state influence that coincides with the demise of the welfare state, is the increased emphasis on employer - employee contributions to superannuation as a replacement for aged pensions. Employees can generally access contributions when he or she exits a job, which suggests self investment in one's own social welfare and less reliance on the state for support. Combined with the employer investment in the employee's welfare, the evidence further suggests greater influence of the company over the state. Recent discussions on the rationalisation of stock markets on a global scale, for example, London and New York having equal access to each other's investments, also implies greater mobility of corporations, both from an investment perspective and territorial perspective. The gradual demise of the influence of the state and the coincidental increasing influence and mobility of investment further implies that the company is taking over the role of the territorial state and becoming a new form of state, perhaps best described as a "mobile" state. Control of the territorial state by the mobile state includes indirect control of Weber's essential element of the state , which is '... that agency within society which possesses the monopoly of legitimate violence...'²¹.

Gray²² recognises:

...(multinationals) in the world today divide the process of production into discrete operations and locate them in different countries throughout the world. They are less dependant then ever before on national conditions. They can choose the countries whose labour markets, tax and regulatory regimes and infrastructures they find most congenial. The promise of direct inward investment, and the threat of its withdrawal, have significant leverage on the policy options of national governments. Companies can now limit the politics of states. There are few historical precedents for this kind of power.

However, Gray tends to put forward a case that suggests the concept of the mobile state is fanciful. He²³ adds:

It is fashionable to see multinational corporations as constituting a kind of invisible government supplanting the functions of nation-states. In reality they are often weak and amorphous organizations. They display the loss of authority and the erosion of common values that afflicts practically all late model social institutions. The global market is not spawning corporations which assume the past functions of sovereign states. Rather, it has weakened and hollowed out both institutions.

Perhaps there is basis for Gray's analysis of multinational and transnational corporations not becoming a new form of state, in relation to the notion of the nation-state. However, the concept of the mobile state does not necessarily have to co-align with the ideals of the nation-state. Quite the opposite, the mobile state in the contemporary era does not require large populations to function in the manner of powerful territorial nation-states. The reality is that the mobile state utilises the institutions of the nation-state to achieve its goals. Certainly, mobile states, or transnational corporations, particularly large and powerful transnational corporations, continue to challenge the current function of powerful nation states that do not adhere to the principles associated with the needs of the transnational corporation.

Under these principles it is difficult to agree with Gray that transnational corporations in general display a 'loss of authority' when they continue to determine government policies. They also generally continue to function in nation-states with the protection of the 'monopoly of legitimate violence'. Perhaps transnational corporations erode common and social values within nation states and display minimal values other than the requirements of contemporary economic practice. But that is exactly the point of the mobile state. That is, they display values that are

different or juxtaposed to the values of the nation-state. They may utilise the values of the nation state as a means of protection, but they do not necessarily align with those values on moral or philosophical grounds.

Furthermore, the loss or lack of social or common values by the transnational corporation is influenced by the reduced need to employ large numbers of workers. Automation of industries determines that transnationals do not require large numbers of people, relative to their economic turnover, to function in an efficient manner. Quite the contrary, in the context of profit, large numbers of staff may reduce efficiency or detract from profit.

It is also relative to recognise that the enhanced freedom of transnational corporations has increased substantially in the last thirty years. Therefore the power of transnationals continues to develop and is apparent in the continued phase of corporate takeovers which create larger corporations that function with further reduced levels of staff in relation to increased profit. The transnational corporation does not necessarily require a human face for its operation. It should be regarded as an efficient structure that influences and utilises the institutions of territorial states for its own benefit.

The increased influence of transnational corporations can be directly attributed to the business elite institutionalising investment as an integral aspect of western democracies. In the Australian context, the institutionalisation of investment is apparent in the interpretation of Section 92 of the current Constitution.²⁴ This section, although officially constructed to permit free trade between the states has gradually, since its implementation, been interpreted to permit economic freedom over any other form of freedom. The decision of a greater laissez-faire interpretation arguably emanates from a dissenting decision by Justice Dixon in 1935, in which he

interpreted the purpose of Section 92 as '...the protection of private enterprise in interstate trade from any government regulation, save the minimum required for a preservation of an orderly society'.²⁵

There is an argument for suggesting that the laissez-faire approach no longer applies since a 1988 High Court decision regarding Section 92. Solomon²⁶ suggests:

The High Court's decision to read s 92 as a limitation on discriminatory regulation of trade, commerce and intercourse makes it more likely that the court will adopt a far more realistic interpretation of the trade and commerce power. ...it ... would provide it with most of the economic control measures that governments and political parties have sought in the past.

Interestingly, the case in question involved a Tasmanian trader buying crayfish from South Australia to sell in Tasmania. The crayfish were of legal size in South Australia but were undersize in Tasmania. The decision suggested that if the interstate crayfish were permitted to be sold in Tasmania, the interstate trader would gain an advantageous position over intrastate traders, which would be detrimental to the welfare of intrastate traders. Such a decision theoretically gives scope of greater Commonwealth capacity to legislate under Section 51(1) of the Constitution. This section gives the Commonwealth the power to legislate in regards to 'Trade and commerce with other countries, and among the states'.²⁷

An initial analysis, to what some regard as a landmark decision, may suggest that the Commonwealth already has the capacity to utilise the Constitution to make decisions regarding the environment. It is particularly so in this instance, as the protection of a particular species in a state is protected by that state's law, as opposed to the Commonwealth law of interstate trade. However, it is important to recognise that the primary motive of the decision was based on

economic principles and not environmental issues, and the argument put forward in this paper is that the natural environment should be assessed with equal regard as the economic imperative, at the highest level of law. The notion that Section 92 has lost some of its economic imperative over other freedoms or environments is undermined by a 1990 High Court decision.

Again, the challenge to the High Court incorporated the economic impact on the natural environment. The case involved monetary deposits on refillable and non-refillable containers. Specifically, the case involved Bond Brewing group, located in New South Wales, Queensland and Western Australia, selling a product in non-refillable containers and wishing to sell those goods in South Australia. Carlton and United Breweries Limited, which is located in Victoria, used refillable containers in the sale of a competing product. South Australian legislation required higher deposits on non-refillable containers. Justices Gaudron and McHugh concluded:

(T)he essence of the legal notion of discrimination lies in the unequal treatment of equals and, conversely, in the equal treatment of unequals. Thus, if there is no inequality or relevant difference between the subject matter of interstate trade and the subject matter of intrastate trade, a law which is appropriate and adapted to an objective and burdens interstate trade only incidentally and not disproportionately to that objective will, in our view, offend against s92 if its practical effect is protectionist – particularly if there exist alternative means involving no or lesser burden on interstate trade.

In the present case ... that neither the objective of litter control nor the objective of energy conservation provides an acceptable explanation or justification for the different treatment assigned in the legislative regime for beverage containers.²⁸

Once again, the decision of the High Court was based on the economic imperative as the primary source of a decision. In this case environmental quality did not

coincide with economic necessity and was disregarded as an 'acceptable explanation or justification' in determining the South Australian law invalid.

Section 92 of the Australian Constitution has retained its interpretation of economic necessity as paramount over other freedoms, and is highlighted in both the crayfish case and the non-refillable container case where the natural environment was a secondary consideration. In the first instance, the notion of environmental quality coincided with an economic decision, whilst in the second case, environmental quality did not coincide with economic needs and was disregarded in the final decision. Hanks²⁹ suggests the:

...new reading of s 92 present new dangers for public regulation of commercial activities. The High Court has shown that it will analyse the practical operation and effect of governmental regulation, taking into account the arrangement adopted by traders... The intense judicial scrutiny of public regulatory controls which the new reading of s 92 entails may, in the long run, pose even more of a threat to government control of economic activity than did the 'individual rights' approach... where 'individual rights' refers to the right to trade. In all probability, Section 92 of the Australian Constitution has not lost any of its pre 1988 economic impact, and has possibly increased its impact.

