

## Open Letter to the Queen

Your Majesty,

We, the undersigned, noted with interest the letter to Your Majesty of 22nd July 2009 from the British Academy in which they respond to your question about how the current economic meltdown was missed. They talked of a "failure of the collective imagination of many bright people" and a "psychology of denial".

The Academy wrote "It is difficult to recall a greater example of wishful thinking combined with hubris." You will be aware of HRH The Prince of Wales's speech on 9th July 2009 in which His Royal Highness focused on far more serious examples of wishful thinking and hubris. We are writing to you because we are concerned that the British Academy's letter focuses on one particular aspect of current insecurity, namely financial, failing to address the wider context of more serious macro issues facing mankind. We are also writing to the Academy to invite them to debate these issues with us.

Symptoms of a much greater systemic failure

We live in tumultuous times. Many developed world citizens are losing their livelihoods. The effects on the world's poorest will, as ever, be dreadful. However we are surprised that the Academy has not addressed anything outside the narrow remit their letter covered. Far greater insecurities threaten the world's poorest due to our effects on the natural world.

The letter ignores the physical constraints which are central to this bubble and indeed most bubbles. It speaks of "the bigger picture" and of "individual risks being small" and "the system as a whole being vast", yet, for us has a limited horizon.

Our premise is that our current economic malaise is symptomatic of a far more serious systemic failure to acknowledge what Archbishop Rowan Williams has identified in saying "It has been said that 'the economy is a wholly-owned subsidiary of the environment'. The earth itself is what ultimately controls economic activity because it is the source of the materials upon which economic activity works".

Energy underlies everything – Scylla and Charybdis of peak oil and climate change. The underlying cause of the current economic meltdown is a multi-generational debt-binge inextricably linked to a concomitant multi-generational energy-binge. The Academy's letter focuses on some "imbalances in the global economy". However, the key to addressing our current situation is to recognise the far more serious imbalances between our insatiable hunger for energy, its finite nature and the environmental pollution in its use.

Energy is the lifeblood of any economy. Our exponential debt-based money system is in turn based on exponentially increasing energy supplies. It is therefore clear that the supply of that energy deserves our very highest attention. That this attention doesn't appear in the Academy's analysis is deeply worrying.

The impending peaking of production of oil and other hydrocarbons, along with the resulting peak in food production and everything on which oil relies, is now widely accepted. Leading UK companies including Arup, Scottish and Southern Energy, Solarcentury and Virgin have warned that a peak in cheap, easily available oil production is likely to hit by 2013, posing a grave risk to the economy. On 2nd August 2009, the International Energy Association's Chief Economist, Dr Fatih Birol, warned of an oil crisis in 2010.

The letter refers to the "overheating economy" but gives no mention of the effect and cause of the overheating of planet Earth. Climate change is now recognised by the world's scientists, political and business leaders as the most serious threat to mankind and is described by Sir Nicholas Stern as "the greatest market failure of our times". On an almost daily basis we get increasingly urgent signals that unstoppable, runaway climate chaos is almost upon us.

Members of The Prince of Wales's UK Corporate Leaders Group on Climate Change, including AXA, Shell, Tesco, Unilever and Vodafone, have now repeatedly asked politicians for more urgent action on climate change.

#### Growth versus prosperity

The Academy's letter mentions unprecedented global economic growth - yet it fails to mention the rapidly escalating environmental destruction caused by this insatiable growth. It also mentions the poor of the developing world who have been brought out of poverty to 'prosperity'; but not the far greater numbers condemned to an increasingly inequitable world and the ravages of peak-food and climate change.

Not just for ourselves, but also for the poor and disenfranchised, we in the rich world must now seek to redefine 'prosperity' and shift away from blind growth to an economic development fit for our damaged world. The distinction between quantitative 'growth' and qualitative 'development' is key.

A reverse gear for atmospheric carbon is needed and energy use must be radically reduced and redirected where it is most needed – into investments in a radical transition to a zero-carbon economy and the alleviation of poverty. However, the current Marshall-plan, to pump yet more economic growth, with a green veneer, risks plunging us headlong back into climate chaos.

As Professor Tim Jackson, author of the Sustainable Development Commission (SDC) report 'Prosperity Without Growth?' says: "Faced with the current recession, it is understandable that many leaders at the G20 Summit will be anxious to restore business as usual. But governments really need to take a long, hard look at the effects of our single-minded devotion to growth - effects which include the recession itself..... The myth of growth has failed us. It has failed, spectacularly, in its own terms, to provide economic stability and secure people's livelihoods".

