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Cents and Sustainability

Securing Our Common Future by Decoupling Economic Growth from Environmental Pressures

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II

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Welcome to *Cents and Sustainability*. As a major sponsor for this work, we, the Purves Environment Fund, are proud to welcome you to this new book by The Natural Edge Project, the culmination of over three years of dedicated effort by the team and its partners. The focus of this book is the critical issue of how we can continue to develop our global economy and societies without exceeding the limits of the natural world we inhabit. The team has delivered a strong response from the next generation to the seminal book *Our Common Future*, and presents a wealth of understanding to inform our efforts into the coming decades. In my opinion the members of The Natural Edge Project are representatives of Australia's, and the world's, next generation of decision-makers and thought leaders.

As with The Natural Edge Project's previous publications, *The Natural Advantage of Nations: Business Opportunities, Innovation and Governance in the 21st Century* and *Factor Five: Transforming the Global Economy through 80% Improvements in Resource Productivity*, this new book is a tremendous achievement and a timely and important contribution. I commend it as essential reading for anyone who is concerned with long-term sustainability and prosperity. Ours is the first generation which has the potential to drive the world's climate and many of its ecosystems past irreversible tipping points through our pollution and environmental pressures. Hence, the choices we all make over coming decades will determine the quality of our lives in the future and the legacy we leave our children, and our children's children.

Thanks to significant global efforts such as Al Gore's film, *An Inconvenient Truth*, the IPCC's Fourth Assessment Report, the UK *Stern Review* and books such as Tim Flannery's *The Weathermakers*, there is now significant momentum for change. However, having the global spotlight turned onto the issue of sustainable development, does not mean that it will lead to meaningful change. This book reminds us that over the last 100 years there have been a number of times where similar momentum has grown and, unfortunately, swiftly eroded. This book shows how Rachel Carson's seminal work *Silent Spring*, published in 1962, helped build momentum for action leading to the 1972 UN Stockholm Conference on the Human Environment; unfortunately, the impact of the OPEC oil crisis quickly changed the world's focus in 1973. Similarly the book shows that there was significant momentum for change following the development and publication of *Our Common Future* and leading up to the 1992 World Summit on Environment and Development in Rio. However, the impact of a worldwide economic recession again led to a change in global focus and valuable momentum was lost. Now that the momentum is again growing,

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the coming decade may in fact be the last time we have a global opportunity to act in time before the environment is pushed beyond its capacity. Even after the impacts of the recent global credit crunch many are seeing sustainable development-related strategies as robust approaches to spur economic growth. A clear message throughout this book is that we all need to play our part if we are to successfully address the range of challenges in time to make a real difference. This book explains why not just business, or government, or individuals, but the whole of society needs to act together.

As *Cents and Sustainability* explains, one of the main reasons for hesitancy on action to reduce environmental pressure is the prevalence of the belief that such action will harm economic growth and lead to job losses, and hence become an election issue. This book shows, based on a number of significant studies, reports and modelling, that the opposite is in fact true, and that, if wisely implemented, action on the environment can help business competitiveness and long-term economic and job growth, in fact influencing elections. The authors point out that this may be the most important 'convenient truth' of our generation. Furthermore, the book suggests that, based on the growing consensus on the seriousness of the current global environmental crisis, and the potential direct impacts on the economy of nations, the only sensible and economically sound approach is rapid and urgent action.

It is clear from the material presented in this book that the costs of inaction on reducing environmental pressures cost effectively will mount up if we do not act, and act soon. This book brings together an array of studies which support this realization, including the *OECD Environmental Outlook to 2030*, published in January 2008, which the authors quote, highlighting the fact that, 'Without more ambitious policies, increasing pressures on the environment could cause irreversible damage within the next few decades.' The authors also quote the statements of the Chair of UNEP's fourth *Global Environment Outlook*, published in November 2007, stating that, 'The systematic destruction of the Earth's natural and nature-based resources has reached a point where the economic viability of economies is being challenged – and where the bill we hand on to our children may prove impossible to pay.' Conversely, as *Cents and Sustainability* shows, the costs of action are usually an order of magnitude less than the costs of inaction, as highlighted by the UK *Stern Review* for climate change. *Cents and Sustainability* brings together studies which, for the first time, assess the economics of acting on multiple environmental issues. It shows that the costs of acting on climate change, biodiversity, air and water pollution, and sanitation simultaneously are miniscule compared to the costs of inaction that we stand to face in the near future.

This book's central message – that if done wisely there is in fact no trade-off between ongoing strong economic growth, jobs and environmental sustainability – is important, particularly as the global economy currently suffers jitters from high oil prices, inflation and the sub-prime mortgage crisis. It is an important message leading into the 2009 post-Kyoto UN Climate Change Conference in Copenhagen (COP15). Here is a truly historic moment

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for the nations of the world to come together to chart a course for sustainable development this century. This meeting is the key meeting which will decide whether or not we have a global commitment to serious 2020 and 2050 greenhouse gas reduction targets. Again debates about the economic costs of environmental measures, in this case mitigating climate change, are front and centre. As this book shows, there are no excuses, only risks for governments not acting on an ambitious new global framework for action.

Furthermore, we have witnessed a rapid succession of unprecedented natural events, the devastation of Katrina, the massive reduction in sea ice this summer in the Arctic, the devastating droughts in Australia and floods in Europe, and the serious bleaching events on many of the world's coral reefs. As Robert May said in 2005 in his final address as President of the Royal Society in London, '… make no mistake, climate change is undeniably real, caused by human activities, and has serious consequences'. This book's detailed economic argument could make the difference in finally convincing decision-makers of the affordability of action on a strong sustainable development agenda. Hence, the Purves Environment Fund is proud of its role in supporting the development of this sort of outstanding, independent thought leadership.

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