The formation of the Commonwealth of Australia was also implemented to permit uniform investment throughout the Australian landmass. That is, uniform wages and uniform costs encouraged investment on a national level. It also superseded cottage industries with larger corporate investment bodies, thus enhancing the prospects of big business. In this context, Section 92 of the Australian Constitution, besides negating state tariffs and barriers to investment, also played a role in reinforcing uniform wages and uniform laws throughout the newly formed Federal State. In essence, Section 92 is the literal reinforcement of the economic environment over other environments. It is the formalised justification

of a business ethic as the predominant way of life for those who are the recipient of Australian Constitutional laws and interpretation of Constitutional laws.

The business interpretation that economic freedom is paramount over any other freedom is also implied in the Constitutional Conventions of the late eighteenth century, where of the eighty seven delegates only one represented the interests of labour.³⁰ That is to say, the vast majority represented the interests of business and its classic economic theory.

Classic and contemporary economic theory's primary measure of success is the level of profit, but levels of profit do not always reflect total costs. Specifically, profit does not necessarily include externalities. In other words, profit does not measure social disruption or environmental damage. It is only a recent innovation to attempt to come to terms with externalities by attempting to find economic answers to externalities. This is apparent in global discussions directed at reducing greenhouse emissions.

It is also apparent in companies that pollute, redirecting capital into activities that enhance the natural environment. However, this approach has its shortcomings. For example, a Japanese industry that pollutes in Japan, or in any other country, is justified in its activities by planting trees in Australia. This is good for Australia, but the activity does not reduce pollution in the immediate area of its release. It does not address the poisons that are produced in emissions. It does not address the air pollution in the immediate area. It does not address the water pollution in the immediate area.

Once again, in the Australian context, the need for recognition of pollution externalities at their source, is further evidence of the need to codify laws as a counterbalance to Section 92 of the Australian Constitution. It is all well and good to

implement laws at local and state levels to focus on environmental issues. However, for the laws to be fully effective, the ultimate or supreme law of economic freedom requires an equivalent law of environmental quality, apparent at the same level, to truly balance economic imperatives with environmental imperatives. Constitutional recognition of environmental quality embedded in the written Constitution would provide such balance.

Recognition of natural environmental quality must go beyond preamble recognition if it is to be fully effective. The preamble of the current Australian Constitution has no influence over the interpretation of law when compared with the body of the Constitution. Certainly, preamble recognition looks nice and presents as caring in regard to our social, communal and political well being. But the reality is that a preamble has no impact on balancing interpretation of particular sections of The Constitution, in this instance Section 92, with the need for a quality natural environment.

Just as economic freedom has been interpreted over the past one hundred years, the same scope for interpretation of the quality of the natural environment would eventuate with constitutional recognition of the natural environment. The balance between economic freedom, the sustainability of the natural environment, and therefore the sustainability of economic freedom, will be greatly enhanced by reducing the risk of diminishing economic returns or reducing the risk of long term reduced profits.

Having said that, it is important to clarify that contemporary economic theory on its own, or isolated from other aspects of society, is not necessarily a bad thing. In fact, the competitiveness and innovation that it encourages has produced, and will continue to produce, technological advancements that expedite travel, enhance

communications, and excluding the detrimental effects of pollution, reduce the risk of disease and illness as well broaden access to general knowledge. These elements should be permitted to develop.

However, if sustainability is to be maintained there needs to be a more balanced approach to our way of life. This incorporates recognition of the value of contemporary economic theory and recognising that multinational companies are major beneficiaries of that theory in the modern era. It also incorporates recognising the increased isolation and alienation of a significant proportion of our populations and recognising the changing role of the territorial state in the enhancement of the general welfare in our communities, our political societies and our natural environments.

There are shifts occurring in our society that must question the current structural institutions of the territorial state. To adapt to the huge shifts it is only natural that institutions that were structured to function in a past era may become outdated and require rationalisation to adapt to a new era, just as every other element of our society and our people are being asked, or forced, to adapt and rationalise. On this basis, it could well be appropriate for a rationalisation process of the levels of government from three tiers to two tiers. That is to say, rationalise government to a more concentrated regional - federal relationship.

THE NOTION OF REGIONALISM - FEDERALISM

Intrinsic to a regional-federal structure, or a more numerous smaller domestic state-federal structure, in the contemporary era, is greater control of natural resources at the regional level. Such a structure enhances greater community involvement in the decision making process. Regional autonomy reduces the impact of the isolated individual in the current economic environment. A regional structure also encourages an adaptive bureaucracy that is more in tune and up to date with constituent needs and the ability to react to those needs through the direct control of resources. A regional-federal relationship also encourages greater innovation simply through a greater number of autonomous public bodies with the capacity to invest in their respective populations. Longo recognises

The federal structure, by definition, enjoys a measure of efficiency greater than alternative political systems. The tension between centralised power in policy areas demanding a national approach and decentralised power in those policy areas amenable to local control are the measure of both democracy and efficiency. Such an analysis would place central and local action at the core of federal decision-making, at the expense of the States.³¹

A regional-federal structure with greater decision making powers and resource control at the regional level is also compatible with constitutional recognition of the natural environment. At the federal level, constitutional recognition of the natural environment enhances the approach of an overseer model, in the context of greater resource control at the regional level. An 'overseer' model would be one where some of the current roles of the domestic states are devolved down to the regional structure, while other roles of the domestic states are incorporated into the federal structure. In one sense, the removal of the current domestic states would give greater power to the federal sphere, particularly in regards to a new constitution that would incorporate judicial interpretation of economic freedom and

environmental quality at the highest level. The balance, or check, of powers would be maintained, if not enhanced by constitutional recognition of resource ownership at the regional level. The balance, or check, is that regions can utilise resources under conditions that comply with judicial interpretation at the federal level. That is to say, regions would have the capability of resource utilisation at a decentralised level, under the auspices of a federal 'overseer', or the upper level of a regional – federal structure.

Another perspective of the need for a two tier structure is to view the current three tier model as three distinctive economies, with each level or tier having a degree of ownership over its respective economy. That is to say, the federal tier primarily determines the level of participation in the international economy, the state tier primarily operates in the national economy while the local tier primarily operates at the local level of economy. Both the national and local levels are influenced by the federal level, and its relationship with foreign investment in our economies. Prior to the increased influence of transnational corporations, and contemporary economic theory into our political society, each has functioned in its own vibrant manner.

The reduced involvement in the economies at the federal level marginalises the national and local economies. It marginalises the latter two, under the current structure, by permitting our economies to be more open to influence by international capital, in particular international finance capital. International capital, functioning in an international market will utilise available resources to promote and defend profits at the expense of other economies. Longo makes the interesting observation 'If local autonomy remains tenuous or unconfirmed, local competencies are more susceptible to erosion. In a climate of diminished Commonwealth involvement, it is

important that local government's sovereignty be confirmed, lest the states be tempted to undermine local government's authority in this field.'³²

However, the principle of resource ownership at the regional level, in a two tier structure, has the capacity to nurture regional economies in conjunction with the international economy. Regional structures would have the capacity to do this by recognition of their own regional needs, with the capacity, through resource ownership, to negotiate the input of the international economy.

Perhaps it is appropriate to view the regional level of the proposed structure as a regional public, and possibly profitable corporation, protected, defended and promoted by the upper tier. A two tier structure is also an appropriate method of counteracting the paradox of the free market exacerbating public centralisation and private monopolies.

The concept of a two tier structure, with greater influence at the regional level was developed, in a practical sense, by the Whitlam government in the early to mid nineteen seventies, and it is feasible to loosely apply and adapt that principle to a Constitution that incorporates environmental quality in its structure. Witherby and Dollery recognise works that point to the initial wave of local government reform commencing in 1973.

