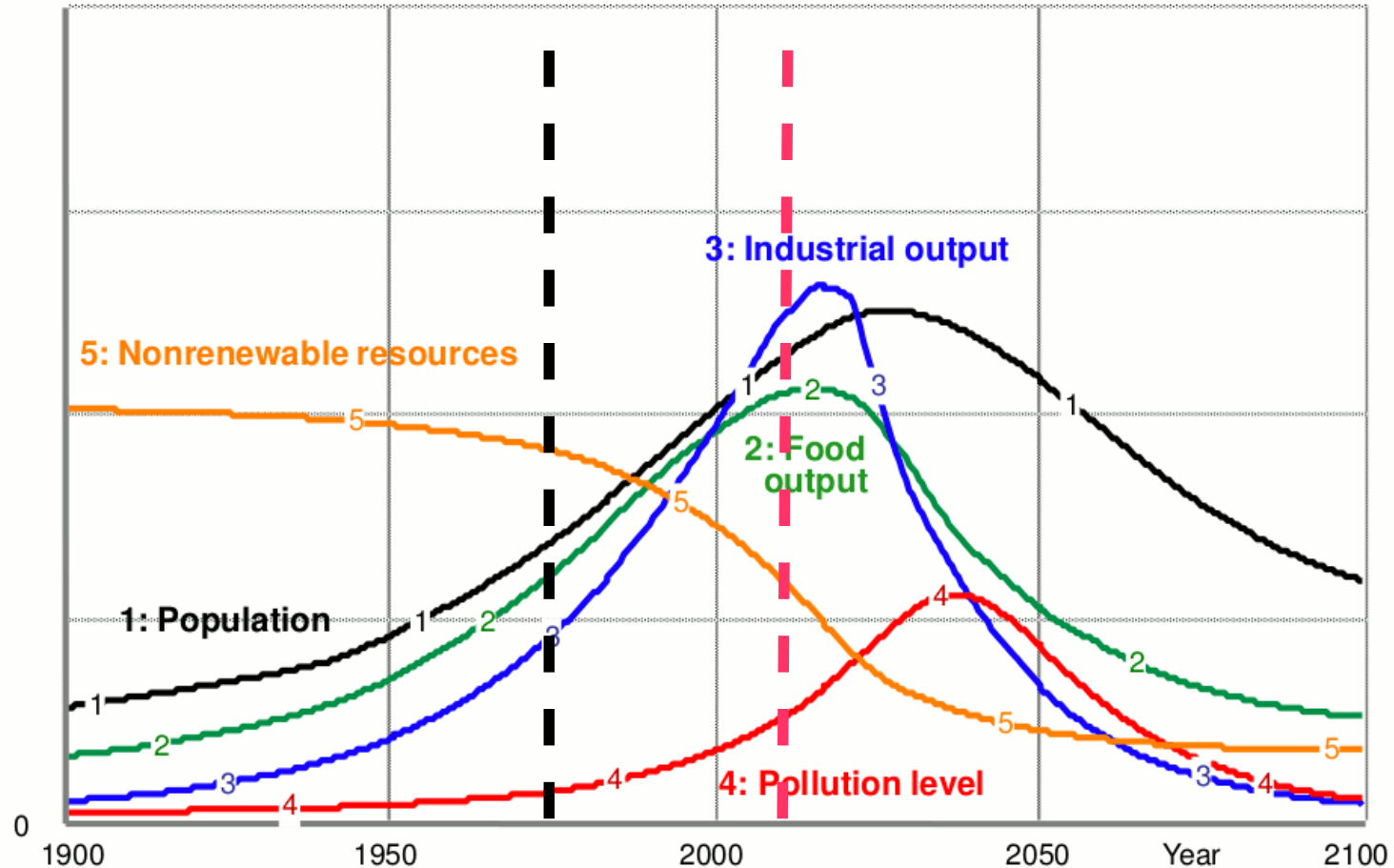


Can we shift to a sustainable economic
system without collapse?

