

Pottinger

PERSPECTIVES

Beyond the Metacrisis

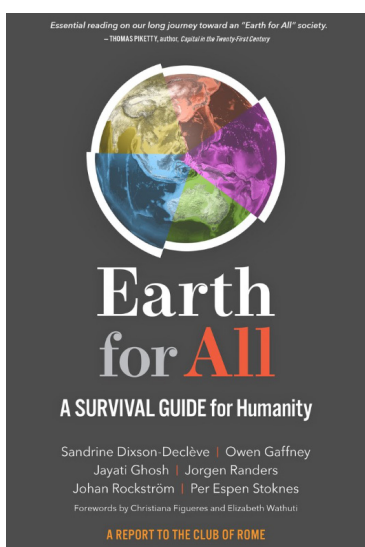
Delivering Earth for All





“Millions of people around the world are suffering deeply as a result of climate chaos, environmental degradation and perverse inequality. For way too long, the multilateral system and civil society have defined and described those multiple crises as separate, each with their own unique set of solutions, often in competition with each other. In fact, they are different aspects of what we might understand as the metacrisis.

Earth for All shows how we address these crises together, and that’s what makes it such critical reading. There is a path of possibility, infused with stubborn, urgent optimism.” **Christiana Figueres**



“Essential reading...” **Thomas Piketty**

BUY NOW



Almost every month for the last two years, I’ve leapt out of bed in the small hours of the morning and been deep in concentration at my desk by 4am. Those that know me will appreciate that this is entirely unprecedented. At last, I can share why.

Humanity faces catastrophe. Too many people are consuming too much in the way of material goods, and buy these from supply chains that mostly ignore the ‘externalities’ that lie beyond their own profit and loss accounts. Thanks to the architecture of economics, the ‘goods’ are counted in our financial reckonings, but not the ‘bads’. The scientists and economists who study these things – including the many collaborators in the Earth4All initiative – understand clearly that a series of cataclysmic tipping points are staring us in the face. These are neither far-fetched, nor speculative, distant threats. They are disastrous environmental dominoes, and

they are beginning to fall.

Our new book, *Earth for All*, shows that there is still a pathway for humanity to thrive: we can provide a decent standard of living for every single human on earth, without destroying the environment or breaking the bank. Encouragingly, the actions required do not require much in the way of technological innovation – and they will provide an enormous opportunity for forward-looking investors. The catastrophe can be avoided, and the investment required is surprisingly modest. But, to achieve this, we need a new operating system for our society. We must also work together to implement five transformational turnarounds within a single generation. As with society’s response to the COVID-19 crisis, we do not have time for prevarication and delay. The danger is clear and present, and we must all act strongly and urgently. Starting today.



Fifty years after the forward-looking publication of *The Limits to Growth*, this new report to The Club of Rome provides the most compelling and practical blueprint for socioeconomic transformation here and now, with a view to avoiding climate catastrophe and building a better society for everyone.

Lorenzo Fioramonti
Author, *The World After GDP*, and member of the Italian Parliament




Earth for All sharply addresses the biggest challenge of our time: how to defeat inequality and poverty, whilst saving our planet from climate change and environmental destruction. Its urgent call to transform our economies is my call to our leaders. A must-read for all of us.

Naoko Ishii
Professor and Executive Vice President at the University of Tokyo. Former CEO of the Global Environmental Facility




First, let us look with honesty at the threats.

There is more carbon dioxide in the atmosphere than at any time in the last fifty million years – when the planet's temperature was 13C (23F) higher than today. At 417 parts per million, the current concentration is now 29% higher than the year of my birth and is increasing more rapidly each year. The resultant devastation of climate change is all around us. Fifty million displaced people in Pakistan. Record floods. Record droughts. Record heatwaves across several continents, and in our oceans too. Whether these are one-in-a-thousand-year events or even rarer is a moot point. What matters is that they are statistically clear alarm bells. They are ringing on every continent, and the costs of inaction are rising rapidly.

