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World Future Council

College of Europe, 19.06.2015

A Period of Consequences

“Owing to past neglect, in the face of the plainest warnings, we have entered upon a period of danger. The era of procrastination, of half measures, of soothing and baffling expediences and delays, is coming to a close. In its place we are entering a period of consequences.” – Winston Churchill (1936).

Our ancestors sometimes saw themselves living in historically important times of change and transition. This gave their own lives a sense of heightened importance, even if those who followed them did not share their perception. But today there can be no doubt that we live at a crucial time in human history. Your decisions and actions – or your failure to act – will have an impact on future generations for centuries, possibly for millennia, or even for geological time periods.

This is an enormous responsibility which you did not choose but cannot escape. It is the result of the decision by preceding generations – including mine – taken first out of ignorance, but over the last decades knowingly - to bet the future of human civilisation, on the hope that economic growth, markets and technologies will find solutions to the problems they have created.

In his overview of failed civilisations, Jared Diamond notes that the most frequent cause of their collapse was their holding on for too long to outdated belief systems which had once served them well, indeed provided the foundations for their success. Over the last century, W. Europe and N. America developed a new belief system and political ideology – economic growth – which, not surprisingly, conquered the world, as it promised paradise on earth for all.

Warnings of natural limits were ridiculed and evaded for a while by growing into the ecological and economic space of other countries.

To silence the skeptics and justify the wealth accumulation of a small minority, economic growth has had to constantly accelerate, at the expense of our planet's health. Today every living system is declining and the rate of decline is accelerating. Important rules like do not poison the water – a capital crime for our ancestors – or soil, or air, have been broken.

Today, if you look at the science and are not pessimistic, you have not understood the data.

But, while the challenges we face today are unprecedented, history offers many examples of people overcoming seemingly impossible odds. Slavery abolitionists were the first to create an international movement to defend the rights of those they did not know. At that time, three out of four people in the world were enslaved. Enslaving each other was what human beings had done for ages. Abolitionists were ridiculed and told they would ruin the economy. But, within a few decades, their moral crusade succeeded in delegitimizing slavery all over the world.

In 1941, the British PM Winston Churchill told US President Roosevelt that he had no defence against a Nazi invasion and urgently needed planes and ships in huge numbers. Roosevelt called in the leaders of US industry who said his demands were impossible. Roosevelt then enacted the Selective Service Act, allowing him to take over un-cooperative factories and the industrialists quickly changed course. By 1943, a plane was produced every 4 minutes, a tank every 7 minutes and two sea-going ships every day. Roosevelt biographer Doris Kearns Goodwin writes: "Ironically, while the leaders of industry clung to a ... static view of the American economy ... it was Roosevelt and his impractical theorists ... who held a powerful vision of the country's potential ... to produce more than anyone had ever dreamed possible."

Visionary leaders expand the limits of possibility. But where, you may well ask, are these leaders today, capable to inspire and motivate us to head

the increasingly desperate warnings of the scientific community by confronting the very inconvenient truth that current policies are leading not to a global paradise but to the collapse of human civilisation, possibly of life on earth?

After the financial crash, the British Prime Minister at the time, Gordon Brown, wrote in "Beyond the Crash": "I believe the most stunning revelation of the crisis was this: ... the ethical values that matter in everyday life had never infused the financial market." Banks, he discovered had spent savers' deposits without their knowledge. He was "furious to discover this "... We were misled".

I was stunned to learn that the leader of a major G7 economy (and long-time Chancellor of the Exchequer) did not know how the financial system works...

His chapter on China concludes that "There is little doubt that measures must be taken to counteract China's lack of willingness to spend".

