

# The Great Disruption: How the Climate Crisis will Transform the Global Economy, by Paul Gilding



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Like many environmentalists of a certain age, I was profoundly affected by reading *A Blueprint for Survival* by Edward Goldsmith in the mid-1970s. Yet in a rather different way. Endorsed by some of the country's most eminent scientists, including Sir Julian Huxley and Sir Peter Medawar, the book predicted that food and essential minerals would run out within decades, leading to "the breakdown of society and the irreversible disruption of the life-support systems on this planet". But there was a solution. It was to give up on growth and to reorganise society into a decentralised collection of self-sufficient, low-tech communities, small enough to be run according to the general will.

To some future environmentalists, it was an appealing vision. To me, a not abnormally materialistic schoolboy, it was a nightmare. I didn't want to live in Goldsmith's carless Utopia knitting my own socks, thank you very much. I wanted a Triumph Stag and a quadraphonic sound system and didn't see why the generation that had never had it so good should pull the ladder up behind it.

Luckily, they didn't. Otherwise, hundreds of millions of people around the world would still be stuck in grinding poverty. And we wouldn't have iPads.

I can remember suspecting that Goldsmith liked the idea of his no-growth

economy stripped of “packaged pleasure”, regardless of whether it was an ecological necessity. Even in a world of limitless resources, he would have preferred it to consumer capitalism.

In *The Great Disruption*, Paul Gilding is more explicit about the intrinsic evils of growth. An Australian former director of Greenpeace International, Gilding says that our current economic model is driving the system over a cliff. We are already living beyond the planet’s capacity to support us and a crisis is no longer avoidable.

But this is actually a good thing. It will force us to learn that there is more to life than shopping. “We will break our addiction to growth, accept that more stuff is not making our lives better and focus instead on what does.”

*The Great Disruption* will ultimately take human society to a “higher evolutionary state”, where we will finally address the age-old challenges of poverty, consumerism and conflict. This makes Gilding sound a bit more New Agey than he is; though, admittedly, he does at one point talk about how the birth of his first child produced a profound shift in his “personal head space”.

Gilding thinks that his life’s direction as an environmentalist was set as a 13-year-old in 1972 when he read about Limits to Growth, an influential study on which *Blueprint for Survival* was largely based.

He became an activist, working on anti-apartheid and human rights campaigns, before joining Greenpeace. This experience convinced him that big business was not only part of the problem but part of the solution, and in 1995 he set up a successful consultancy that advised some of the world’s biggest companies on sustainability, including Ford, DuPont and Diageo. He insists that he is not philosophically opposed to technology or markets. But they can’t prevent the crisis. We have simply run out of road. Of course, such warnings have a long and inglorious history dating back at least to 1798, when Thomas Malthus declared that food supply could not keep pace with population growth. He was wrong, because he woefully underestimated our ability to increase the productivity of land.

Human history is a story of remarkable technological breakthroughs and Gilding admits that there is much more to come. We have continued to confound those forecasting imminent exhaustion of key commodities. Most recently, the development of technology to extract gas from shale has transformed the energy prospects for the United States.

As Paul Romer, the distinguished American economist, says: “Every generation has perceived the limits to growth that finite resources and

undesirable side-effects would pose if no new recipes or ideas were discovered. And every generation has underestimated the potential for finding new recipes and ideas.”

But Gilding insists that he is right this time, where all others have been wrong, partly because he has a trump card that they lacked — climate change.

There is so much future ecological change already built into the system from past emissions that it is highly unlikely that it will be possible to drive new technology and its adoption fast enough to prevent the crisis, he says. “The science on this is now clear and accepted by any rational observer,” Gilding claims. “We all know where we’re heading. We know it from the science, we know it from the politics and we know it in our hearts.”

Except that we don’t. At least, people such as Matt Ridley, author of *The Rational Optimist*, don’t. Climate change is a nosebleed, he wrote in *The Times* this week, but we are treating it as if it were a severed limb, applying “tourniquets round the neck of the economy”.