Though climate change is a pressing

issue, the risks posed by environmental and ecological degradation are even greater, as human activity smashes through the boundaries of our planet's capability to support human life. The Amazon rainforest is losing carbon at unprecedented rates. Permafrost is melting. Coral reefs are dying. Topsoil is being rapidly eroded in numerous farming areas. Crop failures are emerging and threaten to become another shocking 'new normal'. Remember, it is easier to live with expensive energy than it is to live without food.

Simultaneously, chemicals are polluting ecosystems and waterways. Algae blooms are destroying marine ecosystems. Pollution permeates the bodies of many animals in our food chains, and by 2050 the plastic in


our oceans will weigh more than the fish. Access to clean water has long been a challenge in many lower-income countries. With groundwater pollution in America, and widespread release of raw sewage into Britain's waterways, it is coming to a town near you, too.

When you stand amidst nature or fly over the endless tracts of uninhabited wilderness of America, Africa or Asia, the sense of vast emptiness is overwhelming. So it would be all too easy to believe that there was no way that human activity could profoundly and permanently change the ecosystems of our entire world-sized spaceship. And yet that is where we are – destroying the biosphere that sustains our life and enables our civilization to function. Mankind has already eaten

Key Messages from Earth for All:

Key message #1

Earth4All is possible and essential



Key message #2

The economic system is destabilising people and planet


Despite unprecedented growth, societies remain extremely vulnerable to health, humanitarian and economic shocks. This century, societies will face long-term existential threats, on top of inevitable short-term shocks.



Key message #3

Societies face rising social tensions in the coming decades as a result of destructive levels of inequality

High levels of inequality reduce trust and undermine social cohesion. This will make it more difficult to deal with shocks and existential challenges like climate change.





almost all wild mammals: people or animals being farmed for food account for 96% of the bodyweight of all mammals on planet earth. Widespread pollution, destruction of the natural environment and climate change are destroying critical habitat all around the world. As a result, the sixth great extinction is well under way, and the species extinction rate is estimated to be between 1,000 and 10,000 times higher than it would be without human intervention. We are living in direct conflict with nature every day, and the resultant threats to human existence are grave indeed.

Meanwhile, for many people in some of the world's largest and richest economies, living standards began to fall a decade or so ago. In part this is due to the emerging crises above, and in part it is due to extreme

and growing polarisation of wealth. As a result, social tension has begun to increase significantly in many countries. The energy price crisis is adding significant pain for hundreds of millions of people around the world, and much worse may lie ahead as the Northern hemisphere winter unfolds. Over recent years, autocratic leaders have exploited these tensions to win power. Widespread civil unrest is no longer unthinkable in several of the world's largest economies. Plainly put, the combined effects of climate change, environmental degradation and social tension threaten democracy itself, weakening our ability to take the collective actions that are sorely needed.

Yet, despite these extraordinary and urgent threats, my Earth4All colleagues and I remain confident that they can be overcome. We

know, from our work over the last two years, that the transformational turnarounds are not only feasible, but can be implemented in a manner which helps to restore our planetary ecosystem, rebuilds communities, and does not break the bank. Moreover, the COVID-19 pandemic has shown clearly that human creativity can overcome huge challenges rapidly. Humanity has the resilience and ability to rally in the face of deadly crisis, if only we can focus our efforts collaboratively on the right problems.

The ambition of our book is to catalyse the collaborative action that is required. If we are all to be able to live successfully on this earth, we need to make decisions and investments both individually and collectively that deliver a fair and just society on Earth for All.

Key Messages from Earth for All:

Key message #4

On current paths, global average temperature is likely to exceed 2.5°C, significantly exceeding the target stipulated in the Paris Agreement on Climate

This brings severe risks to all societies. Earth's resilience – its capacity to respond and rebound from shock – is reducing each decade as a result of action to protect the climate and biodiversity. If the warming is allowed to pass 1.5°C, there will be risk of unstoppable, self-reinforcing damage in the future. (Gerrard et al. 2021)

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Key message #5

The faster we act, the better

If current efforts are not accelerated dramatically, in this decade, continued poverty and rising climate change will cause social collapse in vulnerable regions. Humanity's future on Earth will be very much more peaceful, more prosperous and more secure if societies do everything in their power to transform economic systems this decade than if they do not.