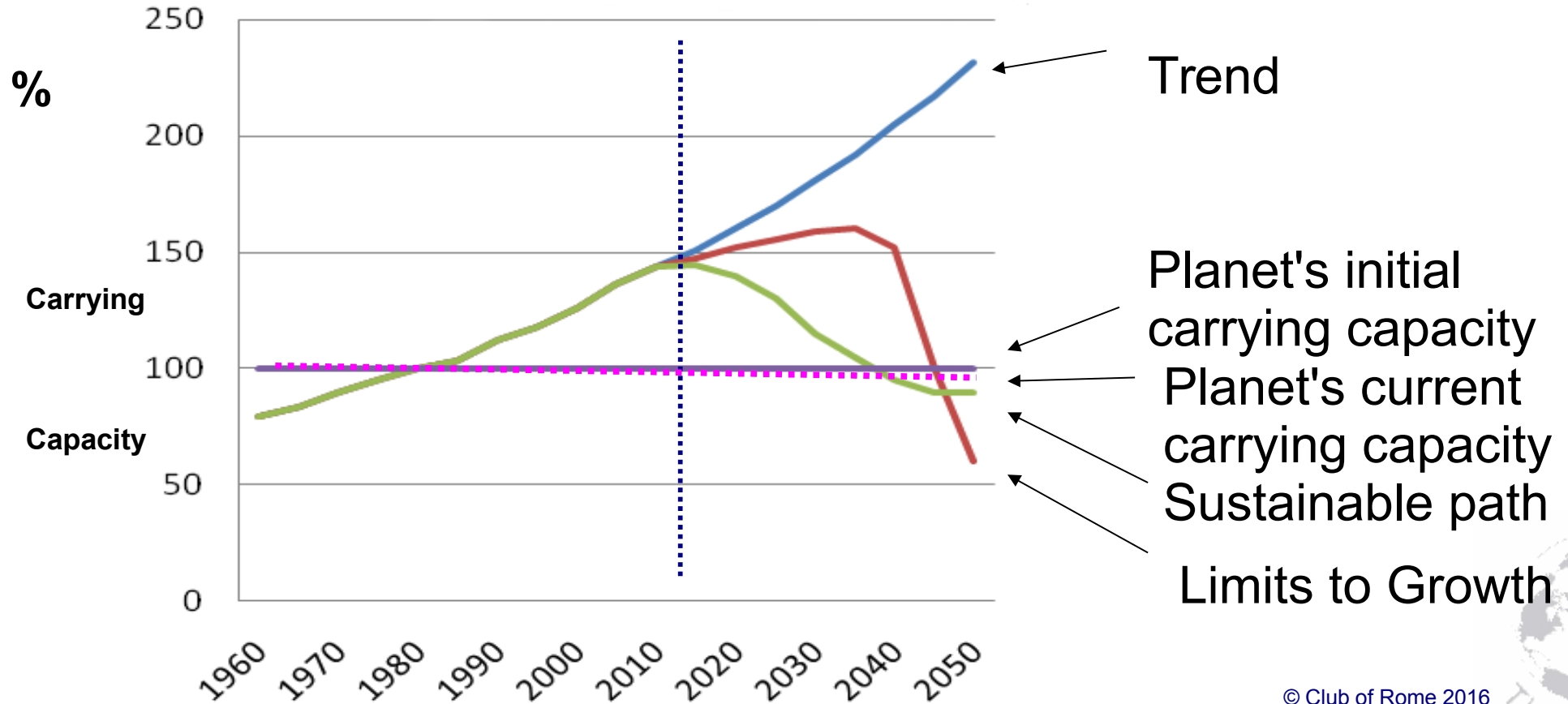
Graeme Maxton
Secretary General
May 2016