Gilding’s tourniquet is the end of growth. Growth has long been a dirty word in polite circles. Last year Andrew Hamilton, the American chemist who is vice-chancellor of the University of Oxford, sent a fundraising letter to alumni, declaring: “The defining struggle in the world is between relentless growth and the potential for collaboration.” It is very hard to know quite what he meant, but he is clearly a bit sniffy about growth.

Gilding views it as the root of our problems. But ditching growth is both more and less revolutionary than he appears to believe. It is possible for developed economies to function perfectly normally without it. Japan’s nominal gross domestic product is roughly where it was 20 years ago.

Gilding seems to think that, in a no-growth world, everything would have to change. Banks would stop trying to make profits and bankers would stop wanting big bonuses for doing better than the competition. But he does not explain why the profit-making company model would fade — he foresees a re-emergence of co-operatives — or why we would want it to. It seems to have worked pretty well on the whole. He is full of praise for Ocado, the online grocer, and other “exciting experiments in new ways of running our economy”. Founded by a trio of Goldman Sachs bankers who have made millions out of it, Ocado is hardly your typical co-op.

Gilding argues that growth has been “the relief valve on the pressure cooker of global society”. For the poor, either in the developing world or in mature economies, growth gives them the hope of one day being lifted from poverty

and makes the differentials in wealth tolerable. Without growth, there are two options. The first is to condemn the poor to their fate, which will require “our militaries, our planes, our guns, ‘defending’ us from billions of innocent, starving, desperate people”. Gilding prefers the second option. “We have to go back to kindergarten. We have to learn to share.”

But that is not as hard as it sounds, he says, because wealth doesn’t make us happy and inequality of wealth makes us miserable. He quotes numerous studies that show, pretty convincingly, that inequality is a better predictor of social problems than absolute levels of poverty. And he argues that inequality is one of the greatest drivers to consume. So if you could reduce inequality, you would make everyone happier and lower the pressure for growth, which in turn would reduce inequality in a virtuous circle. Just look how happy and healthy the British were during the Second World War, when inequality and consumption dropped dramatically, he says.

One of the props for this argument is that subjective wellbeing does not increase with wealth. But, as Ridley points out in *The Rational Optimist*, the academic evidence suggests that it does. It shows that people do get happier as they get richer, though the relationship does seem to have broken down a bit in the United States lately.

At this point in the book, you want Gilding to provide some idea of the redistribution that would be necessary from rich to poor and how on earth we could get there.

China alone is responsible for half the growth in world demand for many commodities. If the developed world had to shrink to compensate for that growth, it would represent a huge transfer of wealth. And just look at the lack of public support for Britain’s existing aid budget.

Within rich societies there would also have to be a massive shift, particularly to the young who would be denied the wealth that their parents enjoyed. If you think the protests over student fees were bad . . .

But instead of considering these questions, Gilding is encouraged by the growing interest in volunteering, street parties and community vegetable plots. Had he addressed the scale of the redistribution required, I think readers that would not share his irrational optimism about the prospects of reaching his no-growth nirvana. So it is just as well that the evidence does not support his pessimism about the need to go there.

## **One-degree war**

*Paul Gilding's plan to keep long-term global warming to no more than 1C*

- 1** Cut deforestation and other logging by 50 per cent.
- 2** Close 1,000 dirty coal power plants within five years.
- 3** Ration electricity, get dressed for the war and rapidly drive efficiency.
- 4** Retrofit 1,000 coal power plants with carbon capture and storage.
- 5** Erect a wind turbine or solar plant in every town.
- 6** Create huge wind and solar farms in suitable locations.
- 7** Let no waste go to waste.
- 8** Ration use of dirty cars to cut transport emissions by 50 per cent.
- 9** Prepare for biopower with CCS.
- 10** Strand half of the world's aircraft.
- 11** Capture or burn methane.
- 12** Move away from climate-unfriendly protein.
- 13** Bind 1 gigaton of CO<sub>2</sub> in the soil.
- 14** Launch a government and community-led "shop less, live more" campaign.

*The Great Disruption: How the Climate Crisis will Transform the Global Economy* is published by Bloomsbury at £18.99. To order it for £17.99 inc p&p call 0845 2712134 or visit [thetimes.co.uk/bookshop](http://thetimes.co.uk/bookshop)