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Key message #6

The transformation will be disruptive

Solutions must be fair and just or risk social collapse. Solutions must work for the majority, ensuring clear risk in the wellbeing of the working majority.

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So, where should we start?

First, we must acknowledge that we are all in this together, not only in the figurative sense of being cohabitants of this jewel planet, but also objectively in environmental, financial and social terms. Amongst other things, one of the great innovations of the Earth4All initiative is a set of models which shows how our environment, economies and financial systems, and society interact dynamically over the course of decades. As a result, we understand much better than before not only how our investment decisions impact on our environment, but also how the changes we have caused to our planet will impact on economies and society too. Spoiler: if the actions we recommend are not taken, social tension will continue to rise and economic volatility will increase, and this means greater risk for everyone. Indeed, should we fail, those in the top 5% to 10% of society arguably have the most to lose.

Second, we must realise that the challenges we face are interdependent – and that they can only be effectively addressed with solutions that recognise this. This goes against decades of teaching and

cultural preference for breaking problems down into simple components and solving them one by one. So we must learn to think differently. As with a tangled ball of wool, we cannot just pull one thread and hope to unravel the knot: we need to work all parts of the problem simultaneously. As a simple example, shifting to renewable energy and battery storage now reduces costs dramatically – but only if you are rich enough to afford the initial investment. Thus, support is needed to ensure that all society can benefit from these shifts, not just the financial elite.

Third, we should celebrate the fact that the problems we face are well understood – not just at the world-scale level tackled by the Earth4All initiative, but also at national, regional and local levels by millions of people around the world who work in government, business, investment and philanthropy. What is needed is to focus more effort and more investment in a manner that drives inclusive, equitable development in economies and societies as a whole. The Earth4All initiative sets out a simple and powerful framework

“What is needed is to focus more effort and more investment in a manner that drives inclusive, equitable development in economies and societies as a whole.”

Key Messages from Earth for All:






PHOTO CREDIT: GREENPEACE

What we do now will determine whether we have a future to protect. In order to ensure our survival, we must understand the interconnected nature of the current convergence of crises we are dealing with. Earth for All illustrates this understanding and uses it to show us a path forward that will put the wellbeing of people and our planet first, instead of profit and growth.

Kumi Naidoo
Global ambassador, Africans Rising for Justice, Peace, and Dignity

Earth 4All



PHOTO CREDIT: HOUAN NGUYEN

It's time to shift from the age of endless growth to an age of thriving in balance. This thought-provoking analysis proposes five critical turnarounds for getting us there—each of them raising urgent issues for public discussion and action. Join the most vital debate of our times.

Kate Raworth
Author, Doughnut Economics

Earth 4All

for establishing priorities and recommends policies that will have real systemic impact.

Fourth, we must recognise that the private sector will not make all the requisite investments, nor is it likely to act quickly enough. Some of the required investments are already attractive, though they may require government directives or policy support to implement, and others require catalytic fiscal incentives to encourage market development. In contrast, some of the actions can only be delivered with long-term government or philanthropic support – especially those that are required to ensure that the benefits of ongoing human development are shared across society.

Fifth, we must avoid the historic failures of extractive development practices that have been the norm for the last century or

more. As context here, historic colonial and neo-colonial economic structures mean that each year some US\$2 trillion moves from the poorest countries, many in the Global South, to the richest countries. These structures have also undermined both food sovereignty (through much greater reliance on specialist seeds and imported chemicals and fertilizers) and energy sovereignty (through export of unrefined fossil fuels and import of refined oil etc). In addition, typically the economies of low-income countries rely on low-value, assembly-line manufacturing, often requiring the import of expensive machinery from richer nations. This significantly hinders their economic development, meaning that new approaches are essential.

