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Economic growth 'cannot continue'



The world is facing ecological bankruptcy, the report warns

Continuing global economic growth "is not possible" if nations are to tackle climate change, a report by an environmental think-tank has warned.

The New Economics Foundation (Nef) said "unprecedented and probably impossible" carbon reductions would be needed to hold temperature rises below 2C (3.6F).

Scientists say exceeding this limit could lead to dangerous global warming.

"We urgently need to change our economy to live within its environmental budget," said Nef's policy director.

Andrew Simms added: "There is no global, environmental central bank to bail us out if we become ecologically bankrupt."

None of the existing models or policies could "square the circle" of economic growth with climate safety, Nef added.

'No magic bullets'

In the report, Growth Isn't Possible, the authors looked at the main models for climate change and energy use in the global economy.

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”

Dr Victoria Johnson,
Report's co-author

They then considered whether economic growth could be maintained while "retaining a good likelihood" of limiting the global average temperature to within 2C of pre-industrial levels.

The report concluded that a growth rate of just 3%, the "carbon intensity" of the global economy would need to fall by 95% by 2050 from 2002 levels. This would require an average annual reduction of 6.5%.

However, the authors said that the world's carbon intensity had "flatlined" between 2000 and 2007.

"For each year the target was missed, the necessary improvements would grow higher still," they observed.

The findings also suggested that there was no proven technological advance that would allow "business as usual" to continue.

"Magic bullets - such as carbon capture and storage, nuclear or even geo-engineering - are potentially dangerous distractions from more human-scale solutions," said co-author Victoria Johnson, Nef's lead researcher for the climate change and energy programme.

She added that there was growing support for community-scale projects, such as decentralised energy systems, but support from governments was needed.

"At the moment, magic bullets... are getting much of the funding and political attention, but are missing the targets," Dr Johnson said.

"Our research shows that to prevent runaway climate change, this needs to change."

The report concluded that an economy that respected environmental thresholds, which include biodiversity and the finite availability of natural resources, would be better placed to deliver human well-being in the long run.

Tom Clougherty, executive director of the Adam Smith Institute, a free-market think-tank, said Nef's report exhibited "a complete lack of understanding of economics and, indeed, human development".

"It is precisely this economic growth which will lift the poor out of poverty and improve the environmental standards that really matter to people - like clean air and water - in the process, as it has done throughout human history," he told BBC News.

"There's only one good thing I can say for the Nef's report, and that's that it is honest. It's authors admit that they want us to be poorer and to lead more restricted lives for the sake of their faddish beliefs."