That ever-increasing consumption is imperative worldwide is the basic belief system of our political leaders. When told that this is not physically possible, they are lost. Despite their repeated assurances that the global crisis is over, the percentage of US middle-class parents who believe their children will be better off fell from 71% in 2000 to 15% in 2013. Unexpected changes are already happening. In the USA average vehicle miles travelled by 16 to 34-year olds fell by 23% p.c. between 2001 and 2009. In Japan the young Satori generation are increasingly anti-

consumerist. This of course drives economists and politicians to despair, accusing them of “destroying growth” by refusing to buy.

Climate change is the defining issue of our time and the greatest challenge you will face wherever you live. It will create a huge refugee crisis for which we are neither politically nor morally prepared. In Bangladesh 50.000 people already migrate to the capital every month because rising sea levels have made their villages uninhabitable and destroyed their arable land. The former head of the IMF, Michel Camdessus, expects hundreds of millions of African climate refugees to try to reach Europe in the coming decades because they can no longer survive at home. Whatever methods the EU tries to use to stop them, enough will arrive to make European countries increasingly ungovernable.

So how are our current leaders reacting to this growing emergency? We know that drastic decisions are now needed to have a fair chance of keeping global warming below the +2°C limit beyond which adaption will not be possible. Is humanity pulling together to meet this global challenge?

So far, I am afraid, the answer is no. In the inter-governmental meetings in Bonn earlier this month, preparing for the Paris climate summit, the arguments were depressingly familiar. A few quotes from the discussions on financing, clearly a key issue:

In the title of the first section, "A global framework for financing sustainable development", the G-77/ China called for deleting "sustainable".

In a paragraph noting that "governments and High Representatives have gathered to address the challenge of financing sustainable development", the EU called for replacing "financing" with "implementing", Canada, the EU, Japan and the US did not support the G-77/ China's proposal to call on developed countries to take the lead in addressing global risks.

On ensuring significant mobilisation of resources, the US said they could not support "ensure" and proposed "promote". Australia cautioned against calling on investors to change or encourage certain behaviour, stating that it may be interpreted as governments directing private actors.

The G-77/ China called for deleting the paragraph on gradually eliminating inefficient fossil fuel subsidies for production and consumption. Canada requested deleting the sentence on working towards putting a price on carbon. Australia, supported by the US, called for deleting the call for private actors to invest with the long-term horizons necessary for sustainable development and to shift to more sustainable consumption and production.

Australia, supported by the US, expressed concern with the requirement that companies should incorporate non-financial factors into their reporting.

In a paragraph indicating that Member States will promote the development, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, the US objected to the reference to transfer "on favourable terms, including on concessional and preferential terms" anywhere in the document.

The G-77/ China proposed deleting text on including sustainable development provisions in both trade and investment agreements. The EU proposed text on assessing the human rights impact of the trade agreements. Australia and the US opposed.

In case you think this is how political leaders always operated, this is a quote from President Roosevelt (1936): "I should like to have it said of my first administration that in it the forces of selfishness and of lust for power met their match... I should like to have it said of my second administration that in it these forces met their master."

The depressing truth is that we were further 25 years ago. In a 1989 NYT/ CBS poll 80% in the USA agreed with the statement that "protecting the environment is so important that standards cannot be too high and continuing environmental improvements must be made regardless of cost."

Today the US Senate is chaired by a man who won election with the slogan "Coal.Guns.Freedom." What happened in the meantime? The forces of selfishness and lust for power referred to by Roosevelt bought the world. Last year Princeton University concluded that the USA no

longer fulfils the criteria of a democracy but those of an oligarchy. In the UK, while three-quarters of the population believe that the climate is changing because of human activity, only half of MPs do. 71% of Conservative MPs think that human-induced climate change is either unproven or “environmentalist propaganda”.

But change can come very quickly when the time is ripe. In May 1989 in Moscow the West German government representative assured his East German colleague that nobody in the West was thinking of changing the status of Berlin. The Wall fell 6 months later...

Suddenly the old order collapsed and so-called ordinary people who had the trust of their fellow-citizens, found themselves brought together at the famous round-tables, to steer their country into the future. In the coming crisis, this could soon be your role...

