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Summary 1

TO MASTER THE THREATS OF CLIMATE CHANGE WE HAVE TO REDEFINE AND REORIENT ECONOMIC GROWTH

We are heading into a perfect storm of crises which are so intimately connected that they cannot be resolved separately. Climate change is only one of an array of emerging challenges: The ecosystems on which we absolutely depend are being degraded at an alarming rate; humanity is grossly overusing the resources of the planet; rising stress on water and productive land, compounded by the effects of climate change, is reducing food security; levels of hunger, poverty and deprivation are again increasing; the global economic and financial systems have proved to be unstable and inequitable; the division between rich and poor is widening; millions cannot find employment; and, in this complex and dangerous situation, it is estimated that an additional 2.3 billion people will arrive on this planet by 2050. Humanity is in the midst of a systemic crisis. The underlying root causes are our current concepts of growth, development and globalization, which must be changed.

The UN Climate Conference in Copenhagen demonstrated that the threats of catastrophic climate change are still not sufficiently perceived as real and urgent to overcome the entrenched special interests and the pressures of domestic politics. It also clearly showed that concepts, assumptions and processes which determine our policies and action are inadequate to manage the challenges of the 21st century. In common with previous civilisations which have collapsed, we see the threats deepening but we are unable to agree on strong action.

Why have we failed so far?

- We fail because our ideas have been overtaken by reality: we insist on trying to solve connected, systemic problems through partial, incremental and short-term measures.
- We fail because our institutions and policies, designed for a different age, are not adapted to a world in rapid transformation and to the scale of the dynamic, connected challenges of the 21st Century.
- We fail because our model of economic growth, directed to never-ending increases in demand-driven consumption, destroys the natural systems on which we depend;
- We fail because we have not yet accepted that substantial changes in attitudes and beliefs, values and behaviour are necessary if we are to resolve critical global issues.
- And we fail because we have not yet recognised in practice, the reality and urgency of the threats which are fast approaching: we therefore cannot find the will and the public understanding and support to take the necessary action.

Our society has been built on the notion that economic growth is entirely positive. This made sense as long as we were few people on the planet and the global economy was small compared to the natural system. This is no longer the case: more than two thirds of the most important ecosystems are being overused. The present path of development cannot continue much longer. We have to be more concerned about the quality and content of growth, not simply the quantitative increase of growth. This is both a challenge and an opportunity to lay the foundations of innovative, resource efficient, sustainable and socially-just societies.

An Agenda for Action

1. *Don't wait, act*

The negotiations in Copenhagen are only a small, highly visible element in the vast array of activities in progress across the world at every level in response to the perceived threat of climate change and government action is only one part of the solution. The stimulation of efforts throughout society and the economy will be the precondition for success.

We can move immediately for example by achieving improvements in energy efficiency on a vast scale; by increasing the resources available for R&D and by conserving and restoring terrestrial and marine ecosystems across the world. In each of these areas, and many others, concerned governments, corporations and communities can move ahead rapidly. The negotiating process should therefore make a clear distinction between those issues which require wide international agreement and those where action can be launched or strengthened immediately.

2. Redefine the goals and processes of international negotiation

Copenhagen demonstrated the intrinsic difficulties of a negotiating process in which all UN Member States are engaged on all issues. The outcome, agreed by a small group of the key emitting countries, did recognise the reality of the threats and the urgency to reach agreement.

But this process marginalized those countries and peoples most directly affected by climate change. The negotiating process, and the ensuing governance structures, must find a suitable balance between the need for urgent, effective action and the need for climate justice, for humanitarian assistance, and for the fair sharing of the costs incurred in the development and application of technological solutions for mitigation, and for adaptation to meet those impacts of climate change which are already inevitable.

3. Develop and implement explicit, coherent national strategies to achieve sustainable growth.

It will be essential to restructure national economies onto a new path of growth to address the root causes of climate change, and of the other crises which threaten the future. This is a deeper and more extensive issue than moving towards a low carbon economy. Some countries are already moving in this direction. For example, an explicit strategy is emerging in China, the Xiao Kang Programme, to change the orientation of the economy onto a resource efficient, sustainable, equitable and regionally balanced path while in Korea the foundations have been laid to create an information-based, clean economy.

4. Redefine the present concepts of growth, development and globalisation

It is essential and urgent that the present strategies and policies for economic growth be radically changed. We must consider the following:

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- to adapt the GDP to become a measure of real welfare and progress;
- to take proper account of the value of natural capital by assigning a value to ecosystems services and biodiversity;
- to introduce targets and policies to improve resource productivity so as to encourage job creation and halt the overuse of resources and degradation of the environment;
- to remove all subsidies which harm the environment and encourage the use of energy;
- to fully apply the Polluter Pays Principle and the Precautionary Principle to avoid the risk of damaging environmental impacts;
- to encourage the development of new business models in favour of new, green economic activities and the move from material-intensive products to services

We cannot manage the scale, complexity and dynamics of the 21st Century with the tools of the 20th. We are at a turning point in world history where new ideas, new values, new strategies and new institutional arrangements are needed. We have learned that we cannot rely solely on “the magic of the market place.” Nor can we rely on technological solutions to save us from ourselves. We know that business as usual will lead to disaster. We must find the vision, the leadership and the creativity to collaborate in developing constructive solutions to offer a decent future to present and succeeding generations. We have the capabilities: we must find the will.

The Club of Rome

The International Secretariat of the Club of Rome is in Winterthur (Switzerland). More information on the Club of Rome is available at www.clubofrome.org.

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