Lord Nicholas Stern & TTU

Nik Gowing
Welcome to talking about Thinking the Unthinkable. Our latest leadership, conversation, and podcast.

I'm Nik Gowing, Founder and Director of the Thinking the Unthinkable Project. As a leader, corporate executive or politician at any level. Are you really coming to terms with the sinister scale, and implications of all we're confronting on the climate and sustainability emergencies?

Scientists confirm the urgency is getting even greater. Do you see what is unraveling as a cost? Or an opportunity? Are you rising to the challenge? Or are you turning away your eyes and your mind?

When I'm joined by the Leading International Economist Lord Nick Stern. 17 years ago, Nick warned in his celebrated Stern Review of all the risks we now face. But he also said there would be huge opportunities for the massive transition, that must happen. Now he says though, we are rolling the dice because of backsliding as he puts it, and dangerous and costly delays to what needs to be done.

There are positives to celebrate some progress is remarkable, and faster than expected. But Nick, you also warned that the science is horrible as you put it, temperature rises are increasing so uncontrollably, that without the urgent action so frequently demanded by scientists, the reality could mean parts of the world becoming uninhabitable. And civilisation ending.

Nick welcome. So in these 18 minutes, let's work on being positive. How can leaders and executives watching this be encouraged on what they need to do? You say it is blindingly obvious, what are they got to do then?

Nick Stern
They're going to have to change very rapidly to a an economy, which is much less intensive in the use of oil and gas, and coal. And they have to look after the natural environment so that we don't cut down our forests and degrade our land and emit carbon that way. That's what they have to do. And it's fundamental change. Probably more rapid than we've seen in the world in peacetime. So, what..

Nik Gowing
You call it blindingly obvious, you call it blindingly obvious, many of them say, I don't quite get it, this 1.5 degrees stuff, this net zero stuff. They're overwhelmed by the jargon. And they think that somehow they can get away with it.

Nick Stern
Yeah, you asked me what they had to do Nik. And that's what they have to do. But why do they have to do it? I think that is blindingly obvious. The risks which we run are enormous, potentially civilisation ending on many parts of the world. Let me try to explain that briefly.

As I do that, remember that I'm also about to say that the new route that we can follow is enormously attractive. So it's not simply that we're getting over risks, which could be absolutely unmanageable. It is also that we'll be going down a path which is much more attractive than the dirty disruptive models of the past.

But let me start with why it's so important to do it and why it's so urgent. Since the end of the last Ice Age, the last 10,000 years or so, the world temperature has been really quite stable. And we have flourished as a world by taking the grasses and turning them into grains and then cultivating those grains, and having settled communities whilst we wait for the harvest to come and having surpluses so that we can do things which are not simply scrabbling around for a living.

In this last 10,000 years, we grew up as a world and we stayed in a very stable temperature band. We have now gone outside that band. That's why we call the previous set era, the Holocene and we've moved into Anthropocene. And we moved out of that by what we've done. And we've admitted all these greenhouse gases by particularly burning fossil fuels and cutting down our forests and degrading land.

How does that increase the temperature? Well, those greenhouse gases, but particularly carbon dioxide, which comes from the burning RAP heat, and the more of them that are in the atmosphere, the more heat is trapped. And that's why this idea of net zero is so important. Because as you go to net zero emissions, which means that the amount of stuff you pump out is compensated by the amount of stuff you take out, that's net zero. And you can take out by patching it, pulling out the atmosphere by growing trees and so on.

But as you go to net zero, you stop the concentrations rising. So stop the temperature rising, because it's the concentration that drive up the temperature, because it's the concentrations that track the heat.

Now, what about the numbers? Well, in this last Holocene period, we've been probably plus or minus one degree centigrade. What does that mean? The degree centigrade increase or decrease increase, of course, is what we're talking about here, is compared with the second half of the 19th century, really, before the Industrial Revolution got going. And we started pumping out all this stuff through the burning of fossil fuels. So we measure relative to them. And we measure the average global surface temperature averaged across geographies, average across parts of the year, average across the day, and so on.

Now, that Holocene period, when we grew up as a world that civilisations developed, was roughly plus or minus one degree centigrade, we've already gone outside that were more like 1.1, or 1.2. And we're heading very likely to 1.5 and beyond.

Now, 1.5 is going to be pretty hard and pretty difficult. We're already seeing the difficulties now. But if we go, if we went towards three, which are the current policies we seem to be doing, we've got to

recognise how terrible that would be. We haven't been at three degrees. But something like 3 million years, we've been here as homo sapiens, but perhaps 300,000 1 tenths of that the sea level rise sea levels with 10 to 20 meters, then higher than now. That would take out so many of our coastal cities around the world, whether it you think of Cairo, or London, or Mumbai. Those are the reasons why we say that this would be civilisation ending. Whole parts of the world would be uninhabitable. And those who tried to stay there were probably perish probably hundreds of millions or, and those who moved all that kind of mass migration, or more than a billion people, if you're talking about anywhere near three degrees, would cause extended complex, the reasons for which you could not turn off.

So those are the states that we're playing for this next 10 or 15 years, will decide whether we have any chance of staying close to 1.5, we'd probably go a bit past it and have to come back a bit. But then we'll decide whether we have any chance of doing that, or whether we're going to be heading off into very dangerous places. Those are the stakes for which we're playing. They are enormous. And that's why we say the science is sending us a very tough indeed horrible message, which is unless we change very quickly, we will devastate the future for so many of our children and grandchildren that are there.