The President of China recently affirmed here his belief that we must live in harmony with nature and “unremittingly pursue self-renewal”. He also declared his aim of building a moderately prosperous society”, being well aware that the p.c. resource consumption here cannot be replicated in China. This, of course, raises the question of its justification here.

As economic growth cannot deliver W. European living standards for all without ruining the planet, issues of global justice and equity will have to be addressed. Serious leaders in the Global South are well aware that duplicating the Western development model would destroy their environment even if the CO2 emissions of the industrialised countries fell

to zero. And, as the late PM of Ethiopia Meles Zenawi said, equitable access to a train wreck is not a desirable goal, neither is it “equity or justice to foul the planet because others have done it in the past.”

It is claimed by apologists of the current growth model that poor countries care less about environmental threats. But when a World Public Opinion poll asked for reactions to the statement that the “struggle against climate change should be given priority, even if this would slow economic growth and cost jobs”, in the USA only 14% agreed “unconditionally”, in France 23%, in Turkey 37% - and in Kenya 53%.

So the willingness to change is there. Even the World Business Council WBCSD has now accepted carbon pricing including border tax adjustments as long as there will be “regulatory certainty”.

The fossil fuel lobbies, powered by over \$500 billion in annual subsidies will not be easily defeated but the window of change is opening and the choice is yours. Do you escape into a conventional career and risk the angry questions of your children and grand-children: “Why did you not act when the climate war was still winnable?” – or do you dedicate yourself to this unique historical challenge?

I am well aware of the risk in putting the choice so starkly. A friend of mine gave a talk on climate change in a Russian college a few years after the fall of the Soviet Union. After convincing his audience that the environmental crisis was for real, several students stood up and left, one

of them explaining that, as capitalism was also doomed, they were going to join the mafia and enjoy life while there was still time...

The climate war will not be won by General Twitter or Admiral Facebook. Social media can mobilize but the actual changes will require our live presence and commitment. As the PR guru Frank Mankiewicz once said, "The environmentalists are going to have to be like the mob in the square in Romania (who ended the Ceaușescu dictatorship) before they prevail".

We need a radical and comprehensive transformation of our societies and ways of life if we do not want a future where "disruption and conflict will be endemic features of life" to quote, a 2004 Pentagon report on environmental risks. How fast this future will come is the great unknown. 10.000 years ago, when the World came out of the last ice age, temperatures rose by more than six degrees in a decade!

We are used to the media exaggerating news but when it comes to climate news, the opposite is the case – the expert scientists are much more worried than the commentators. When the London "Times" recently presented a realistic overview of environmental threats, it was so worried about reader reactions that it provided the phone number of the Samaritans at the end of the report... In poor countries the effects we still read about are already there, impacting on every area of life, as their knowledge of nature which enabled them to survive becomes increasingly invalid.

The Executive Director of the IEA, Fatih Birol, who only recently understood the extent of the threat, now says that the next two years will be crucial if we are to stay within the +2°C average temperature increase, which is the maximum seen by most climatologists as having manageable consequences.

Is there any chance of such a quick turn-around, after the wasted decades and conferences until now? This largely depends on the pressure and energy from your generation.

Yesterday the Pope spoke out, sternly and forcefully and Catholics all over the world will need to act if they do not want to betray their faith.

Last December in Stockholm the Right Livelihood Award, widely known as the Alternative Nobel Prize, went inter alia to the editor of The Guardian – now the world's largest online news site – and the prominent US climate campaigner, Bill McKibben. Their meeting resulted in the ongoing Guardian campaign to make institutional investors withdraw their investments from fossil fuel companies. This has already forced the fossil fuel lobby on the defensive. It is a big issue, as one half of the total value of the London stock exchange is invested in values which will become worthless if the underlying fossil fuel reserves are no longer exploitable due to climate legislation.