It includes aspects of the reform processes identified with new public management such as : reforms in the public and private sector workplace (award restructuring, enterprise bargaining and national training reform); the consideration of constitutional reforms at both national and state levels; the introduction of new local government legislation at the state, territory and federal levels, commercialisation; and boundary changes and amalgamations.³³

While Witherby and Dollery's work is based primarily on contractual arrangements between the state and regional level of governments, the notion of contractualism primarily occurs well after the Whitlam era. Certainly, Whitlam's emphasis provides

the basis of contractual arrangements where efficiency essentially overrides the need for more representative democracy. However, it is speculative to imply the initial regional approach is the cause of contemporary regional inadequacies. It is more appropriate to recognise that current regional inadequacies are primarily influenced by contemporary economic theory and the current federal structure.

It is fair to say that regional boundaries determined by natural geographic boundaries and landmarks, as opposed to the current “draw a line on the map” approach that has been in place for much of recent history is worth consideration from an environmental perspective. Undoubtedly this concept needs to be balanced by economic and social imperatives. That is to say, natural regional boundaries should consider inclusion of economic resources and existing populations as a means to reducing imbalances.

Perhaps Longo sums up a long overdue change that reflects contemporary society with his observation that

The need for regional and sub-regional policy responses to a range of environmental issues is becoming increasingly apparent. There is being promoted, at present within Australia ...a new focus of the micro-level as a means of responding more effectively to those environmental concerns that effect the cities and regions...These issues demand cooperation of local authorities and the communities they serve, which so often have n their possession the information concerning regional localities necessary to enable effective policy development and implementation. ³⁴

Generally speaking, a radical approach, or a significant shift in our mode of thought in regard to our communities, is necessary if we are to continue to encourage innovation and ensure sustainability. Constitutional recognition of the natural environment in a regional - federal structure, with greater autonomy at the regional level, enhances the prospects of innovation and sustainability. Such a

structure encourages greater community involvement, negates the current trends of public centralisation and enhances the capacity of regional public 'corporations' to negotiate more effectively with large centralised private corporations.

LIBERTY: FROM THE PAST TO THE PRESENT

To fully appreciate contemporary Australian society it is appropriate to look at the notion of liberty and the notion of liberalism. Both have had major influences in the formation of our societies over the past two hundred years, and just as important, interpretations of both liberty and liberalism are influential in the direction of our societies today. With this in mind, the shape and direction of today's communities will play an important role in the type or style of communities we will have in the future.

Contemporary western democracy regularly refers to Athenian Democracy as the foundation of liberty, and its justification of a moral and philosophical worldview. Athens is the recognised birthplace of democracy and the notion of liberty. Undoubtedly, Athenian Democracy provides a sound base for theoretical and practical discussion in the contemporary era. However, it is worth noting that there were people within the Athenian community who were disenfranchised with no rights of expression or input into the community. Also, there was a significant proportion of the population whose level of income determined they had minimal input into the decision making process. Athenian Democracy was based on the prerequisite of descent as a compulsory element of citizenship and therefore participation in the processes of democracy. 'The Athenians, like all Greek peoples, regarded themselves as a kinship group, and citizenship depended strictly on descent and not on residence, however long.'³⁵

If individuals did not have a birthright they were generally slaves to someone who did have a birthright. If a person was not a slave or a citizen they were generally resident aliens whose expertise was utilised in industry, commerce and

banking. However, Athenian democracy generally utilised slavery as a means of enhancing its own prosperity. Furthermore, prosperity through slavery was generally controlled by one quarter to one third of the Athenian population. A.H.M. Jones concludes that it was '...unlikely that any slaves were owned by two-thirds to three-quarters of the citizen population'³⁶. Athenian democracy was elitist, both internally and externally, and purposely denied a majority the right to control their own lives. The denial of control or input - that is to say, the right to have a say - was primarily based on the defence of existing kinship and existing property.

It is interesting that Aristotle viewed the 'Hellenic' peoples as a superior race.³⁷ It is also important to be aware that the nature of the era may have created the necessity for an imperial approach. For example, the constant threat of war may have determined the need for an air of superiority as a method of initiating motivation to defend existing property. J.S. Mill recognised this feature when he observed:

The ancient commonwealths thought themselves entitled to practise, and the ancient philosophers countenanced, the regulation of every part of private conduct by public authority, on the ground that the State had a deep interest in the whole bodily and mental discipline of every one of its citizens - a mode of thinking which may have been admissible in small republics surrounded by powerful enemies, in constant peril of being subverted by foreign attack or internal commotion, and to which even a short interval of relaxed energy and self-command might so easily be fatal that they could not afford to wait for the salutary permanent effects of freedom.³⁸

However, Aristotle's worldview of inferior races can be interpreted to suggest the Hellenic person was a complete person and other peoples were not complete persons. This can easily be interpreted to imply that other races were there to be utilised for the betterment of the Athenian people, and it was the role of

the Athenians to improve the well-being of other races. This is apparent by Athens adopting the role of spreading democracy throughout the world, and the preparedness to utilise war to achieve its goal. With this in mind, Athenian democracy was still based on the defence of private property. That is to say, the greater the ownership of property and resources, the greater the input an individual had over the decision making process.

The right of property is apparent throughout the era of Athenian Democracy. As A.H.M Jones³⁹ points out, many politicians (orators) were men from families of wealth. On the other hand, those that were from poor backgrounds had the incentive of subsidies from foreign interests in return for political support. The essential point is that property ownership primarily determined the freedom or liberty of individuals. The fact that the property was privately owned, or owned by families, did not stop property ownership determining another's liberty. That is to say, the rights or liberty of some individuals was determined by the desires of those that controlled property.

Having said that, this argument is not attempting to state that private ownership is wrong or bad, but simply highlights the importance of property in determining the extent of individual liberty. This line of reasoning suggests that the greater the control of property, the greater the liberty of those that have that control. Therefore, in the context of Australian regional communities with control over regional resources, those regional communities would have greater freedom to act in the interests of the community.

Bury and Meiggs⁴⁰ suggest the first recognition of individualism is apparent in the philosophies of Socrates and suggest Socrates is the founder of utilitarianism⁴¹ through his notion of 'the good is the useful'. Although Socrates was

executed because he believed in individual liberty and freedom of thought over the all-demanding role of the state, the fact that he can be associated with the importance of the role of the state suggests it is also important to recognise the prospect of the role of the state on certain issues of property.

That is to say, as social and communal beings, we need to recognise the need for communal property rights. This principle enhances the concept of autonomous regional communities, with control over resources. It enhances the capacity to identify community needs and the capacity to act on those needs. A regional community with the capacity to adequately cater to community needs should have the capacity to enhance individual freedom and liberty. The need for community is important because, amongst other things, community is social, and the social is interaction. Therefore, under the principles of liberty and liberalism, autonomous regional communities would have the role of encouraging interaction within their communities and with other communities, while simultaneously enhancing individual freedom.

LIBERALISM

Leach⁴² describes liberalism as:

...an attitudinal ideology. It seeks to develop within its citizenry a critical pragmatism and a sense of moral brotherhood while still emphasising the need for self-help. It stresses the notions of the utilitarian nature of the state rather than its omnipotence; the basic equality of all citizens; the need for democratic involvement in decision-making...and a belief in the worth and natural rights of the individual.

Liberalism is an ideal that is prepared to adapt to a current situation to maintain a core essence, the core essence primarily being the preservation of individual freedom. Perhaps Socrates is accredited with the concept of individuality being separate or above the role of the state, as well as the original proponent of the concept of utilitarianism. However, as Leach suggests, liberalism can promote the practical application of utilitarianism, or community well-being, as a foundation for individual freedom to flourish. These two components of liberalism, that is individual freedom and utilitarianism, have advocates who desire greater emphasis on either individual freedom or community needs at the expense of the freedom of the other. Historically, both have emerged as the dominant influence at different times. For example, the ideal of individual freedom, or classic liberalism, has increasingly emerged as the dominant ideology from the mid 1970's to the present. Conversely, the ideal of state utilitarianism, or state liberalism, was most dominant from 1945 until the early 1970's. Interestingly, the prominence of state liberalism emerged in the same period as the prominence of Marxist ideals and its practical application. However the reduced influence of socialist and communist ideals, in a global sense, since the mid nineteen eighties has seen the classical form of liberalism re-emerge as the dominant form of the liberal ideal.