There are Limits to Growth



We are in overshoot



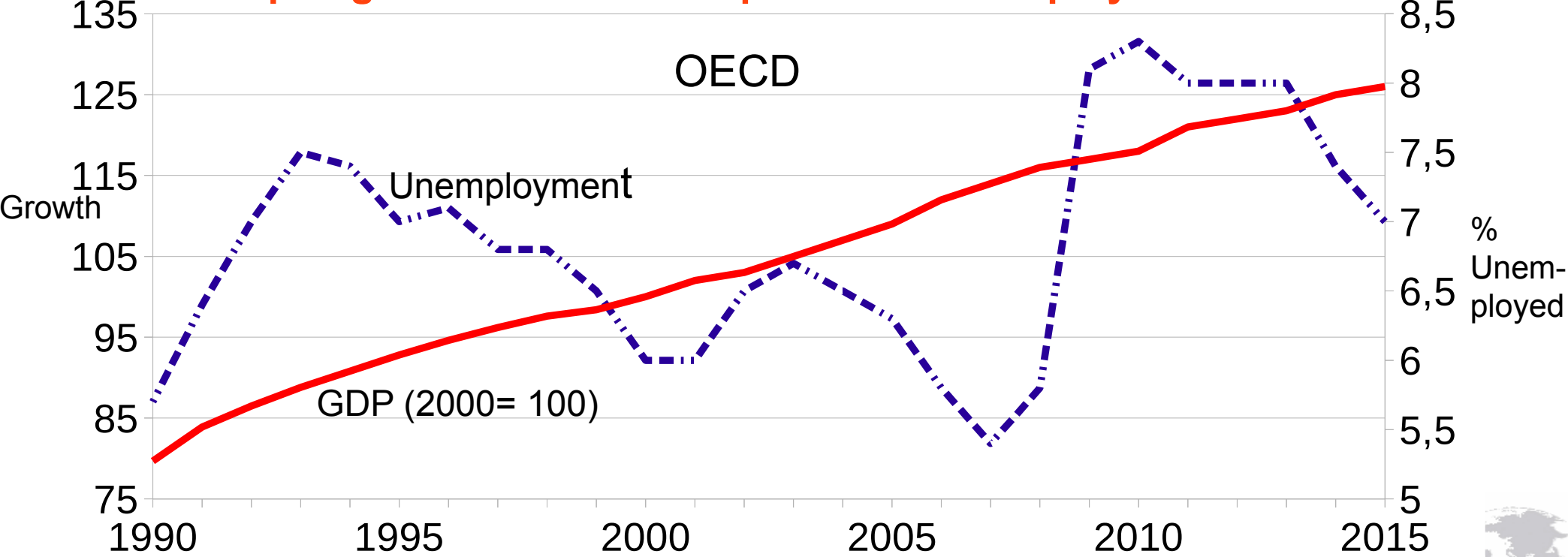
Thanks greatly to the economic system

- The market economy requires continuous growth to function
 - Increased resources and energy
 - Which generates pollution
- The drive for higher productivity increases long term unemployment
- Because the rewards flow to the rich, the system increases inequality
- Externalities are ignored



We believe (wrongly) that growth brings jobs

Despite growth in the developed world unemployment has risen



Source: OECD

We believe (wrongly) that growth reduces inequality

Table 11.4. Gini coefficients of within-country and between-country inequality, 1820-2000

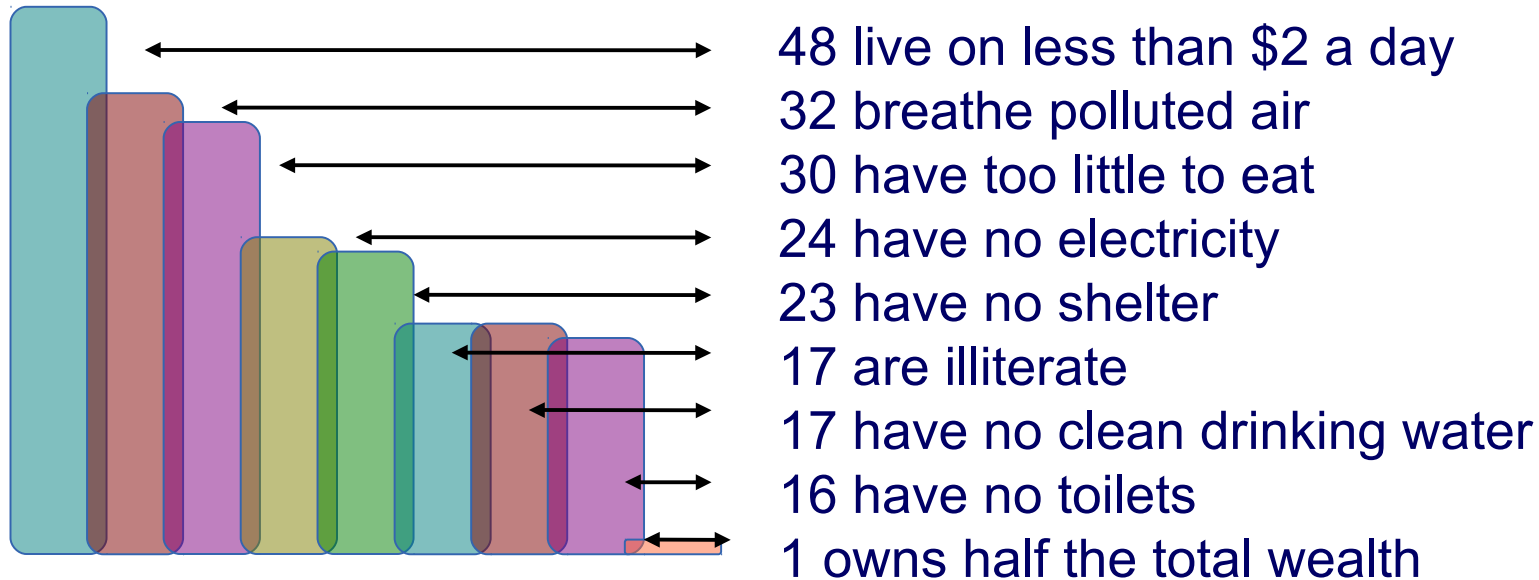
Year	World Gini	Within country inequality	Between country inequality
1820	49	45	16
1850	46	38	23
1870	55	45	32
1890	52	36	38
1910	58	40	44
1929	63	44	49
1950	65	38	55
1960	64	38	54
1970	65	37	56
1980	65	36	56
1990	66	39	56
2000	66	45	54

