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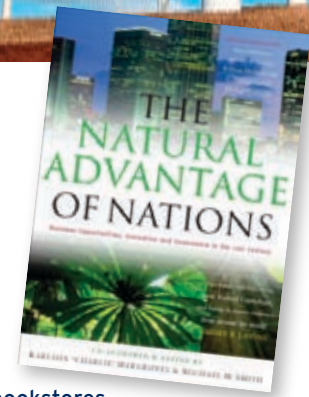
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BOOK REVIEW

The Natural Advantage of Nations - Business Opportunities, Innovation and Governance in the 21st Century

Hargroves, K. Smith, M.H. Eds. Earthscan, London. 528 pages, around \$50 in good bookstores.



Working in the Mirvac School of Sustainable Development at Bond University one would think that most of the staff would know exactly what sustainability is. Well, this reviewer has struggled with the concept since the term came into vogue around 5 years ago. Finding a useful definition that offered a ready explanation to students covering many disciplines and applications remained elusive. That has now changed. The Natural Advantage of Nations edited by Karlson Hargroves and Michael H. Smith provides a comprehensive explanation of sustainability and much more. The book is a compilation of well-researched essays from a cross-section of mainly academic writers and many of the case studies and policy frameworks discussed are Australian. The book is of interest to anyone with an interest in infrastructure especially in the energy, transport and water industries which are the subject of separate chapters in this book.

Reorienting economic and social activity and objectives around sustainability principles is a daunting task in the short-term but an achievable goal for countries with an economic and human geography similar to Australia - a large and mostly arid land mass and a small population mainly concentrated in urban conurbations. However, every section of the community has a role to play - sustainability principles, policy and an implementation framework is not solely the responsibility of

government. The contributors argue that policy needs to be long-term and determined only after wide consultation with all sections of the community - special interest groups, community organisations, industry associations and business. Many essays point to the need for this to be an ongoing process employing collaborative partnerships in matters such as policy formulation, planning and regulation. Several writers make the point that the challenges faced by Australia is not lack of know-how in dealing with greenhouse gas emissions, water conservation, clean energy generation, congestion in cities or improving public transport. The technology and a capacity to innovate is well established in Australia. What is missing is the delivery mechanisms, a commitment to long-term planning, wider consultation with stakeholders and national coordination of policy between the three levels of government. These objectives are difficult enough in confederations such as the European Community. For states with federal constitutions, the task is that much greater - few member governments willingly surrender constitutional powers or voluntarily cooperate to enact uniform legislation without coercion or financial compensation. A review of the Australian model of federalism must be an early task for the next Commonwealth government.

Is there a green flavour to the essays? Undoubtedly, but few of the essays see this as an end in itself. Not



too much theory here although some of the evidence cited is not always peer reviewed. What most of the articles do is apply the principles of sustainability to key human activities. Four stand out - the built environment, the economy, markets and government.

Sustainability in the built environment is already being implemented and recent studies point to the gains to be realised from design innovation, wider use of recycled building materials, energy and water efficiency. The community benefits here can be significant; not only for users but also in lifecycle costing and recent evidence from the United Kingdom corroborates these findings.

Sustainability and the economy operate at a number of different levels. First, there is the regulation of performance standards and business conduct. A strong case (also supported in the literature) is made for reasonable regulation of new environmental standards with wider use of incentives and a diminished role for penalties. Second, there are interventions to correct market pricing of resources, asymmetrical information problems and minimise negative externalities. The pricing of water is one example studied and congestion charging is another. Third, there is the role of long-term planning whereby government creates the policy objectives and industry is given sufficient time to adapt to new rules and generate the investment that is required in innovation and technology. Fourth, there are important initiatives to be taken in a cluster approach to industry development as a means of lowering transaction costs and encouraging greater pooling of resources and infrastructure.

Sustainability and the role of government is clearly a central theme in these essays and there are numerous case studies dealing with successful policy implementation within Australia and overseas. Peter Newman provides an excellent case study on the Western Australia State Sustainability Strategy

introduced by the Gallop government in 2003. There is reference to public private partnerships as a method of enabling collaborative work on sustainability objectives, policy frameworks designed to improve resource productivity and stimulate innovation, the role of long-term infrastructure planning and, urban development master planning to build the cities of tomorrow.

As mentioned, the book offers many case studies; it is well illustrated and thoughtfully edited. The essays are well researched and referenced although the endnotes to several chapters frequently refer to information that is less than authoritative with wide use of the media and unpublished sources. In this relatively new area of research and investigation, this is a minor point. The essays are interesting, contain lots of thought-provoking ideas and the book is essential reading if you are serious about learning more about this increasingly important field of sustainability.