Classical Liberalism

Maddox⁴³ recognises John Stuart Mill's writings as the high point of classical liberalism. J. S. Mill's⁴⁴ Harm Principle embodies the spirit of classical liberalism which emphasises that

... the sole end for which mankind is warranted, individually or collectively, in interfering with the liberty of action of any of their number is self-protection. That the only purpose for which power can be rightfully exercised over any member of a civilised community, against his will, is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant. He cannot rightfully be compelled to do or forbear because it will be better for him to do so, because it will make him happier, because in the opinion of others, to do so would be wise or even right.

Mill promoted freedom of the individual in a context that is commendable for its promotion 'Of the Liberty of Thought and Discussion' as his chapter in 'On Liberty' is titled⁴⁵. Effectively Mill rejects the notion of religious creed as a moral code in a secular world. However the notion of freedom of the individual being subject to the Harm Principle opens an array of issues as to what is harm in the present day.

Gray⁴⁶ suggests current practices of electronic listening devices and long range cameras create new situations of applying Mill's principle of individual liberty. Perhaps this aspect is highlighted by the death of Lady Diana as she was pursued by an intrusive aspect of the media. Arguably, the media's freedom to act inappropriately from the perspective of another's individual liberty is a classic example of economic freedom overriding individual freedom. Perhaps there is irony in a business class that forcibly removed an absolutist monarchy, three hundred and fifty years later, relentlessly pursuing the nature of the private lives of those that it removed, in the pursuit of profit.

The notion of harm to others must also question the validity of an economic freedom that pollutes and irreversibly degrades our natural environment. Surely the freedom of an individual that threatens the health and well being of others is embodied in Mill's Harm principle. Perhaps it is relevant that the effects of pollution and land degradation were not fully recognised during that period, but the reality is that they should have been aware. The fact that they were not epitomises the misunderstanding of the importance of our natural environments.

Furthermore, if the organisers who instigated the pollution output and the damage to our environments were not aware of the detrimental acts of their actions, then clearly they were alienated from the natural environment. If this be the case, then those who polluted, and those who permitted such actions through the public institutional legislative process, were responsible. If they were responsible for natural environmental degradation, they have misled the communities that are left to deal with the crisis.

On the other hand, if the instigators of pollution were aware of their actions, but felt no responsibility to the detrimental aspects of their actions, but were only concerned with their own well being, the whole principle of Smith's analysis of individual selfishness determining the provision of collectively desirable outcomes that were not intended must be seriously questioned. The validity of such a principle must be questioned, as must any theory or ideology that adheres to that principle. That is to say, the validity of classical liberalism, without adherence to Mill's Harm Principle must be questioned as a viable principle or theory. This must also question the validity of contemporary economic theory, as one of its main principles is that the '... individual is fundamentally selfish and this is good and healthy'.⁴⁷

Bullock and Stallybrass⁴⁸ define classical liberalism as '... a political philosophy concerned with "freedom", stressing civil freedom of the individual, free political institutions, freedom of religion, free enterprise and free trade'. Classical liberalism emerged with the overthrow of the English Monarchy in the mid 17th century and refined its emergence through the English separation of state, religion and monarch, the French Revolution and the American Revolution. The English and French upheavals removed hereditary aristocracies, and replaced them with business elites that promoted a consumer or business approach to the value of existence. Some may argue that the French experience was based on a new form of centralisation, and that it is the origin of state liberalism. However, the upheaval of the 1848 French revolution suggests that the centralised features of the monarchy were transferred to a business elite and was utilised by that elite for its own interests. The new business elite did not recognise the claims of the peasant class.

The business approach in both England and France was supported by the philosophy of individual freedom as paramount to self-worth. The defence of individual freedom was the role of political institutions that were controlled by a business aristocracy whose priority was to defend its wealth. Therefore, major decisions were made with those interests in mind and is apparent in the classical liberal ideal of free enterprise and free trade.

Free enterprise and free trade, promoted by political institutions controlled by propertied interests, will naturally make decisions that generally defend property. That is to say, the interpretation of individual freedom becomes the freedom of the propertied individual. Therefore, the propertied individual has more freedom than the propertyless individual. In view of contemporary propertied interests with a

greater capacity for freedom and influence on decisions, it is apparent there are similar features in contemporary democracy and Athenian democracy. Decisions are made that enhance the welfare of the propertied, and the decision-making influence is enshrined in the appropriate political institutions.

The Australian experience of free enterprise is enhanced by Section 92 of the Constitution which is interpreted by the judicial arm of government to encourage free enterprise and free trade. Sawyer⁴⁹ outlines the judicial influence of the interpretation of Section 92 as laissez-faire. Consequently, the promotion of free enterprise favours the propertied individual over the propertyless individual, particularly when there is no explicit recognition of other freedoms in the Constitution. Hence the Australian Constitution promotes economic freedom over individual freedom. The imbalance is apparent when economic freedom is paramount over communal freedom or the rights of our communities in general.

The propertied individual's power under the principles of classical liberalism is apparent in the individual wage contract. In England and France, families that were at the bottom of feudal structures transferred into propertyless individuals as the wage contract took precedence through the ideal of individual freedom. In reality, the propertyless individual had no choice but to submit to the principles of liberalism's interpretation of individual freedom. Classical liberalism utilised, and still utilises, the wage contract to isolate individuals. The utilisation of the wage contract also emphasises the emergence of classic economics to complement the new liberal political philosophy.

Classic Economics

Adam Smith is the icon of classic economic theorists who promote his notion of the individual intending 'only his own gain', and rely heavily on Smith's perception

of the individual motivated by selfishness. The political theory of Mill attempts to harness Smith's notion of selfishness, under the principle of individual freedom, while simultaneously negating the detrimental effects of selfishness by recognising the need not to harm others in that process. Classic economics emphasises self-interest in the market place to achieve what is best for society.

Smith⁵⁰ asserts 'The individual intends only his own gain, and he is in this, led by an invisible hand to promote an end which was no part of his intention'. Classic economic theorists view the effects of the 'invisible hand' as only good for society. For example, if a person is able to produce a product of equal quality at a cheaper price than a competitor, the purchaser of that product has extra monies, through the savings on the purchase of the cheaper good, to spend on other items. The purchaser then enhances the well-being of other producers, by having increased capacity to buy other goods. Theoretically everyone is better off. The purchaser is better off because he has the capacity to buy more products. The producers are better off because consumers have an increased capacity to purchase and, in the long term, producers are also better off as they increase efficiency through innovation to remain competitive in the marketplace. However, classic economics does not recognise the harm caused, in some circumstances, by producing products which may be cheaper but cause an increase in pollution output. Pollution highlights a fundamental failure of free-market classic economic theory.

On the one hand, we have an economic theory that promotes individual economic freedom and expects that freedom to resolve all issues concerning the participants in the economy, supported by a political philosophy that also calls for individual freedom with the proviso that that freedom does not cause harm to

others. If harm is caused to one individual by another, Mill⁵¹ advocates punishment '...by law or, where legal penalties are not safely applicable, by general disapprobation'. Once again, theoretically, if the political philosophy calls for legal restrictions on this form of failure by the market, the political philosophy implies inherent weaknesses in the market. The interpretation of harm is also extremely important in determining what is acceptable and what is not acceptable.

The most important factor is that if economic freedom is recognised at one level of law, protection against harm that may be caused by economic freedom should be recognised at the same level of law. In this instance, and in the context of this argument, Section 92 of the Australian Constitution needs to be counterbalanced by an addendum or section that recognises the well-being of the natural environment as a counterbalance to any harm caused by the interpretation of economic freedom. If there is no counterbalance to the interpretation of economic freedom then it is logical to interpret the ascendancy of the economic theory over the political and philosophical will of its people.