We are often told that there is no alternative to the present “modern” world order except returning to the Stone Age. That is of course nonsense. Even a generation ago, we could still have achieved a relatively

smooth transition to a sustainable global order if my generation has listened to early warners like Al Gore and taken seriously the different future scenario options presented by the Club of Rome.

We did not, and now the transition will be much more challenging. But, if we act now, a good quality of life for all is still achievable. The second report to the Club of Rome, less well known than Limits to Growth, was entitled "No Limits To Learning" – there are no limits to the number of skills and languages we can learn, musical instruments we can learn to play, etc.

When Chandran Nair, chair of the Global Institute For Tomorrow in Hong Kong, was asked to give an example of what a sustainable global future would look like, he replied "Fewer car races and more dancing competitions".

This description of life in England during the second world war points in the same direction.

"There was also a huge focus on enjoying low-consumption good times. There were campaigns to holiday at home, and endless festivities such as dances, concerts, boxing displays, swimming galas, and open air theatre – all organised by local authorities with the express purpose of saving fuel by discouraging unnecessary travel. Over the course of the war, spending on relatively 'weightless' entertainment went up, as classic consumption went down."

Today the online world offers many new opportunities to enhance our quality of life while saving scarce natural resources. But it also consumes energy. A few years ago, a programmer told me that an avatar in the then-popular programme Second Life consumed as much as the average inhabitant of Costa Rica...

In many ways we do not know what a sustainable future would look like, as, with the right policy incentives, a new era of innovation, discovery and investment will present un-imagined and exciting opportunities, once we break free from our self-imposed limitations. The challenge we face is comparable to the end of the Middle Ages, when church power based on religious dogmas impeded progress. Just like the debates about those dogmas were only held in Latin, in today's world, ruled by money, debates are limited by financial dogmas, and expected to be held within their parameters.

Thus, every reform called-for can be blocked by the claim that it would cost too much, suggesting that maybe we cannot afford to live on this planet! In reality, whatever we can do – what we have the resources and knowledge to do – we can also finance. Creating new money against new performance, i.e. for producing new goods and services, is not inflationary. If we could swiftly create trillions to save banks, we naturally can create whatever we need to stabilize the climate and protect our natural environment, on which life on earth – including economies and markets - depends. The consequences of financial debts can always be

dealt with, but nature provides no “rescue packages” and you cannot negotiate with meeting glaciers or spreading deserts. Today, the greatest single threat to our human future are economists who do not understand natural limits or risk hierarchies, but whose advice is still taken seriously by political leaders.

They worship markets, but, while markets are good servants, they are bad masters and an even worse religion. Their claim that markets can be self-regulating and are superior to the state is an ideological myth. As the sociologist of capitalism, Karl Polanyi, wrote: “The road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism.”

Recent technological revolutions were often made possible by state support and regulation. When regulations are weakened by strong lobbies, costly crises are likely. In 2000-2002, governments were persuaded by the financial industry to make pure bets on future prices into legally enforceable contracts, no longer classified as gambling. This was a major cause of the financial crisis.

Economists discounting the future discriminate by date of birth and make protecting future wealth uneconomic. This dogma is based on the assumption that, whatever happens, we will all be richer in future. But, if we become poorer, due to environmental collapse, discount rates should be negative – which would totally transform our planning and priorities.

The famous economic bottom line depends on what we include in and exclude from the top line. Externalizing production costs is not only unfair competition but fraud and should be dealt with as such. As the English social critic John Ruskin wrote 150 years ago:

“Private enterprise should never be interfered with, but, on the contrary, much encouraged, so long as it is indeed ‘enterprise’, involving the exercise of individual ingenuity and audacity in new fields. But ‘private enterprise’ that poisons its neighbourhood, or speculates for individual gain for common risk, is very sharply to be interfered with”.

Today we have allowed the second kind of enterprise to become so powerful that forcing corporations to pay the full costs of their production would bankrupt most of them. (Pavan Sukhdev, “Corporation 2020”).