Last, the rich – both nations and individuals – must accept responsibility

for paying for the actions that are needed, as they are directly responsible for much of the damage that has been done to our environment. The good news here is that the investment required is relatively modest – roughly two to three trillion dollars a year for the next several decades. To put this in a global context, it is a bit more than we spend on booze or cars, and a bit less than we spend on philanthropy. Indeed, as you dig more deeply into the nature of investment that is required, the net increase in investment may be significantly lower, as what is required in some areas is simply smarter choices of investment (think renewable energy rather than new coal mines).

Key Messages from Earth for All:

Key message #10

Overconsumption in high-income countries has to be curbed

Material consumption among high-income nations is a major driver of climate change, ecosystem decline and pollution and makes it increasingly difficult for poor people to secure their living standards. Policies must be implemented to provide sufficiency for all by redistributing wealth and lowering the material footprint of the rich.

Key message #11

Redistribution of wealth is essential

The 50% richest take more than 50% of national incomes. Their share must be reduced to at least 40%. Major tools, beyond higher taxes on the rich, will be a Citizens Fund for the global commons and social corporations, distributing a Universal Basic Dividend to all.

Key message #12

The next step is to gather broad political support for the economic transformation

There is already growing support for action to stop current trends. And emerging initiatives like the Wellbeing Alliance, Green Deal, New Deal, Global Deal, Ecological Outcomes. The next step is to scale up a major advocacy and public campaign to drive the conversation on economic systems change and open up policy windows. Earth4All will do its bit.



Earth for All plots the course to a sustainable wellbeing future that can overcome our ongoing societal addiction to growth. We all need it now more than ever.

Robert Costanza
Professor of Ecological
Economics, Institute for Global
Prosperity (IGP),
University College London



What are the five transformational turnarounds that are so urgently needed?

Revolutionise energy systems: We need to decarbonize every aspect of our energy systems and industrial processes as rapidly as possible. This means shifting to electric vehicles, transitioning to renewable energy generation, and adapting our energy distribution grids. This turnaround is already well under way, with around US\$755bn invested in 2021. Technology is now available to enable economic decarbonisation of other critical areas, such as lime and cement production, and green steel is not that far behind – though both will require the support of industrial customers and the end consumer.

Transform food systems: Although we have witnessed an astonishing turnaround in food security over the last fifty years, today 9% of our global population still faces severe food insecurity. Meanwhile, progress has come at a severe cost. The way we farm,

transport and consume food affects more planetary boundaries than anything else. Agriculture is one of the biggest sources of greenhouse gas emissions. It is also the biggest driver of deforestation, biodiversity loss and the creation of vast dead zones in our streams, lakes and oceans. We must thus redesign the way our food systems work, adopting regenerative agricultural practices and shifting to more sustainable, healthier ‘flexitarian’ diets. This turnaround is just beginning, and – mark my words – it will give rise to a huge stream of investment opportunities as the 2020s progress.

Eliminate poverty: Extreme poverty has declined dramatically in the last fifty years. But still almost half the world lives in poverty, surviving on less than US\$4 per day. Humanity’s wealth is not just polarised within nations – it is polarised between them too. Thus, we must find ways to stimulate rapid

“Extreme poverty has declined dramatically in the last fifty years. But still almost half the world lives in poverty, surviving on less than US\$4 per day.”



Earth for All provides a call to action to navigate this century with people and planet at the heart of shared prosperity. This is a roadmap that cannot be ignored.

Sharan Burrow
General Secretary,
International Trade Union
Confederation (ITUC)



economic growth in low-income countries in a manner which significantly increases median national incomes. This means an end to traditional development models driven by energy from fossil fuels and the adoption of new inclusive economic development models that reverse historic injustices. Success will mean ensuring that these populations have access to affordable clean energy and sustainable food, and can live in sustainable cities with efficient, low-cost transport systems.