CONTEMPORARY ECONOMIC PRACTICE

Economic markets, left to their own self-determination, invariably fail. They fail because the only goal is monetary profit. The marketplace, left to its own devices, does not consider social, political, religious or natural environments. The marketplace is purely and simply an arena for competition. The primary aim of competition is to beat your competitors. Each competitor will do whatever it takes to survive by whatever rules apply. If there are no rules and a competitor is in hardship, the competitor will do whatever is necessary to reduce the welfare of other competitors to enhance his or her own welfare. This may involve selling goods at cheaper prices than other competitors until one competitor can no longer function in a viable capacity. This may mean having greater access to capital in an effort to maintain selling goods at a cheaper price. It may also mean producing a similar product of inferior quality at a cheaper price. It may mean creating a greater pollution output as a method of reducing production costs and therefore cheaper goods. This means that the loser of the competition is no longer employed and has to look for alternative forms of income. Furthermore, it also gives the surviving competitors greater market share and therefore greater control of market supply. This may involve producing fewer goods at a greater price for the simple reason that this approach provides greater profit. In this instance we have increased unemployment and possibly increased pollution. Therefore, the market fails the community in general.

In the real world of unregulated markets, successful players get larger and, in many instances, using the resulting economic power to drive or buy out weaker players to gain control of even larger shares of the market. In other instances, "competitors" collude through cartels or strategic alliances to increase profits by setting market prices above the level of

optimal efficiency. The larger and more collusive market players become, the more difficult it is for newcomers and small independent firms to survive, the more monopolistic and less competitive the market becomes, and the more political power the biggest firms can wield to demand concessions from governments that allow them to externalize even more of their costs to the community.⁵²

If a producer of a good externalises a cost onto the community as a means of enhancing the producer's profit and is able to do so without any recompense to the community then the market has failed to fully recognise the cost of that good.

If the producer has a large capital base it may have the capacity to buy out a competitor to enhance market share while reducing the combined numbers of persons employed in the merged business, thus creating unemployment for individuals and their families. The reduced income of the unemployed group then experience disruption to their social well being.

In this age of efficiency driven profit margins, companies have first displayed tendencies of reducing staff to initially enhance profit margins. In the next phase, companies assess market competitors and attempt to drive them out of the market, through acquisitions and mergers or liquidation, as a means of increasing market share and profits. This means that the companies who are forced to merge, or are driven out of business, displace more people into unemployment and its associated social consequences. This also means that less people are participating in the economy at a monetary level than they previously were. Hence, on the one hand we have reduced participation in the economy while maintaining a level of economic growth that purports to display an expanding economy.

Under the principles of contemporary economic theory, economic growth is the guiding factor of a healthy economy. However, the reality is that the expansion represents the isolation of capital or the exclusion of participation by a significant

proportion of our communities. That is, profits are not from produced goods but are from reduced participation in the workforce. In this present age of corporate takeovers we now see companies no longer able to rationalise their own staff and maintain profit without further technological input. If this option is not available it must turn on competitors to enhance its own profit margin and maintain the veneer of economic growth. The reality could well be that the economy is actually contracting. Therefore, in the terms of contemporary economic theory and the definition of externalities the market has failed to produce the required outcome.

Contemporary economic practice recognises a natural rate of unemployment. In Australia's experience, the natural rate is six percent or above. This is the level that contemporary economics theoretically functions at its optimum level⁵³.

The general view among economists is that the existence of frictional unemployment and a certain amount of structural unemployment constitutes a natural rate of unemployment towards which the economy automatically gravitates in the absence of other disturbances.⁵⁴

Frictional unemployment is when people leave a job and are unemployed for a short period until they move into new and more attractive employment. Structural unemployment is where technology makes a particular type of work obsolete and those affected by the displacement require training in new skills and possible relocation to another geographical area. Another form of unemployment is cyclical and is not part of the natural rate, but causes the major variations in the overall rate of unemployment.

Contemporary economic practice also functions on the principle of an unemployment - inflation trade-off. That is to say, a method of keeping inflation at a low rate is to maintain a level of unemployment at a high rate. To what degree the

trade off occurs is arguable within the factions of contemporary economic theory.

The accelerationist view is that:

...the unemployment rate (can be kept) below the natural rate, though the benefits to society of a higher level of employment can be achieved only at the cost of an ever increasing rate of inflation. By contrast, the "new classical view" argues that policy maker attempts to reduce the unemployment rate below the natural rate cannot succeed and, worse yet, they still impose the costs of an ever increasing inflation rate on society. ... (W)hile the accelerationist view offers the prospect of a trade-off between the benefit of lower unemployment and the cost of ever-increasing inflation, the new classical view argues there will be only the cost and no benefit.⁵⁵

An unemployment rate consistently above six percent, the accepted natural rate, for much of the late 1900's and into the twenty first century suggests that the 'new classical view' restricts government intervention into reducing the unemployment rate.

Milton Friedman, the doyenne of contemporary economic practice argues that the greater the inflation rate the greater the natural rate of unemployment.⁵⁶ Friedman's analysis is influential in the 'new classical view' that attempts to reduce unemployment will increase inflation, which in the long term increases the natural rate of inflation. However, the end result of a pool of high unemployment is a permanent unemployed class created for no other reason than the current economic practice requires it. In this instance the market has failed those that through no fault of their own are unemployed. If the result of maintaining unemployment at a rate around six percent as a means to maintain inflation at a lower rate, it is logical to look for the major beneficiaries of a lower inflation rate.

Obviously a major beneficiary is the finance sector. For example, if one hundred dollars is lent at a rate of ten percent per annum while inflation is running at

eight percent per annum then the lender is making two percent in real terms on the investment. However if the money is lent at a rate of seven percent while inflation is increasing at three percent then the lender is receiving four percent in real terms on the investment. On this basis, it is apparent that finance capital is a current major beneficiary of contemporary economic theory and it is in its interest to maintain the market failure aspect of unemployment and possibly underemployment.

Battin⁵⁷ observes

The collective undertaking to ensure full employment is economically rational from capital's point of view in the sense that it realises profits. Once *sections* of capital, particularly finance capital, are able to expand or consolidate their holdings, it is no longer rational for them to support full employment policies.

He adds

Making the distinction between various sectors of capital is certainly not to suggest that those who were more favourably disposed to Keynesian full employment policies, manufacturing for example, had identical interests to those of labour. It is merely to suggest that, on the specific issue of the stated goal of full employment, the priorities of labour and *some* sectors of capital are identical.

Prior to the nineteen seventies, the manufacturing industry was relatively labour intensive. Therefore, finance capital supported manufacturing capital to produce goods. Manufacturing capital in turn employed people to produce those goods. People then went out with the money they had earned from the manufacturing industry and bought, amongst other things, manufacturing goods. This created a complete money flow from the financier to the manufacturer to the employer to the seller, then to the buyer and back to the financier through the same route.

The ascendancy of finance capital since the nineteen seventies determined that it no longer needed to support manufacturing capital. However, for finance capital to maintain its prominent importance in the capitalist system, if it does not invest in hard assets to the extent that it had done in the past, then it turns, and will continue to turn to speculative ventures. Speculative ventures in their own turn lead to over-valuing the investment.

In a speculative environment, an investment may be worth one hundred units today and fifty tomorrow. Prior to the new valuation of fifty units a person may have used the one hundred units of investment as equity to finance another form of investment. When the new value of fifty units is determined the investor no longer has the necessary investment base of one hundred units to finance the second investment. That is to say, there is no hard asset to justify the new investment.

