

THE GREATEST Balancing Act



Nature and the Global Economy
Based on a conversation between
David Attenborough and Christine Lagarde

In nature, everything is connected. This is equally true of a healthy environment and a healthy economy. We cannot hope to sustain life without taking care of nature. And we need healthy economies to lift people out of poverty and achieve the United Nations Sustainable Development Goals.

In our current model these goals sometimes seem to collide, and our economic pursuits encroach too closely on nature. But nature—a stable climate, reliable freshwater, forests, and other natural resources—is what makes industry possible. It is not one or the other. We cannot have long-term human development without a steady climate and a healthy natural world.

Out of touch

The bottom line is that when we damage the natural world, we damage ourselves. The impact of our growing economic footprint threatens our own future directly. By some estimates, more than 50 percent of the world's population is now urbanized, increasing the likelihood of people losing touch with nature.

With the projected rise in ocean levels and increase in the average temperature of the planet, large swaths of land, even whole countries, will become uninhabitable, triggering mass climate-induced migration. Never has it been more important to understand how the natural world works and what we must do to preserve it.

A necessary first step is to recognize that waste is the enemy. Wasting food, energy, or materials flies in the face of sustainability. Producing plastics fated to end up as litter is a waste, especially when these plastics pollute our oceans. If we could live by the simple injunction to “do no harm,” both individually and as businesses and economies, we could all make a difference. Overconsumption and unsustainable production have put the planet in peril.

Natural connection

Since the natural and economic worlds are linked, similar principles apply to both.

In the financial world, for example, we would not eat into capital to the point of depletion because that would bring about financial ruin. Yet in the natural world, we have done this repeatedly with fish stocks and forests, among many other resources—in some cases to the point of decimation. We must treat the natural world as we would the economic

world—protecting natural capital so that it can continue to provide benefits well into the future.

This is something economists can appreciate—the importance of minimizing waste, taking advantage of efficiencies, and accurately reflecting costs in prices, including costs imposed on our entire shared resource, the environment.

We can take the important step of ensuring that the price of fossil fuel energy reflects not only production costs but also environmental costs—a price tag on carbon and other greenhouse gases. We must eliminate energy subsidies that encourage a continued search for new fossil fuels or that promote overuse and waste—harming both natural and human health. IMF research has found that the implicit global subsidy from undercharging for energy and its environmental costs in 2017 was a staggering \$5.2 trillion, or 6.5 percent of world GDP.

Change begins now

When it comes to sustaining the vital symbiosis between the economic and the natural world, we all can do more—much more. The private sector can stop supporting or subsidizing industries and activities that damage the planet and instead invest in sustainable development. Governments can roll out policies to fight climate change and the destruction of nature, for example, through promotion of clean-technology research and development.

Change must begin now, and it must encompass us all. The youth of today understand this—think about courageous young people like Greta Thunberg and others like her. They are calling on older generations to act now to reverse climate change—because it is *their* futures at stake. Because of these younger generations, there is hope.

Nature is resilient. We can still reverse some of the damage we have inflicted on our precious planet. But time is running out. If we don't take decisive action in the next 10 to 20 years, the damage will have passed irreversible tipping points.

We must work in concert and on several fronts, and we must do it now.

For who among us wants to face harsh reproach from our grandchildren: “you knew it was happening, and you did nothing.” **FD**

This essay is based on a conversation between **SIR DAVID ATTENBOROUGH**, natural historian and narrator of the Netflix/WWF documentary series *Our Planet*, and former IMF managing director **CHRISTINE LAGARDE**.