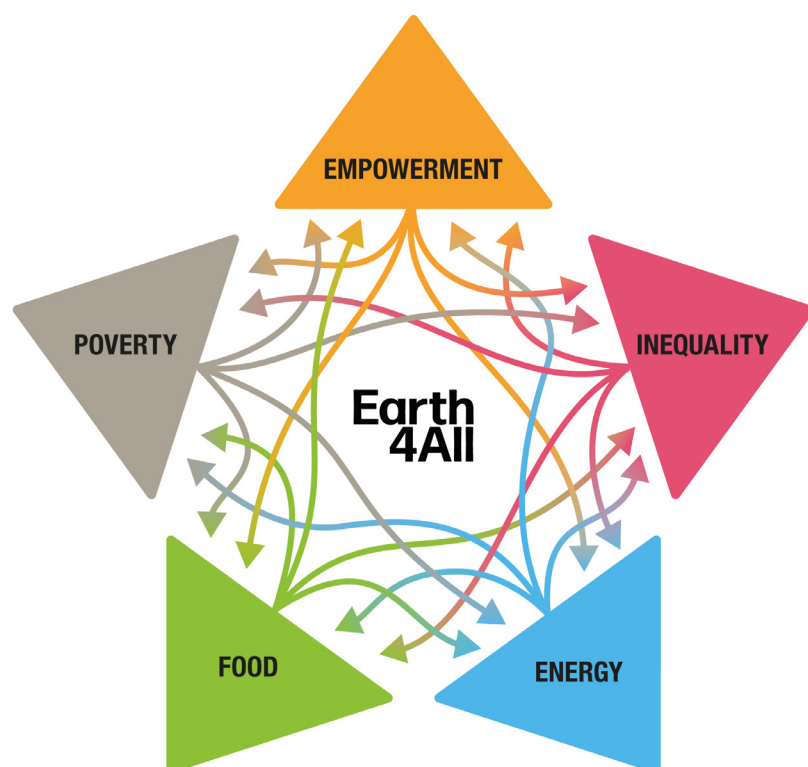
Reduce inequality: Decade by decade, countries have become more unequal in most regions of the world. Despite widespread political rhetoric promising opportunity and inclusion, in many places the 10% richest take over 50% of national incomes, and the impact on wealth is even greater. This growing concentration of financial resources is creating deeply dysfunctional, polarised societies and eroding democracy itself. We need a new recipe to rebuild cooperation and trust. Just as America's high personal taxes and Ford's high wages and pricing of the Model T supported the development of a thriving middle class in America in the middle of the 20th century, we must ensure

"This will not only improve living standards for most people, but also create stronger, more resilient economies."

the economic benefits of progress are spread much more evenly across society. This will not only improve living standards for most people, but also create stronger, more resilient economies and reduce the risk of significant social disruption.

Empower women: Significant progress has been made on gender equity in some fields, but much more is required. Today, societies function better where everyone's input is supported and valued. As examples, the wealthy Nordic countries of Denmark, Finland, Iceland, Norway, and Sweden regularly top international polls on innovation, wellbeing, and happiness. In addition, gender equity will directly contribute to ensuring a stable planet: as women have more control over their future, they choose to have fewer children, thus helping to ensure the world's total population peaks earlier and lower than might otherwise be the case. Massive investment in education for girls and delivering economic security for women are thus both critically important to humanity's future.





- **Eliminate Poverty**
- **Reduce Inequality**
- **Empower Women**
- **Revolutionise Energy Systems**
- **Transform Food Systems**

Why should wealthy people, sophisticated investors and rich nations step up to the plate?

First and foremost, the risks to their own wellbeing of not acting are already significant and increasing. There has been a staggering increase in climate-related disasters over the last twenty years, as any global insurance business can confirm. This is adding to risks for businesses, investors and governments. Just as important, the five transformational turnarounds we identify in Earth for All represent the simplest, most cost-effective set of actions to stabilise and repair our environment, economies and society. As the various crises continue to unfold, it is exceedingly likely that civil society and the governments that represent them will begin to implement these measures. Thus, Earth for All provides deep insight into the most effective policy initiatives and biggest investment opportunities of the next decade. In other words, there is a huge financial stick, and an even larger commercial carrot. We founded Pottinger precisely to help companies and

governments navigate challenges of this nature so please let us know if we can support your organisation in any way.

Lastly, how can you help? After all, it is entirely in your own interest to do so, unless you plan to emigrate to another planet. Wherever you work and whatever your role, every day will bring new opportunities to support our important mission.