Note: For an assessment of data quality, see Table 11.2.

Source: Clio-Infra, www.clio-infra.eu.

We think (wrongly) that growth fixes poverty

If the world were a village of 100 people....



World Bank poverty statistics are misleading

	1980	2010
Living on \$1.25 a day	1.9bn	1.2bn
% of global pop	42%	18%
Excl China	1.1bn	1.1bn
% of global population	25%	16%

But accounting properly for inflation....

Living on \$2.65 a day	3.6bn
% of global pop	53%

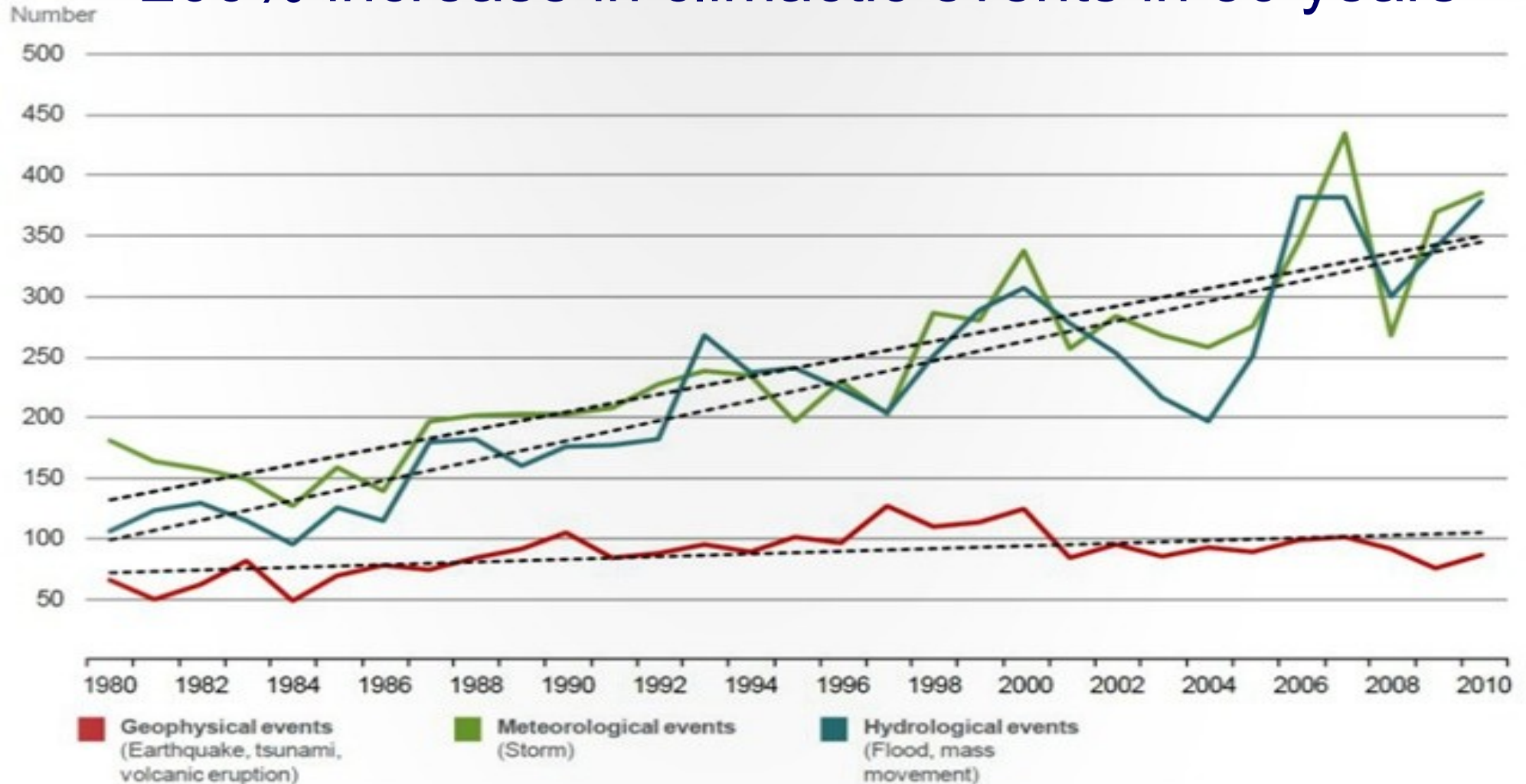


The consequences

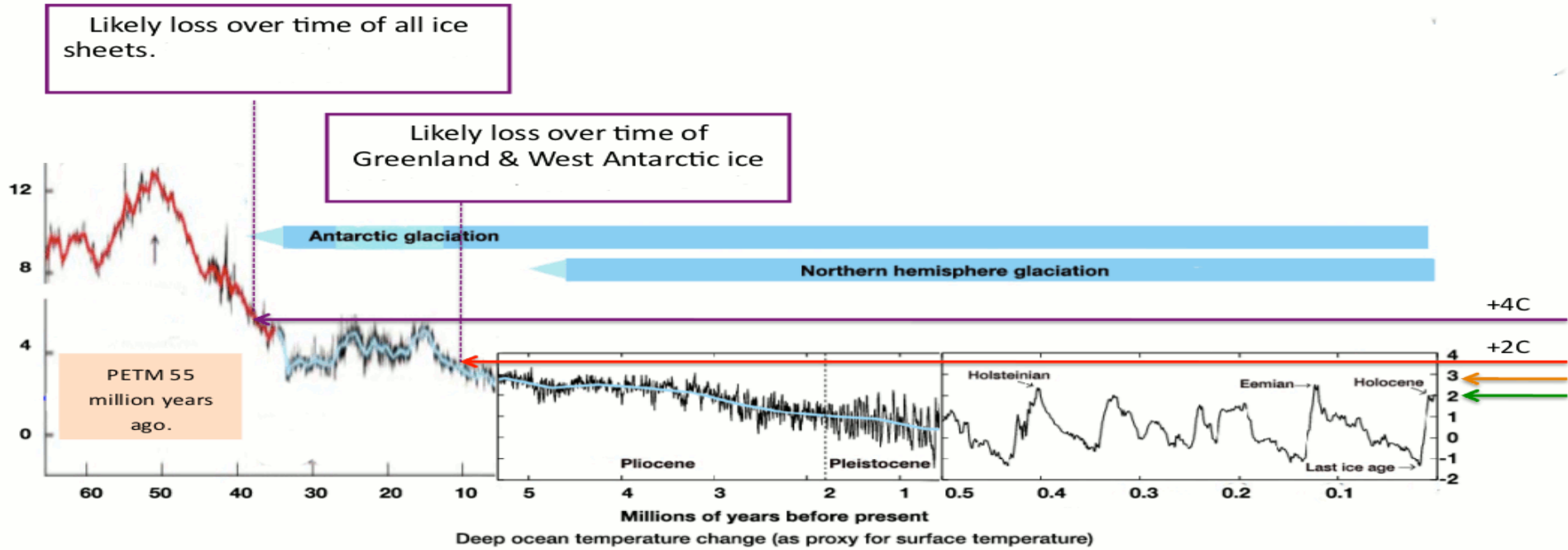
- Environmental
 - Climate change
 - Species loss
 - Pollution, of air, waterways, soils and oceans
 - Anthropogenic destruction
- Social
 - Greater conflict because of drought and over resources
 - Widening gap between rich and poor, everywhere
 - Stubbornly high unemployment in much of the world