From another perspective, continued technological advancement means that manufacturing industries no longer need to employ as many people in the workforce. Therefore the flow of money is reduced in the sense of financier to employee and back to financier. When the manufacturing industry has reduced need for finance capital, or more importantly in the contemporary era, when finance capital amalgamates with manufacturing capital, the need for manufacturing pursuits in the short term is reduced. Therefore, the less the need to outlay on manufacturing pursuits, the greater the capacity to invest in financial pursuits and associated policies of low inflation and high unemployment. The recent merger of BHP and Billiton represents the overall shift in the control of money.

Added to the externality of unemployment is the associated environmental costs that are not being fully factored in to the production of a good. Korten⁵⁸ explains

Externalised costs don't go away - they are simply ignored by those who benefit from making the decisions that result in others incurring the costs. For example, when a forest products corporation obtains rights to clear-cut Forest Service land at giveaway prices and leaves behind a devastated habitat, the company reaps the immediate profit and the society bears the long-term cost.... Similarly, a giant chemical company externalizes production costs when it dumps wastes without adequate treatment, thus passing the resulting costs of air, water and soil pollution onto the community in the form of additional health costs, discomfort, lost working days, a need to buy bottled water, and the cost of cleaning up what has been contaminated.

State liberalism theoretically recognises these and other forms of failure and should attempt to rectify or minimise their impact by an allocation of resources supported by appropriate legislation that enhances the welfare of its people. That is to say, state liberalism is a political theory that harnesses classic economic theory as a means of reducing the impact of inherent economic market failure.

It is ironic that contemporary economic theory embraces the theories of Adam Smith which promoted '...a market composed of small buyers and sellers.'⁵⁹ His emphasis was on small enterprises participating in the marketplace devoid of larger corporations. Interestingly, he was also opposed to governments protecting the practices of larger corporations.

Much has been said about contemporary economic practices throughout this paper. Therefore, it is pertinent to assess its fundamental elements to fully appreciate its impact on contemporary society. Battin⁶⁰ outlines four main tenets that are fundamental to contemporary economic practice, or economic rationalism as he prefers to call it.

The first tenet is that the individual is selfish and that this is perceived as healthy. The notion of selfishness is an element that is apparent when the landed

gentry overstocked the commons in the 1700's as a means of removing the peasantry from the land. The tenet of selfishness is also apparent in Locke's theory of the accumulation of excess property and is re-enforced by Adam Smith's analysis of individual selfishness in the economic marketplace. However, it is important to recognise that Smith's observation was drawn from the controllers of capital and not from the working class or peasantry.

Regardless of observations of who is and who is not selfish, the notion of selfishness co-aligns with classic liberalism's freedom of the individual in the marketplace. Another important aspect of contemporary economic practice's notion of selfishness is that to make a judgement on individual characteristics has political and philosophical perspectives. It is philosophical because it promotes a moral principle, and it is political because it utilises the moral principle as a foundation for its economic theory. Perhaps the contemporary economic practice is not a philosophy or ideology on its own. However, those who adhere to the principle of leaving the free market to determine optimum outcomes are implying that those who control property should be left to determine the optimum outcome for society in general. This notion is a principle that is the same as classic liberalism's notion of individuals with property being permitted to act with uninhibited freedom.

Battin's second tenet of contemporary economic practice is that the individual is viewed as a calculating economic agent. This in itself is not a bad thing. The important element is the degree of being a calculating economic agent. Contemporary economic practice demands that the priority of any action is the economic necessity as opposed to the approach of recognising economic practice as an important element in the function of our societies, but not the only function. Under the guidelines of contemporary theory, the economic environment is the most

important and determines what is best for the whole of society, as opposed to the individual calculating the effects of economic decisions on other aspects of our existence like the natural environment or our political societies. In the sense of the major controllers of property elevating the economic environment above other aspects of our existence, the individual in general has little choice other than to give priority to the economic environment as a means of survival in the short term.

Battin's third element intrinsic to contemporary theory is that the individual, in the context of society, is atomistic. History suggests that the individual has little choice other than to be atomistic with generally minimal control over resources, while the primary source of income emanates from a wage contract. The wage becomes the main method of accumulating capital and property. However, the widening gap between major property holders and minor property holders, and therefore wealth, continues to widen, which suggests that the major beneficiaries of the atomistic individual in the context of society are the major owners of capital or property.

Battin's fourth tenet is that contemporary practice requires the separation of the economic function from other elements of a society. Current practices also require governments to refrain from interfering in the function of the economic market. Whitwell⁶¹, suggests minimal government intervention is intrinsic to contemporary practice, the economic free market theoretically producing greater efficiency through increased competition. However, the free market left to its own devices permits the bigger traders to undercut smaller businesses and eventually drive them from the market through mergers or liquidation. This reduces competition and questions the notion of a free market in the current capitalist framework as truly free and competitive. This is a direct contradiction in terms of the

rationalist approach of permitting the market to determine outcomes on competition. The truth of the matter is that the individual under the current structure of contemporary Australian society generally becomes more isolated and alienated through marginalisation in the marketplace and therefore society in general.

MONEY

The pursuit of money in the economic market has become the focus of western contemporary society. For those who pursue money more successfully than others, its accumulation is a refinement of that focus. The greater the accumulation of money, the easier it becomes to pursue money. It is easier because the nature of money accumulates more rapidly through investment. That is to say, investment is a method of employing labour and associated resources, like equipment and technology, to produce goods and services that attract a greater return than the investment outlay.

For example, an employee or worker is hired to do a particular job which contributes to the completion of a particular good, and receives one hundred units of money per week for that contribution. With that one hundred units the worker provides shelter, warmth, sustenance, transport, education, and well being relating to health and leisure for himself or herself and possibly other members of the household. Other members may include a spouse, children or forms of extended families. If there is more than one income within the household the worker contributes to the mentioned elements of existence.

For the sake of this argument, let us assume the worker in our discussion earns the average wage in relation to others workers. Shelter consumes twenty five units of earnings, sustenance consumes twenty five units of earnings, and taxation consumes twenty five units of earnings. Contributions to taxation assist in the production and maintenance of roads, maintenance of security through policing and armed forces, public research and minimising the impact of externalities such as air pollution. Twenty-five units remain to cover the costs of education (five units),

transport (five units); health related issues (five units) and leisure (five units). This leaves five units to be directed into the accumulation of money.

Over the period of a year the five units per week accumulates to two hundred and sixty units. The worker then invests the two hundred and sixty units with banking institutions at a rate of five percent return per year, which equates to thirteen units per year. Therefore, after a year of work, the employer has two hundred and seventy three units to re-invest. This also assumes there have been no unforeseen incidences, which may incur costs. Such occurrences could be increased costs due to motor vehicle breakdowns or extra costs due to illnesses that attract increased costs such as hospitalisation. Other costs relating to illness could be medical treatment beyond general treatments by general practitioners and pharmaceutical products.

Further extra costs may be maintenance of housing and maintenance of the immediate surrounding environment. That environment may include maintenance of land through tree planting to ensure the stabilisation of soils, thus enhancing the reduction of soil erosion. These environmental actions further enhance the stability of housing or shelter as well as provide an environment that is amenable to the worker.

During the course of a week, the worker contributes to the production of one hundred items of a particular good. The investor or employer now has one hundred items of a product to sell and must determine a price that provides a return which covers costs such as labour, purchase and maintenance of equipment, transport, leasing costs, advertising costs and other associated expenditure.

After all costs are accounted for, let us assume that each item costs four units to produce and deliver to the marketplace. The employer then places a cost of

one unit onto the price of each item, which represents profit that is utilised for re-investment within the business to expand the capacity to produce goods at a cheaper price.

In our scenario and in the immediate timeframe, the profit on each good produced is equivalent to the cost of labour on that good. Therefore if one hundred items of the good sell in the course of a week the producer or employer makes a profit of one hundred units in the week. In annual terms profit is five thousand, two hundred units. Compare this with the two hundred and sixty units available to the worker for re-investment and we can see the greater capacity for the employer to re-invest for greater profits.