Information: Seek out reliable sources of information and perspective on these issues. Beware those with vested interests who focus entirely on the short-term, whether in the media, business or politics.

Investment: Wherever money is spent or invested – no matter how large or small the scale – consider whether the choices you make or facilitate enable the five transformational turnarounds, or act against them. Support decisions that will make for a better future and oppose those that do not.

Influence: Every single voice matters.

Talk to your family, friends and colleagues. Advocate for action in your community, at schools and universities, in your place of work, in your place of worship, at cafes and bars, with your employer's pension fund, and – especially – with your political representatives at every level. The impact may feel modest day by day, but the more you speak out, the more you will find like-minded supporters.

It really is that simple.

Our societies and entire civilisation face imminent, severe danger.

This is no longer just about the legacy you leave your children – it is about your own future too.

We know what is needed to avert the catastrophe. We have no more time for delay.

Join us in acting together. With stubborn, urgent optimism.

To deliver Earth for All. **P**

By [Cassandra Kelly](#) and [Nigel Lake](#)

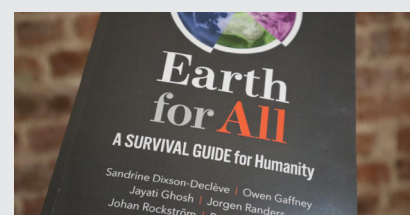


The Earth4All Initiative / A vision of a just and sustainable future for all (0:49) - 2022



The story of Earth4All (02:40) -2022

Join the launch event:



<https://www.linkedin.com/video/event/urn:li:ugcPost:6973955012259414017/>

Latest issue from Pottinger Perspectives:



Zooming to Zürich, by John Sheehy

I have a ticket on the 15:41 train from Hannover to Zurich and it's a good thing I'm running 20 minutes early for my departure. For the last four days, Hannover's usual population of around 500,000 has swelled to more than 750,000 thanks to the city's prolific – and the world's largest – annual industrial trade fair. It's a busy day for intra-Europe train travel.

Samsonite suitcases and surgical masks are the order of the day. Many of my fellow passengers look like seasoned train travellers and they match perfectly with that very orderly vibe you get when travelling in Germany and other parts of Europe.

Please click the thumbnail to the right for access to the full version of the Pottinger Perspective.

By John Sheehy

https://www.pottinger.com/uploads/1/9/5/1/19512909/pottinger_perspective_-_zooming_to_zurich.pdf

About Pottinger

Pottinger is a global advisory firm headquartered in Sydney and New York. We combine strategic, commercial, financial and transaction perspectives, and focus first on long term outcomes, to deliver commercial advice that is practical and complete. We navigate the uncertainty inherent in commercial decisions, helping our clients to identify value overlooked by others, and to avoid risks which others may not see.

Pottinger helps organisations to adapt, innovate and transform, by providing insight and advice on strategy and public policy matters, as well as the negotiation and execution of M&A and financing transactions. Our combination of strategic thinking, M&A advice and financing capabilities allow us to find innovative solutions to the challenges arising in industries facing dynamic change and disruption.

Our team has exceptionally broad and deep strategic advisory and transaction execution experience, encompassing all of the world's top thirty countries. Examples include:

- Advice on market entry, strategic repositioning, identification of new growth opportunities, spin-outs and other forms of restructuring and advice on strategic investments, using our proprietary Destination-led Strategy® methodology, together with analogous advice to governments on public policy;
- Advice in relation to large and small-scale acquisitions, divestments and takeover responses for both publicly listed and private companies;
- Capital optimisation and financing advice for large enterprises, together with advice on commercialisation planning, capital strategy and capital raising for emerging companies;
- Specialist input in relation to the design, formation, restructuring, sale and dissolution of large scale joint ventures and partnerships; and
- Identification and quantification of risk, by applying advanced statistical techniques to relevant data pools, thus simplifying decisions impacted by significant uncertainty.

Pottinger is 100% independent, owned by its employees and operates a completely conflict-free business model.



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