200% increase in climactic events in 30 years

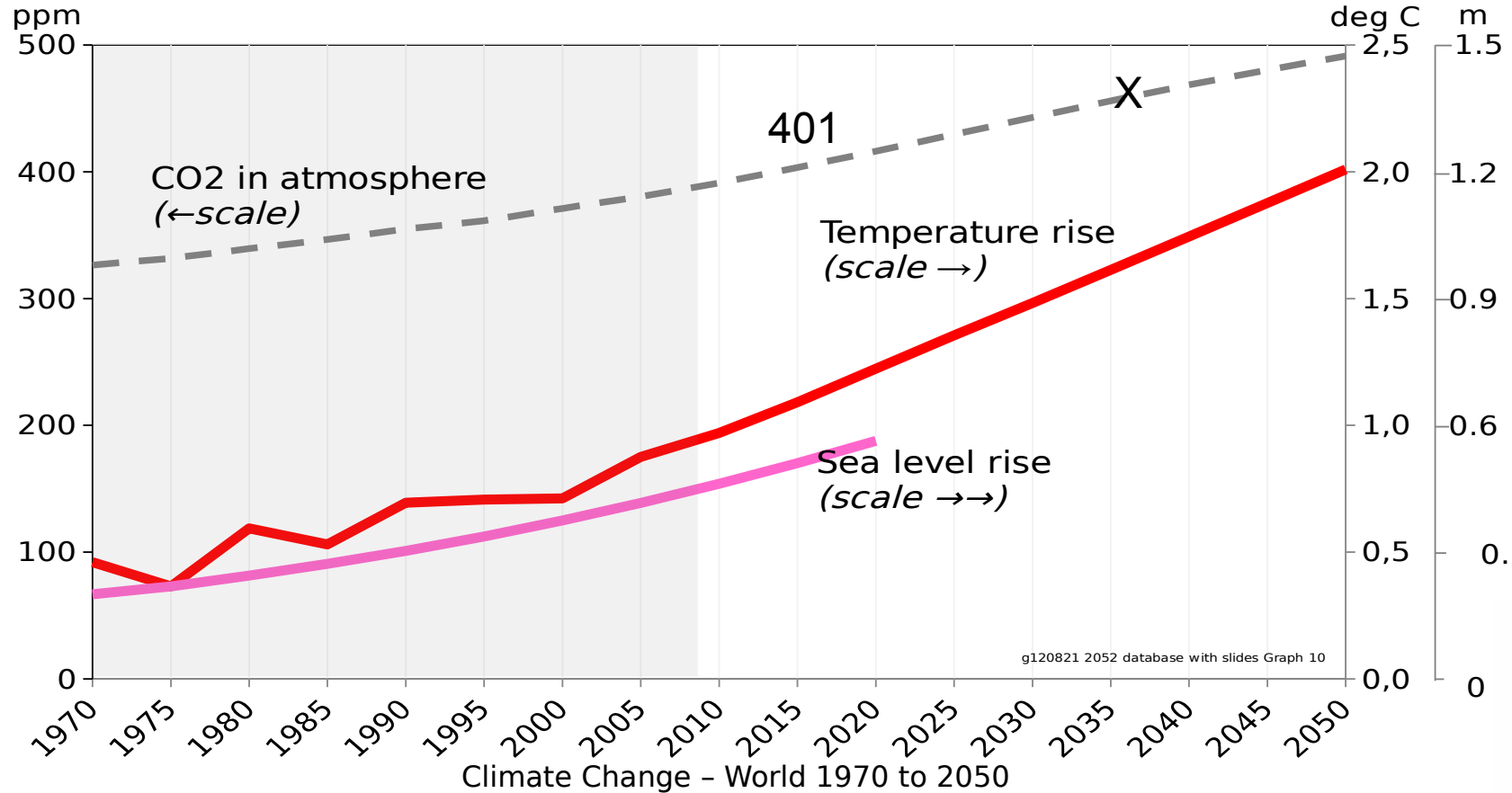


Two degrees is a lot

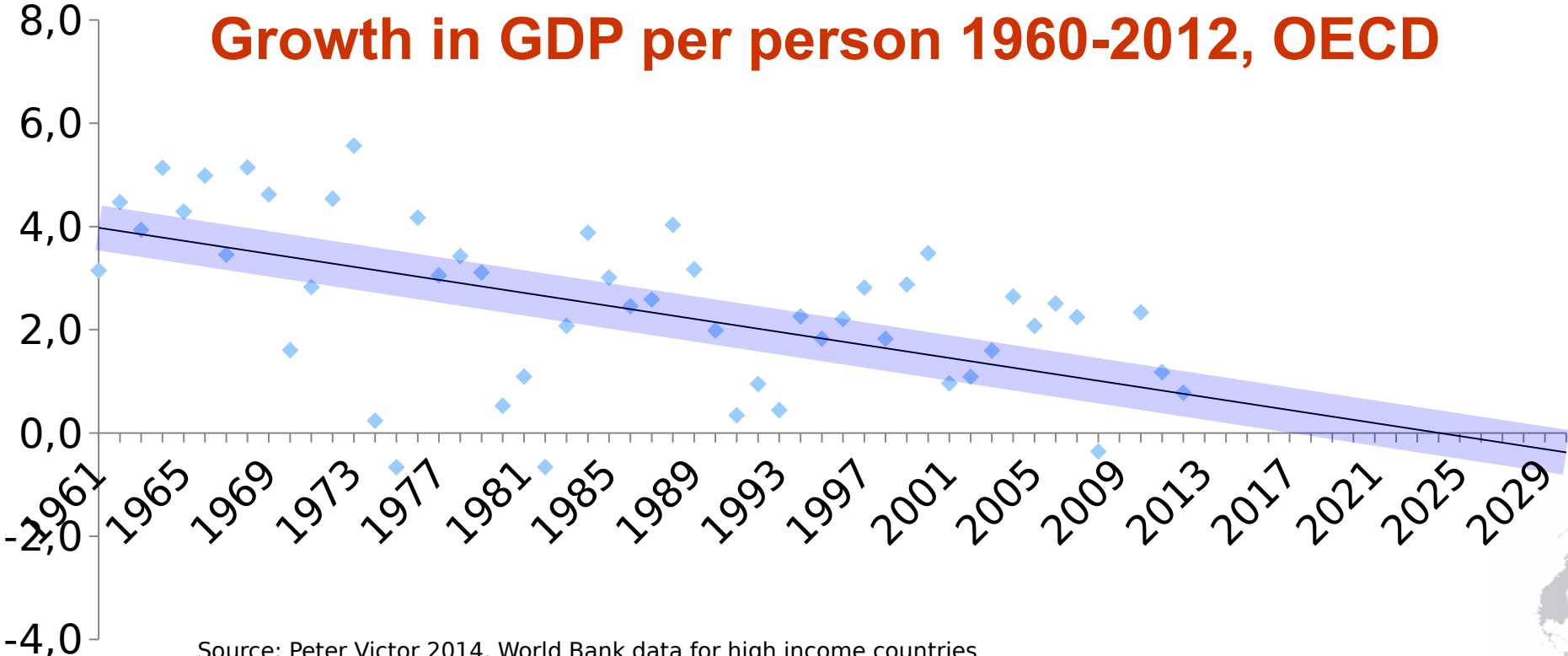


- ← Peak Holocene: over last 10,000 years up 1900AD
- ← Global average temperature now ~0.6C above peak Holocene
- ← 2C of warming: consequence of current level of greenhouse gases
- ← 4C of warming: consequence of current government policy commitments