The letter talks of a "general feel-good factor", but doesn't address the fact that, in the developed world, general wellbeing long ago ceased to be linked with GDP growth. In July, The Prince of Wales called for an end to the "consumerist society where growth is an end in itself." His Royal Highness also said that "progress has come at a price" and that it "depends on how you define both 'growth' and prosperity'...in our

modern situation these 'ends' have become dangerously confused with the 'means', to the point where, now, wealth, innovation and growth have become the final goals."

The debate is changing

Sir Jonathon Porritt says in his recent report *Living Within our Means* : "In their bones, world leaders know that if the global economy keeps growing at around 5% per annum (as it has done over the last couple of decades), then its game over for human civilisation as we know it." Adair Turner, past head of the CBI and now Chair of the FSA and Climate Change Committee, says in *Do Good Live Have to Cost the Earth* that we need to "dethrone growth".

Despite the sclerotic nature of our politics, a notable few political figures are beginning to engage with the 'progress beyond growth' debate. These include President Horst Köhler, President Barroso, EU Environment Commissioner Dimas, OECD Secretary General Angel Gurría, David Cameron, the Swedish centre-right and President Sarkozy's Stiglitz Commission.

Beyond rhetoric there has been little deeper debate in politics about these issues. As the Sustainable Development Commission puts it, "We see [today] a society and a Government whose primary objective is still the achievement of economic growth as conventionally understood and measured, with as much social justice and environmental protection as can be reconciled with that central goal. We envisage a society whose primary goal should be the wellbeing of society itself and of the planetary resources and environment that sustains us all, with economic objectives shaped to support that central goal rather than the other way around."

Yes we can

Things can change. Harvard Professor John Quelch's 2008 study *Too Much Stuff* says: "The mass consumption of the 1990s is fast fading in the rearview mirror."

Our current form of corporate-consumer-capitalism has been shown to be what many of us knew it was: a fundamentally flawed system which badly needs updating. Jeremy Paxman has asked if we are seeing the "end of capitalism". Martin Wolf of the FT has said that "the dream of global free market capitalism is dead". Bank of England Chair Sir Mervyn King has agreed saying Wolf's comment "strikes a chord."

Thomas Friedman said recently in the *New York Times* "Let's today step out of the normal boundaries of analysis of our economic crisis and ask a radical question: What if the crisis of 2008 represents something much more fundamental than a deep recession? What if it's telling us that the whole growth model we created over the last 50 years is simply unsustainable economically and ecologically and that 2008 was when we hit the wall — when Mother Nature and the market both said: 'No more!'"

Thankfully there is a vibrant debate in civil society on these issues. Groups like Transition Towns, described by Jeremy Leggett as 'scalable microcosms of hope', and digital democracy Moveon.org, Getup.org, Dosomethingaboutit.org.uk, Localeyeyes.org and 38degrees.org.uk are giving individual citizens and collectives a new voice and real power in politics of change.

An invitation

It would appear from the British Academy's letter that they are not aware of the rapidly growing and vibrant debate around these issues. We agree with them about the need for "authorities with the power to act" and for appropriate levels of regulation fit for the task in hand. Their prescription is to consider how they "might develop a new, shared horizon-scanning capability". We will invite the Academy to join with us in a public dialogue about these issues and ask them to consider how this 'new capability' can make its primary horizon the the issues we raise in this letter.

We will of course report findings of such debate to Your Majesty.

Yours faithfully

*Phillip Blond, CEO, ResPublica; Alain de Botton, Philosopher; Tom Burke CBE, co-founder E3G; Professor Herman Daly, Maryland University; Geraint Talfan Davies, Chairman, Institute of Welsh Affairs; Professor Lord Anthony Giddens; Stephen Hale, CEO Green Alliance; Andy Hobsbawm, Chair Agency.com, Founder dothegreenthing.com; Rob Hopkins, Founder of Transition Towns; Prof Tim Jackson, SDC; Tony Juniper, Author and ex Executive Director, Friends of the Earth; Professor Melissa Lane, Princeton University; Neal Lawson, Chair, Compass; Jeremy Leggett, Chair, Solar Century; Peter Lipman, Chair, Transition Network; Jules Peck, Partner, Abundancy Partners; Robert Phillips, Co-author, Citizen Renaissance; Sir Jonathon Porritt OBE, ex Chair, SDC; Mike Robinson, CEO, Royal Scottish Geographical Society, Chair, Stop Climate Chaos Scotland; John Sauven, Executive Director, Greenpeace; Anthony Seldon, Master, Wellington College; Matthew Taylor, CEO, the RSA; Professor Peter Victor; York University, Canada.*