The employer may find the demand for the produced item determines the need to employ another person to produce another one hundred items per week and that the employer has the capacity to produce the required extra items by introducing the required equipment into the production process. The extra production now delivers two hundred units per week. The extra production also reduces outlays, excluding labour costs, which determines annual profit is now in excess of ten thousand four hundred units.

Alternatively, if demand falls to fifty items per week, the employer reduces labour costs to two and a half days per week which then produces two thousand, six hundred units of profit per year. To be consistent, even though labour costs are reduced by half, other production costs are not reduced to the same extent which determines profit is less than two thousand six hundred units. However even if production costs reduce profits to one thousand five hundred units, it is still one thousand five hundred units of profit for re-investment in a form that generates greater profit.

The employee now finds that income is fifty units per week, which immediately removes the capacity for any profits and severely inhibits the existence that occurred on one hundred units per week. Consequently the employee's well being is heavily influenced by the demand for the item produced and the employer's decision to reduce or increase working hours.

The employer also has the capacity to re-invest in other avenues if it is determined that profits fall below a margin where it is attractive to invest in other pursuits. This may occur when investment in other pursuits offer and maintain a margin that is more attractive to the investor. Unfortunately, this causes the worker to have no income and to be dependant on social welfare until other employment is found. If the worker is skilled in an area where demand is minimal, welfare dependency becomes an extended event until new skills are attained. But this re-direction takes time and further marginalises the worker's standard of living and further erodes any profits that were made from periods of employment.

Now, the economic purist may well be able to find discrepancies in this example of employer/employee outlays, but the general emphasis is on the greater accumulation of money having a greater capacity to make and utilise profits.

This division of money or profit-making coincides with Adam Smith's analysis of the 'invisible hand' which suggests tendencies of self-interest primarily emanate from those exploiting or utilising labour for the purposes of profit. Consider Smith's⁶² analysis when he says:

But it is only for the sake of profit that a man employs a capital in the support of industry; and he will always, therefore, endeavour to employ it in the support of that industry of which the produce is likely to be the greatest quantity of money or other goods.

On the one hand we have a worker or employee, whose pursuit of money is based primarily on survival needs through shelter, health and sustenance, while

the employer utilises capital to accumulate money to make more money. Arguably the accumulation of money ensures the investor's survival or gives more scope for survival and comfort. Although the investor creates employment for the worker, which enhances the prospect of survival, the worker becomes dependant on the investor to survive. There is no other alternative, or minimal alternatives but to offer labour to survive. This suggests that the pursuit or need for money is possibly the most important feature of western contemporary society.

Furthermore, the employer's greater capacity to accumulate money suggests the greater the capacity to factor into overall costs externalities such as environmental damage. Perhaps it can be argued greater taxes or a levy imposed on the majority is the optimum method of accessing funds to address environmental costs that emanate from business pursuits. However, this approach does not address full production costs of a good being paid for by the producer. In fact, the expectation of the general population paying for environmental damage is an incentive for the producer to pollute for the sake of producing a good at a cheaper cost in the short term. Effectively, if a person buys a good for five units, the real cost may be five and a quarter units.

It may also be argued that it is not really relevant whether full costs are paid directly when a good is purchased or indirectly through a tax add on or levy because the purchaser will have to pay the full cost of the item anyway. However, it is also arguable that it is inappropriate to damage the natural environment for the sake of the production of a good, then recoup costs of environmental damage for the sake of attempts at environmental repair. In fact this approach tends toward illogical. Why damage an environment that is imperative to our very being and existence for the

sake of economic expansion without really knowing whether that environment can be repaired to ensure our continued existence?

ANTHROPOCENTRISM, ECOCENTRISM AND COMMUNITY

Anthropocentrism and ecocentrism are generally regarded as being diametrically opposites on a given scale. Just as socialism and liberalism are viewed as contrasting ideals, so too are anthropocentrism and ecocentrism. However, just as liberalism and socialism have the common fundamental element of community, anthropocentrism and ecocentrism are similarly orientated. It is the interpretation of community and its associated functions that significantly differ.

Eckersley⁶³ views anthropocentrism as:

...the belief that there is a clear and morally relevant dividing line between humankind and the rest of nature, that human kind is the only or principal source of value and meaning in the world, and that nonhuman nature is there for no other purpose but to serve humankind.

Anthropocentrism is a view of the world where humans are well and truly placed at the centre of that worldview and any element of nature, including other humans, is regarded as a resource for human exploitation. The exploitative approach that anthropocentrism applies to other species, encourages a more general approach to exploitation that essentially includes humans, as well as other flora and fauna. Exploitation of fellow humans ranges from slavery to paid wages for production of goods and services that are sold for profit.

Slavery is a common feature of human history. In the terms of this discussion, Athenian Democracy primarily functioned on the enslavement of others through conquest and ownership of the propertyless. Slavery was also a causal factor in the American Civil War. In contemporary western society, sweat shops pay wages that are a form of slavery where the recipient receives minimal payment for survival.

The payment of legal wages guarantees a more comfortable means of survival and can lead to the employee investing surplus in the pursuit of profit. However, a fundamental of capitalism is the utilisation of resources, in this instance human resources, in the pursuit of profit. That is to say, in the pursuit of profit, you do not employ labour unless it contributes to a return that is above the initial outlay.

The anthropocentric ideal also exploits other resources in the pursuit of profit. For example, the cost of extracting minerals from within the earth requires an extensive investment in machinery and human resources. If the investment is to be viable, the sale of the extracted minerals by utilised resources needs to return a price that is above the investment. If it does not return such a dividend in the long term it is not viable, and investment is invariably redirected into other forms of resource exploitation. The essential point is that anthropocentrism fits quite comfortably with classical liberalism's ideal of individual freedom and classic economics' ideal of free trade in the market place. Free trade in the market place under the principles of classic liberalism incorporates free trade between countries which implies global free trade in a global community. That is to say, anthropocentrism can be associated with a human centred community that is so large that pre-existing cultural identities are overshadowed, overwhelmed and subject to reduced significance when compared to their historical past.

Anthropocentrism can also be associated with the avoidance of costs created by externalities that cause environmental damage, by the very nature of external costs affecting a community that is so vast. Therefore, those who create pollution may not be directly affected by that pollution. For instance, a mining company's shareholders who reside primarily in Australia may be active in New Guinea where pollutant residues drastically reduce the quality of existence for local

inhabitants. Reduced quality may be caused by residues leaked into local river systems that poison the river to the extent that the river's marine life is destroyed and therefore deprive those that are dependant on the river of a vital food source as well as destroying a vital water supply.

BHP's activities at the source of New Guinea's Fly River in the pursuit of gold is a good illustration of profits made from these types of scenarios being made by persons who are not reliant on the locally polluted resources for existence. Hence, the anthropocentric worldview of human centredness exploits nature's resources for the immediate benefit of a select group of humans at the exploitation of the natural environment and other humans.

Consider again Adam Smith's analysis that '(The individual) intends only his own gain, and he is in this led by an invisible hand to promote an end which was no part of his intention.'⁶⁴ Anthropocentric exploitation of fellow humans and natural resources are compatible with Smith's analysis which is a fundamental foundation of classical liberalism and classic economic theory. Just as important are the positives and negatives of the 'invisible hand'. From the positive perspective, if a producer is able to sell a product of equivalent quality for a cheaper price than a competitor, then the consumer has a greater capacity to spend on other items thus enhancing the capacity of other industries. However, the negative side of the invisible hand may be that the cheaper cost of producing a good causes greater pollution to the atmosphere and immediate environment. Under these circumstances the 'invisible hand' at best 'promote(s) an end which was no part of (the) intention', and at its worst, the source of the invisible hand is aware of the pollution but is indifferent to its consequences because there are no direct costs from the pollution returned to

the producer. It could even be argued the emission of pollution guided by the 'invisible hand' has created an industry of pollution critics and monitors.