We make +2° C inevitable around 2035



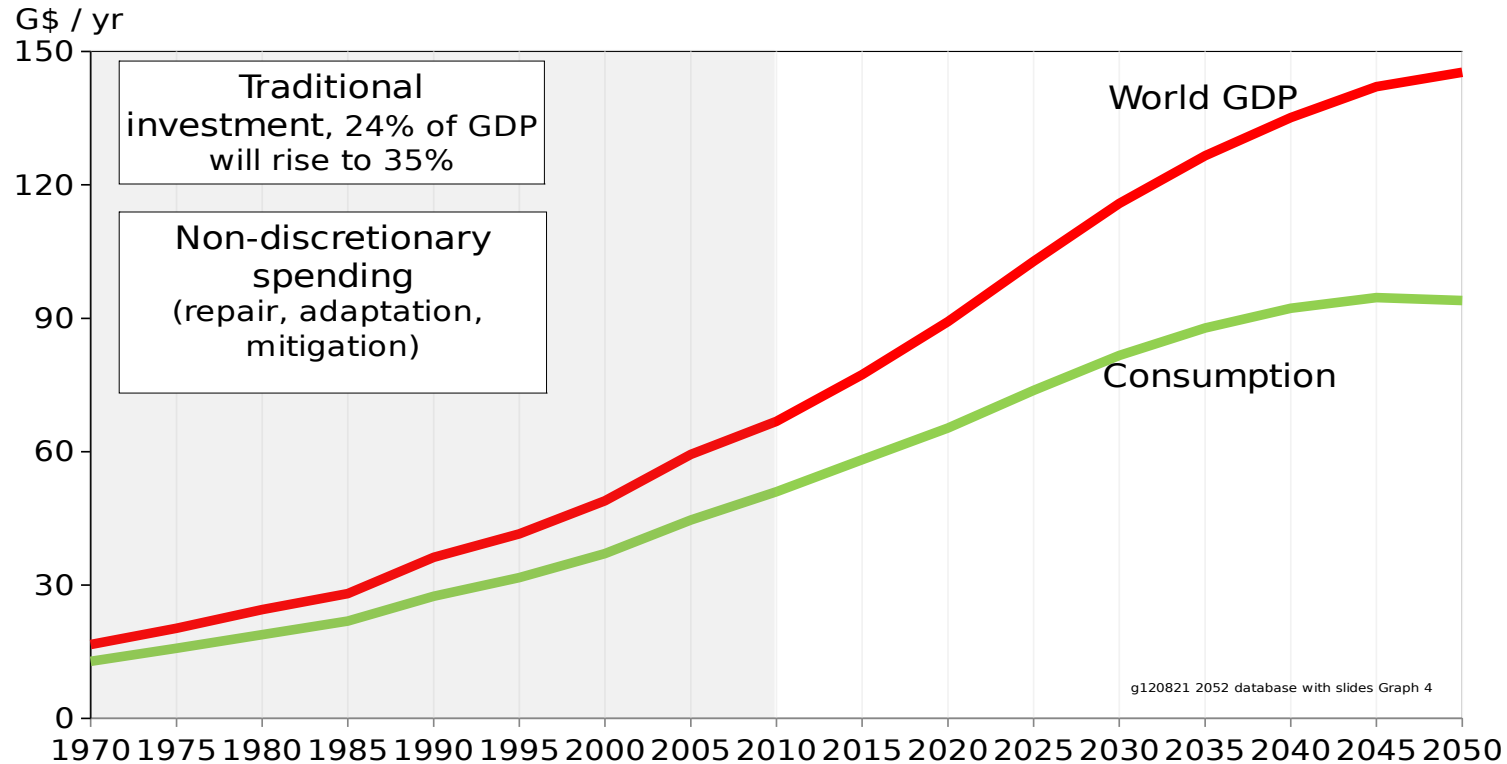
For the rich world, no more growth to come



Source: Peter Victor 2014, World Bank data for high income countries



Government spending will be diverted progressively towards repairs



Three basic options

- Some sort of people's revolution
 - But it's not going to work
- Do nothing
 - That will lead to collapse, which does not come fast
- A gradual transition, without making everything worse



A transition requires non-conventional solutions that appeal to a short-termist majority..eg..

- Share jobs by shortening the working year
- Tax and dividend
- Restrict trade when necessary
- QE for the majority, with higher taxes on resources
- Provide a minimum income for those who need it



