

# Zero growth wouldn't bring the world anywhere near the necessary reduction in CO2 emissions

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LSE Business Review recorded a brief conversation with Nicholas Stern about climate change, business, academia and global affairs. Here is the second and last part, transcription and videos, in which he explains why he doesn't agree with zero-growth proposals and lists the two biggest challenges in the efforts to preserve the environment. In [Part I](#), posted last week, he talks about three major historic shifts occurring simultaneously in the world: the growth of emerging markets, fast urbanisation and many waves of technological change in digital, materials and biotech.

## Could you comment on zero-growth proposals, as opposed to delinking economic activity and greenhouse gas emissions?

“There are some that would argue that we cannot manage climate change unless we stop growing, and I think that's a mistake. Let me just be slightly numerical to illustrate that. We are emitting as a world 50 or 51 Gigatons a year of CO2 equivalent, greenhouse gases or sources. That's what we're emitting in 2014 and 2015. We need to get that down to 20 or below by the middle of the century and net zero or close to zero during the second half of the century. The extent to which we fail to do that in the earlier part of the period means that we'll have to do more in the later part of the period if we are to have a reasonable chance (say, fifty-fifty) of holding to 2°C, which is the global average surface temperature increase relative to the usual benchmark which is the end of the second half of the 19<sup>th</sup> century. It's absolutely clear that if we stopped growth altogether and didn't change the way we do things we couldn't come anywhere near what we have to do. Zero growth wouldn't get anywhere near tackling our problem.

“What we have to do is to make fundamental changes in the way we consume and produce so that we bring right down the greenhouse gas emissions from our consumption and production activities. That's what we have to do. What we've seen in research I've been involved with over these last few years is that the transition to low carbon part is going to be enormously attractive. Much less congested, much less polluted, much less wasteful, much quieter, much cleaner. But at the same time, in order to do that, full of innovation, investment and growth. The big technological changes that we have to make are going to bring, like earlier waves of technological change, exactly that: innovation, investment and growth.

“The change that we're looking for is breaking the link between the economic activity and the emissions of greenhouse gases and damage to the environment more generally. That's the fundamental thing that we have to do, and doing it will actually bring growth, growth of a better kind. So the idea that somehow we have to stop sort of misses the point. In the first place, it wouldn't be enough, and second, you'd lose all that creativity and better way of living. So I don't go with those who say we stop growth.

“On top of what I argued, in terms of the logic, I'd make a further point, which is that the politics of doing that is hopeless. If you are going to persuade the poor people of the world, countries that are just starting to grow, that, sorry, fellows and ladies, the story is over. We're not doing growth anymore. They're not going to take it terribly seriously. You'll lose that argument and in losing that argument you damage our ability to move forward on the real agenda, which is breaking the link between our economic activities and damage to the environment, including climate change.”

## You're focused on managing climate change and reducing carbon emissions. Is that the single most important challenge the world faces right now?

“It's not the single most important challenge because there's a double challenge here, which is overcoming poverty

and managing climate change. If we fail on one we fail on the other. Obviously if we fail on climate change we create an environment so hostile that development will be reversed and in many cases destroyed. If on the other hand we try to manage climate change by putting obstacles to overcoming poverty in the next 20 or 30 years, we will not put together the coalition that we need to manage climate change. But of course, as I've argued, the alternative part is enormously attractive. It's better growth and in many ways stronger growth, so that if we do break the link between economic activity and emission of greenhouse gases and other forms of pollution, we will generate growth through the innovation and investment that it brings. I'm careful not to talk about the single challenge because it's those two challenges together.

"As we talk about the process of overcoming poverty and managing climate change, we see also that we will avoid damaging the environment in many other ways. Air pollution is a terrible problem, killing probably tens of millions around the world. Killing four thousand (people) a day, at least, already, in China. India is far worse and our own countries in Europe are not very good in terms of air pollution. Those are big challenges as well, but they are wound up, interwoven with the challenges of managing climate change. We're much better off tackling those together.

"Now, that's a story which in large measure is driven by innovation and investment. And most of that will be private sector. So the private sector sees the problem of climate change, sees the way the world has to go, looks at what policies are likely to come, and anticipates. And that's why you see this enormous technical progress, for example: the extraordinary cost reductions we've seen in solar PV (photovoltaic) panels — divided by ten over the last decade. Who would have thought we would have hybrids amongst almost all car manufacturers? Six or seven years ago, if we looked forward, I don't think people would have predicted that. The way that digital advances have helped us become much more adept at managing our energy use. So we've seen... even though public policy has not been that good and the signals have been less clear and strong than they should have been, nevertheless we're seeing quite powerful reaction from business. If those signals were clearer and stronger in public policy, the reaction would be even stronger. So governments have the policy, institutional framework, but in many ways industry, business, is looking farther ahead than many governments. Seeing the way the world has to go and inventing ideas and products, innovations which will do well in that changing world."



Notes:

- *The post gives the views of the interviewee, and not the position of LSE Business Review or the London School of Economics.*
- *Featured image credit: Drax power station cooling towers, North Yorkshire [Les Haines CC-BY-2.0](#)*

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**Nicholas Stern** is the IG Patel Professor of Economics and Government, Chairman of the Grantham Research Institute on Climate Change and the Environment and Head of the India Observatory at the London School of Economics. He is President of the British Academy (from July 2013), and was elected Fellow of the Royal Society (June 2014). He has held numerous posts, including Second Permanent Secretary to Her Majesty's Treasury, and Head of the Stern Review on the Economics of Climate Change. He was knighted for services to economics in 2004 and made a cross-bench life peer as Baron Stern of Brentford in 2007. He has published more than 15 books and 100 articles and his most recent book is [Why are We Waiting? The Logic, Urgency and Promise of Tackling Climate Change](#).



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