However, the current approach does not directly return the cost of pollution to the producer. It creates an industry where the costs are diluted throughout the general community. For example, pollution emissions by industry impact upon the health of the community who must then incur costs of medical advice and associated pharmaceutical costs. The occurrence of asthma in our communities is a good example of an ongoing negative aspect of the invisible hand.

Current business trends of virtually buying rights to pollute by directing resources back into the repair of the natural environment goes some way to addressing the issue, be it in a superficial sense. Meanwhile the health and well being of fellow humans in the local and global natural environment continue to be adversely affected. It is this global community approach to rectifying adverse effects on the natural environment by industry that encapsulates the contrast between the anthropocentric and ecocentric view of the natural environment.

The ecocentric view of the environment is one where humans are merely another element in an eco-system and gives as much importance to its own species as any other. Eckersley⁶⁵ perceives that:

Ecocentrism is not against humans per se or the celebration of humanity's special forms of excellence: rather, it is against the ideology of human chauvinism. Ecocentric theorists see each human individual and each human culture as just as entitled to live and blossom as any other species, *provided* they do so in a way that is sensitive to the needs of other human individuals, communities and cultures, and other forms of life-forms generally.

Eckersley is arguing a case for ecocentrism as an ideal that calls for a greater sensitivity towards the natural environment, and if greater sensitivity requires

reduced consumerism of a particular product so that the longevity and quality of existence for other species is ensured, then so be it.

Wells and Lynch⁶⁶ argue that the ecocentric perspective, if permitted to emerge as a dominant influence in our philosophies and political ideologies, would see the demise of human society as we know it, and in all probability the demise of the human race in its entirety. Consider their perspective of:

If we attempted to apply (ecocentric) views *without qualification*, we could not act at all. If it is really true that *all organisms are of equal worth*, then there would be no basis on which I could place my individual needs (say, to eat a carrot or a parrot) above the needs of that organism 'to grow and flourish'. In satisfying my needs I have ignored the needs of another, equally worthy, organism. Given that, in order to survive, humans will have to do this many times in their lives, an impartial judge, working with such a biocentric ethic in mind, might well decide that the only ethical thing for humans to do is commit immediate racial suicide.”.

Wells and Lynch take the ecocentric ethic to its extreme and highlight the inevitability of species impact on the immediate natural environment. For example, if a person clears a hectare of land of its natural flora and fauna to graze cattle for eventual human consumption, other species that used that hectare for food and shelter must find other sources for existence, if they survived the immediate impact of the clearing process. Other species that utilised the hectare in question now must compete for resources with other species in other environments. If there are not enough resources for the displaced species, some will not survive. The impact is evident in the planned changes to a natural environment having the effect of changing the flora and fauna that utilise that physical environment. Obviously, if larger tracts of land are cleared, the competition for resources by other species, and in the long run all species, becomes more acute.

On the other hand, if a person is aware of human impact on the environment and endeavours to minimise that impact while pursuing the goal of survival, the decision may be made to pursue a vegetarian diet. This in itself generally requires a level of agriculture that utilises the natural environment that, once again, reduces land access for other species, be it in a much reduced form. However, the essential point is that there is an impact on the natural environment.

To take the point a step further, a person may decide that in the interests of the natural environment and all species on the planet, a hunter gatherer existence is the best option, thus further reducing human impact by minimising sedentary agriculture. However, the person still needs sustenance and may hunt and kill a wallaby to satisfy that need. As a consequence, that wallaby will no longer graze on grasslands which therefore gives other plant life the enhanced opportunity to overwhelm competing plant life. Thus, the changing food source attracts different species, which further impacts on the changing or evolving environment. It is in the interests of the person to be aware of human impact so that flora and fauna that are part of the person's diet and resources remain easily accessible - and that is an implicit goal of the ecocentric point of view.

It is logical to expect humans to have an impact on the natural environment. The crucial point is - what degree of impact is acceptable? Obviously the optimum impact is one that ensures quality of existence for fellow community members, which in itself requires a sustainable ecological environment.

Hardin⁶⁷ attempts to address minimal human impact through the 'Tragedy of the Commons'. Although Hardin's paper is primarily concerned with population control, he uses the feudal principle of 'the common' to highlight his concern about other environmental issues as well as overpopulation. Unfortunately, he applies the

capitalist principle of increased production as a means of maximising material comforts to the principle of the shared common as a means of increased production. However, the feudal landscape was not about increased production in the capitalist sense. He argues that all herdsman will eventually want to increase production and therefore cause overgrazing on the common, which will eventually lead to the destruction of the sustainability of the common. But feudalism was not about individuals maximising individual well being. Feudalism was about maintaining a social order that required a monarchical type of structure where everyone had a place in that structure. The herdsman had no need to increase his productivity to enhance his well being and comfort. His place in that structure was assured.

Also, Hardin⁶⁸ assumes that 'As a rational being, each herdsman seeks to maximise his gain'. This principle is closely aligned with Adam Smith's analysis of 'The individual intends his own gain...'. However, Smith's idea of the individual maximising self interest is arguably directed at those involved in the pursuit of capital accumulation through business enterprises, rather than the individual in the general existence of society and social well being. Once again, Hardin is basing his argument on a principle that is not necessarily applicable to people in general, but is directed more at the structure of the capitalist system itself. That is to say, Hardin would be better placed to argue his concerns from the perspective of the nature of uninhibited capitalism as a cause for concern on issues such as overpopulation and environmental destruction. His argument would be more appropriately influential if it concentrated on the negative aspects of capitalism in contemporary society without the need of a bastardised 'common' and without the assumption that everyone seeks to maximise gain. Perhaps an analysis of economic domination in the context of the natural environment would have been more pertinent.

Wells and Lynch⁶⁹ look to the past to verify negative effects of human impact on our environments by pointing out that:

...de-afforestation of the fertile crescent was proceeding apace well before the Christian or Islamic eras. (Also) in India, vast tracts of land were degraded by salination through over-irrigation well before the development of “technocratic-industrial” society; just as in China the agricultural, industrial and even religious needs of a growing population over centuries led to the clearing of the great majority of the forest cover with all the subsequent erosion and siltation of the river valleys.

As further proof of human impact on the natural environment Wells and Lynch⁷⁰ look to “primal” societies as proof of human impact on the natural environment through:

...the regular burning of grasslands – and modified (nature) to suit their own human purposes. The extinction of megafauna in America, for example, has often been associated with the arrival of humans on that continent. There have been suggestions that the practices of the Australian Aborigines contributed to the predominance of eucalypts and the relative sparsity of other species in the open forests of Australia...

As well as providing clear examples of human impact on the natural environment, Wells and Lynch’s analysis of human impact provides an interesting contrast between sedentary civilisations and primal societies. The impact of sedentary civilisations is recorded as high impact through salination, de-afforestation and associated soil erosion, whereas the impact of primal societies is less clear with the measurable human impact being far less destructive to the natural environment within equal timeframes. That is to say, the human impact on the environment in India and the fertile crescent presumably occurred over a far shorter period of time than the Australian Aborigine’s and the North and South American Indian’s impact on the natural environment.

Wells and Lynch are attempting to show that environmental impact to the extent of changing environments is not isolated to the contemporary era or the industrial age. However, the examples show that the primal societies had much sounder environmental management practices than the Indian and fertile crescent comparisons.

By highlighting the “primal” human impact on the natural environment Lynch and Wells are telling us that societies which are seen as optimum styles of living by ecocentrists do, in fact, impact on the environment. But what is possibly more relevant, from the perspective of human survival and sustainability, is their reference to studies by Horton⁷¹ who argues, according to Lynch and Wells, that animistic religions

...while they may have an expressive dimension, are on the deepest level attempts at technological control of an often hostile and threatening world - attempts founded in a respect for nature based more firmly on a human-centred fear than a selfless love of nature.

Ecocentrism then, is a human centred approach to the natural environment, but calls for much more ecologically sensitive management practices that use the smaller community or tribal societies as a guide to appropriate management practices. This is a radical shift from the anthropocentric or global community approach.