We are no longer treated as citizens, only as consumers, although the priorities can be very different. Hearing of an application by the Disney Corporation to build a Disney Park inside an American National Park, US Prof. Marc Sagoff asked his students if they would visit such a park. The vast majority would - the consumer interest was clearly there. He then asked if they thought the US government should allow it to be built. An overwhelming majority was strongly opposed, arguing that the government had a duty to future generations to preserve the national parks intact. But this second question is hardly ever asked.

Advertising has built a culture of constant dissatisfaction and discontent, leaving Western adults on the emotional level of insecure teenagers. This

has not been a "natural" development but the result of a deliberate strategy, as described by marketing pioneer Paul Mazur: *"We must shift America from a needs to a desire culture... People must be trained to desire to want new things, even before the old ones have been entirely consumed."* (Century of the Self, BBC 4, April-May 2002, quoted by Al Gore in "The Future" p.158). As a result, Americans today buy twice as many items of clothing as they did only 20 years ago. The amount the average Briton spent on clothing almost doubled in 14 years, from 1990 to 2004, many decades after wartime scarcity ended.

Today, our governments believe that the "magic of the market" will somehow produce the massive eco-industrial transformation which our global production systems now require. Orio Giarini of The Risk Institute describes this "faith in the power of price to dictate results" as "tantamount to a belief in myth or magic" ("Itinerary to the Third Age", 2013).

To counter this myth, the World Future Council, which I founded in 2007, works to identify, spread and adapt the most effective laws and policies from around the world, which can provide the incentives required to change course. For, under the radar, such breakthrough policy solutions usually already exist somewhere and policy-makers elsewhere are keen to learn about them, but often do not have the information or capacity. The World Future Council was set up to assist them. Many organisations focus

on what to do and why and where we want to go. The World Future Council focuses on the how to actually get there.

It's work is vital but difficult to fund. Martin Luther King once said that "laws don't move the heart, but they restrain the heartless" – but most donors want their hearts moved...

We work in different areas, as our resources allow and have now brought together the most important breakthrough policies in a Global Policy Action Plan (GPACT), providing a coherent response to the interlinked global crises. The plan combines tried and tested laws and policies that have been successful in one or more countries as well as optimal policy solutions identified through our extensive research. Together they show the path to an ecological civilisation. (They can be found on www.futurepolicy.org).

They include the following key areas where policy reforms are now vital:

- Legalising Debt-Free Money Creation by Central Banks to Fund the eco-industrial revolution
- A Green Tax Shift and Green Budgeting
- Allowing only Financial Instruments that serve Real Wealth Creation
- Divestment Laws against Unethical Investments
- Mandating Ecologically Intelligent Design and Production
- Legalizing Benefit Corporations with Broader Social Mandates
- Introducing Environmental and Peace Education in School Curricula

- Ecological Literacy Testing in University Economics Courses and Business School Agendas
- Sustainable Progress Indicators for Government Decision-Making
- Empowering Women to Ensure that every Child Born is Wanted
- Creating Guardians for Future Generations on the national and international level
- Ending Impunity for Crimes against Future Generations
- Re-directing Military Spending to Advance Environmental, Food and Water Security
- Facilitating An Inclusive Transition to Renewable Energies and Abolishing Fossil Fuel Subsidies
- Securing Biodiversity Protection
- Reversing Deforestation and Forest Degradation
- Expanding Marine Protected Areas

The German philosopher Ernst Bloch wrote that the price of human free will is the risk that the great historical moment will encounter too small a human race – one not up to the challenge.

You are now the most powerful generation in human history, for you are the Guardians of all future generations of life on Earth. The consequences of your decisions and actions will have longer-term effects than ever before.

Each one of you has the power to decide if you are going to be part of the problem or of the solution. To find your specific role, the advice of Aristotle, still holds true:

“Where the needs of the world and your passion overlap, there lies your vocation.”

Thank you!