

## **This crisis is bad but it gives us an opportunity to rethink strategies**



By Karen Remo-Listana on Wednesday, January 21, 2009

The Club of Rome – a think tank of scientists, economists, business leaders, civil servants and politicians from the five continents – attracted considerable public attention with its 1972 report titled "The Limits to Growth". The study challenged one of the then core assumptions of economic theory – that the Earth was infinite and would always provide the resources needed for human prosperity. The book, which sold 30 million copies in 37 languages, stated that if consumption patterns and population growth continued at the same high rates of the time, the Earth would reach its limits within a century. And this is what is happening now, says Martin Lees, Secretary-General of the Club of Rome. In an exclusive interview with Emirates Business, he said the world had continued to grow exponentially as if the planet would sustain economic growth forever. "Once the world recovers from the financial crisis we imagine that the global economy will double in size in a couple of decades," he said. "This would mean an additional two billion people or more will join the world's middle class, implying changes in consumption practices and lifestyle. This is simply not feasible."

**What do you make of what's happening in the world's economy today?**

We face three critical issues: climate and environment, poverty and development, and finance and economy. These issues are intimately linked. We cannot try long-term solutions to one while disregarding the others. We cannot just look at the next quarter or next electoral period. We have to have a long-term view and we must respect the complexity of the problem, which is very much interlinked. The Limits to Growth said we could not continuously consume vast amounts of resources forever. It said if we are clever, we're going to go this way, if we are stupid we are going to go that way.

**And which path are we on?**

More on the stupid track because although this warning was made

nearly 40 years ago we more or less carried on exponential economic growth regardless of the environment consequences. Now we are coming to a point where the climate and ecosystems just cannot cope.

**You are talking about sustainable development. What does this term really mean and is it achievable?**

It is not a very clear term. It means we must try to use resources today in a way that leaves opportunities for future generations. It means we should not be destroying things permanently. At the moment we are. Sustainable development is achievable but we have to change ourselves to achieve it.

**The world's economy is in a mess. Some say this is the worst crisis since for 70 years. Do you agree?**

That is the general opinion and I think since the global depression in the 1930s this is the worst we've had. Everybody is feeling the effects. About \$28 trillion (Dh102.8trn) has been cut off the value of stocks. Everybody is hurting at the moment but the good news is that financial crises come and go. This is not the first, we have them roughly every 10 years. This one is particularly bad but this is an opportunity to rethink strategies and start operating a bit differently. It may take a year or two before confidence returns but what we know is that there will be a recovery.

**What is the West's perception of this region?**

We know that the housing market has dropped in Dubai. So there is no doubt the crisis is having an impact. But we should not totally forget our long-term strategy as we react to this crisis. This region has a series of long-term objectives for development and it has the vision. The general view from outside is that people are impressed by the progress you have made, which has been tremendous and very fast, and they expect you to carry on even it takes more difficult years before the economy takes off again.

**What role can the Middle East play to hasten the healing process?**

When you go to Dubai all the lights are on all the time and everything is running flat out all the time. You don't have the same feeling as the West – that you must save and conserve energy. This region can reduce its own problems as the UAE is one of the countries with the highest per capita emissions in the world. Currently we see there is a commitment to becoming energy efficient. There is also a commitment to help develop new technologies – renewable energy and conservation technologies. You have the freedom to look for solutions... you have funds available for this kind of work and that coincides with your objective of diversifying your economies.

**PROFILE: Martin Lees, Secretary-General, the Club of Rome**

Lees, who was born in 1941, graduated in mechanical sciences at Cambridge University and has a post-graduate diploma in European studies from the College of Europe in Bruges, Belgium.

After some years as a manager in industry, he joined the Organisation for Economic Co-operation and Development before serving at the United Nations in a number of capacities. In 1982, he was appointed Assistant Secretary-General.

He is now a senior adviser to the Chinese Government on climate change and other issues.

From 2001 to 2005, he was rector of the University for Peace of the United Nations in Costa Rica, guiding its revitalisation and launching

eight masters programmes. He became Secretary-General of the Club of Rome in January 2008.

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