

REVIEW

Richard Steyn is a writer and publisher, and a Trustee of the HSF.

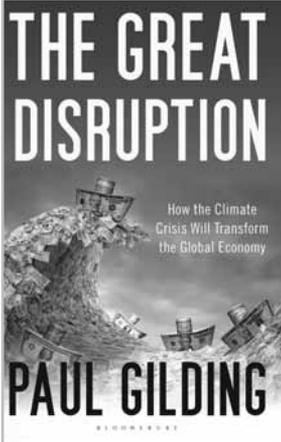
The Great Disruption: How the Climate Crisis Will Transform the Global Economy

When environmental activist and sustainability consultant Paul Gilding delivers his grim warning to business audiences that our planet is overstretched and about to subject us all to a series of devastating ecological, social and economic shocks, the most common responses are anger and denial. And then, as the force of his argument hits home, avoidance and despair set in. But despair is a necessary stage to move through, Gilding suggests in this mind-opening and surprisingly optimistic book, if we are to alleviate a dire situation. Otherwise, our future is one of growing misery and decay.

A former head of Greenpeace and businessman, now attached to Cambridge University's Programme for Sustainability Leadership, Gilding argues that the problem goes wider than climate change and is the result of an overburdening of the ecosystems upon which human life and livelihoods depend. At its current population of more than six billion, the earth is operating at 140 % of its capacity. By 2050, when the population will have climbed to an estimated nine billion, it will be at 500-700 % of capacity. Unless we can drastically decrease resource use and pollution per unit of economic output, something has to give.

Having been in the forefront of the environmental debate for almost four decades, the author is conversant with the arguments for and against climate change, but gives short shrift to the denialists. By the time the debate is settled one way or the other, he says, it could be far too late to change direction. Common sense – not to mention the weight of scientific evidence – suggests that the earth's resources are being used up at a rate that cannot be replenished. Hurricanes, wildfires, heat waves, water shortages, depleted fish stocks, deforestation and famine are symptoms of a cataclysm on the way.

The corollary of Gilding's argument that the planet is overburdened is that the end is nigh for exponential economic growth. While growth may be deeply ingrained in our global political, economic and cultural systems, there will be nowhere to put an economy that is twice the size of the earth's, let alone five times its size. As in the financial crisis of 2008-9, governments will throw everything into the task of trying to restore growth, and indeed growth will occur in some countries and companies at different times. 'But the faster we grow, the faster we will hit the limits'. Our refusal to acknowledge the limits of growth, he asserts, means that we are entering a long period of economic stagnation, geopolitical instability and ecological chaos.



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In answer to the questions most often thrown at him by hostile audiences, Gilding explains that three things drive mankind's ecological impact: population, affluence and technology. Given the difficulties of population control, solving the problem means falling back on technological development, and growing the economy in a different way – with cheaper energy and resources that are renewable.

Here Gilding waxes surprisingly optimistic: although the challenge posed by the Great Disruption is unprecedented in scale and severity from anything yet encountered in history, he believes it's more likely to be a disruption in human evolution than the collapse of civilisation as we know it. Even if we don't respond in time to climate change when it's abundantly clear that we risk wiping out 50% of the diversity on earth, the Great Awakening is certain to come when our economy and lifestyle come under direct threat. Then, and only then, will mankind unleash the innovation and adaptation of which we are capable.

Two responses, the author predicts, will shape the next forty years: the old economy will try to fix itself by continuing to strive for economic growth, but with reduced carbon intensity. The new economy – which will run in parallel with the old – will be more resource-conscious, more closely aligned with the ecosystem, less consumer-oriented and more cognisant of the limits to growth. As the new system overtakes the old, its benefits will include an energy system based on water, wind and solar power that will lead to cleaner cities, cheaper power and better standards of public health.

Instead of growth, our aim should be a 'steady-state', sustainable economy in which there is less rampant materialism, less inequality (of living standards and salaries), and more emphasis on the quality of life.

While the challenge is all-embracing, Gilding believes that climate change, as the most immediate and apparent danger, will be the primary focus in the medium term. This being so, he and his scientific colleagues are calling for a global temperature target of one degree centigrade above what it was at the time of the Industrial Revolution. Two degrees – the target set by the 2009 Copenhagen Conference – will lead to widespread environmental and social damage and is a recipe for failure, he avers.

If Gilding is right, the end of growth will bring about massive economic and political dislocation, because our global system is based on the assumption that economic growth is the source of every country's prosperity and success. Instead of growth, our aim should be a 'steady-state', sustainable economy in which there is less rampant materialism, less inequality (of living standards and salaries), and more emphasis on the quality of life.

Far-fetched or Utopian? I don't think so. It should be obvious by now that an economy predicated on infinite growth on a finite planet is ultimately unsustainable. And that millions more are going to be mired in misery and deprivation if we carry on the way we are.

Even if Gilding's predictions do not all materialise – most notably his conviction about humanity's capacity to achieve a common purpose – we are clearly in for years of convulsive change. Reading this stimulating and challenging book will have far-sighted governments and companies, and you and me, better prepared for it.