

Prophecy of economic collapse 'coming true'

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Things may seem bad now - with fears of a world recession looming - but they could be set to get much worse.

A real-world analysis of a controversial prediction made 30 years ago concludes that economic growth cannot be sustained and we are on track for serious economic collapse this century.

In 1972, the seminal book *Limits to Growth* by a group called the Club of Rome claimed that exponential growth would eventually lead to economic and environmental collapse.

The group used computer models that assessed the interaction of rising populations, pollution, industrial production, resource consumption and food production.

Most economists rubbished the book and its recommendations have been ignored by governments, although a growing band of experts today continues to argue that we need to reshape our economy to become more sustainable.

Now Graham Turner at the Commonwealth Scientific and Industrial Research Organisation (CSIRO) in Australia has compared the book's predictions with data from the intervening years.

'Steady state economy'

Changes in industrial production, food production and pollution are all in line with the book's predictions of collapse in the 21st century, says Turner. According to the book, the path we have taken will cause decreasing resource availability and an escalating cost of extraction that triggers a slowdown of industry, which eventually results in economic collapse some time after 2020.

"For the first 30 years of the model, the world has been tracking along an unsustainable trajectory," he says.

According to Herman Daly of the University of Maryland, Turner's results show that we "must get off the growth path of business as usual, and move to a steady state economy," stopping population growth, resource depletion, and pollution.

Yet Turner reckons his report [pdf format] shows that a sustainable economy is attainable. "We wouldn't have to go back to the caves," he says.

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