

Book Review: The New North: Our World in 2050

by Blog Admin

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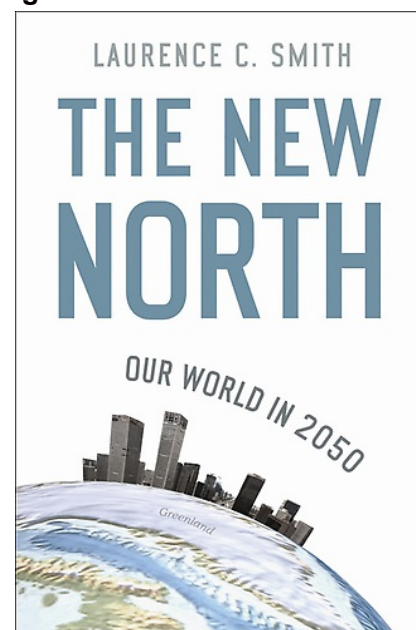
Laurence C. Smith shows how, by 2050, Canada, Scandinavia, Russia and the northern United States may be flourishing as formidable economic powers and migration magnets, but countries closer to the equator may be suffering from the effects of four key mega-trends: global warming, pressure on natural resources, globalisation and an exploding but ageing population. **Baran Doda** praises the book as a solid introduction for those who are making their first foray into the forces that are likely to shape our world over the next 40 years.



The New North: Our World in 2050. Laurence C. Smith. Profile Publishing. March 2011.

What kind of world do we want? This is the question with which Laurence Smith ends his new book, *The New North*. I like that ending. It does not prescribe but allows the reader to contemplate the world in 2050 as a malleable object. It is neither alarmist nor overly optimistic, which is a quality not found in many books in this area. *The New North* takes the reader through a thought experiment in pursuit of this question. In doing so, Smith applies scientific modelling methods to the question at hand and identifies four mega-trends he foresees for our future.

Like many forecasting exercises, the book specifies some rules one must respect to participate in this thought experiment. In particular, there are four rules we must abide by, along with four global forces which the author considers crucial in shaping this future world, as well as determining our path from here to there. Right there, in these two fours, is the core of this book.



Let us start with the four rules by which we must abide when thinking about the world in 2050, which strictly speaking are really just two: continuity and credible modelling. In particular, the author would like to rule out three discontinuities, at least in the bulk of the book: technological breakthroughs (e.g. scalable cheap carbon-free energy), world wars, and big discrete ecological or geophysical changes (e.g. pandemics, sudden collapse of ice sheets). Credibility of modelling follows nicely from these first three rules. In the absence of abrupt changes, models do a good job of describing the world. They allow us to extrapolate historical trends and discuss their sensitivity to alternative assumptions.

In general, these are sensible restrictions. However, it is important to be transparent about what is excluded to allow one to judge the quality of the ultimate analysis. For example, the book is silent on the shale gas 'revolution' currently underway in the US. Most people have heard of it over the last decade and it has had important ramifications in global energy markets. Whether Smith excludes it because he considers it a technological breakthrough, or simply not significant enough to be incorporated, this reviewer finds the omission conspicuous.

Next, the author gives us the four global forces he considers crucial for shaping the world in 2050: demographics, skyrocketing demand for ecosystem services and natural capital, globalization, and climate change. These are clearly among the key intertwined mechanisms at play and the author successfully draws our attention to their significance with the help of thought-stimulating facts. Did you, for example, know that raising every global citizen's consumption to the level enjoyed by the citizens of the OECD countries is the same as adding 65 billion new people to the planet, each consuming the global average today? That is

right. There is no typo. And all of them in addition to the 7 billion we already share the planet with today!

With the ground rules set and the models there to smoothly extend history into forecasts, the author creates a fairly plausible, if romantic, version of the world in 2050. This new world sees a global shift in power and influence as we penetrate the arctic frontier. The NORCs, a term the author coins for the countries circling the Arctic Ocean, will have increased their relative importance in the global arena, and north of the 45th parallel there will exist a buzzing capitalist economy with aboriginal peoples of the region at the helm, particularly in the western hemisphere.

Smith takes a sensible approach to constructing a possible future world, using cogent arguments and a reasonable framework. However, his analysis is somewhat limited. For example, globalization is included while the increasing economic and political clout of the east (China?) and the south (Brazil?) is barely developed. The active and important contribution of NORC natural resources and millions of NORCish as suppliers of the world are included. However, the reactions of the billions of consumers of NORC natural resources in the rest of the planet as well as the strategic response of the current suppliers of the very same commodities to the rise of the 'new north' are mostly excluded from the analysis. And what with the economists' concern with the natural resource curse, the idea that countries with substantial natural resource wealth experience lower growth, inferior institutional quality and higher inequality than resource-poor countries? Could it possibly afflict the NORCs?

Certainly, no single work can tackle every aspect of the future of a world so wracked with uncertainty. However, this thought experiment leaves some substantial gaps, and it is not obvious whether the exclusions are innocuous or crucial for the author's argument. In addition, readers looking for a strong position on climate change or resource exploitation in the north won't find one in this book. Smith simply paints a picture and invites the reader to overlay their own ethics, priorities and preferences. It is left to others to provide commentary on this future, and advise on policies to accelerate or forestall its arrival.

Nevertheless, this is an informative and accessible book. It provides a solid introduction for those who are making their first foray into the forces that are likely to shape our world over the next 40 years. It is perhaps a tribute to this accessibility that steers the argument clear of the thornier issues mentioned above. In any case, the book does get one thinking about what lies ahead and how we might influence it with our decisions. After all is said and done, that is what matters for the question the author leaves us with. What kind of world do we want?

Baran Doda is a postdoctoral researcher at the Grantham Research Institute on Climate Change and the Environment and the Centre for Climate Change Economics and Policy. His work focuses on macroeconomics of climate change mitigation. He holds a Bachelor of Arts from Simon Fraser University, and a Masters and PhD in economics from the University of Toronto. He is also an alumnus of the United World College of the Adriatic, Italy. He has worked as an Economist at the Bank of Canada and as a consultant for Environment Canada. [Read more reviews by Baran.](#)

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