That's the story of why we have to move so quickly. It's not just sea level rise. It's the hurricanes and the storms. It's that the southern Europe would look like the Sahara Desert, there's so much more that you can describe. We cannot be casual or cynical about those kinds of consequences. It is the duty of leaders to stand up and say, we have to take these on. This is not a future that we can contemplate this is not a legacy that history can, those historians are around. That's not a legacy that we ought to be contemplating.

Now, what do you do?

Nik Gowing
Yes indeed, let's let's be positive, those who are watching this thinking, is this really about me?

Nick Stern
It is absolutely about everybody. Everybody admits indeed the richer people admit more than the poorer people through what they consume and the production that's necessary to create it.

The atmosphere doesn't tell the difference between a kg, a kilogram of CO2 that came from South Africa, or from the UK, or from China, we are all responsible. And the richer we are, the more we emit, the more we have to change.

But let's now look at the positive. If we do make these investments, if we do start to create and consume in much less damaging ways for our environment, what do we have? We have cities where we can move, breathe, those are going to be more productive, better cities. We have ecosystems which are robust and fruitful. Instead of degrading our land and cutting down our forests and poisoning our rivers, we can do our agriculture in very different and more productive ways. We can have the electric vehicles, which are cheaper to produce and function so much better than the internal combustion

Think Unthinkable Ltd is based in London and incorporated in England and Wales.
Registered Office: 115c Milton Road, Cambridge CB4 1WE, U.K.
VAT No. 254114435. Company No. 10842200

contact@thinkunthink.org
thinkunthink.org

engine vehicles, we can have heating and cooling, which allows us to control temperature much better, but does not use those greenhouse gas does not use the fossil fuel, which generate the greenhouse gases. This is a much more attractive form of growth and development, that's, that, then the dirty disruptive models we've followed in the past.

It's a tremendous prize, and we kill in the UK 35,000 people a year from air pollution, mostly from the burning of fossil fuels, it's 20 times more people than die in road accidents. If, if road accidents doubled, in the UK, people would quite rightly demand action, we're killing 20 times from air pollution and those rewards that you get very quickly. It's not simply that you're avoiding the risks that terrible risks I've tried to describe, you're creating something that's much much better, as a way of consuming, producing, living, and indeed growing living standards in the economy. That's the prize as well as avoiding the devastating destruction for our children and grandchildren.

Now, what do you have to do to get there, you have to do a lot, you have to invest, we have to increase our investment round the world by two or three percentage points of GDP, perfectly possible. But you've got to set out the policies that stimulate that investment. You've got to change the way our cities work with more facilities for pedestrians and cyclists, for example, you've got to restore, invest in degraded land, stop destroying the peat. But so much of what you do is about doing things better. If this is about doing things more efficiently. It's about using our resources in a much more productive way, particularly our energy, all these are attractive things.

But you have to invest, and you have to change to get there. So you've got to have the courage as leaders to make the case that we must do this. Otherwise, we destroy so much for our children and grandchildren, that we can do this, because we know now how to do it, we can see the investments that we have to make, the big majority of the technologies we need are already there. And their costs are going down extremely rapidly, the clean is cheaper than the dirty, and already across at least 30% of the emissions, that will be true for 65, 70% of the emissions within seven or eight years.

We can see these much better ways of doing things. But we have to invest to get there, we have to recognise that we have to change the way we do things, you have to help people who want to insulate their houses, you have to help the people of Africa who have not got the kinds of energy sources, indeed, any access to electricity, for example, help in the construction of electrical power systems in Africa and beyond, which are clean. And solar, of course, is a particularly strong example there. And it's moving very rapidly around the world. The cost of solar now is something like one six divided by six of what solar power, electricity was just 10 or so years ago. Same thing is happening with batteries, big changes in wind those technologies are moving, those investments are available, they're gonna give us a much better world.

But you got to have the courage to make the changes incentivise that investment, recognise that those people are mining coal, will have to find other jobs, help them do that invest in the people and places. If people are having trouble insulating their homes, because poorer people face higher interest rates, higher cost of capital, help in that story. So help make the changes that we know we have to make and

the rewards will be tremendous. And you've got to recognise that you must start now the next 5, 10, 15 years, absolutely decisive and, and critical because emissions are still rising. And they've got to get down to net zero, we got to bend that curve, stop them rising now and drive them straight down and do it very quickly.

That means that you've got to be straight with people and say, this is going to be a big investment period this next 10 or 15 years. Some of them rewards were going to get very quickly. Some of the rewards gonna have to take a bit more time. But let's take that time together because we know the rewards are huge. And we know that the games are actually in our generation, as well as in the next.

Nik Gowing
Nick, we've got four minutes left. When you look at what is happening, and you've used that word, and I'm quoting what you said in the British House of Lords, in the middle of November.

That governments, particularly the UK Government, the current UK Government is backsliding. In other words, there are those who say to themselves, do I really have to do it? Because governments are showing less commitment to it now. How much of that is something which is really going to be overcome, and people, leaders have got to overcome it themselves.

Nick Stern
They have to recognise that this is, a enormous historical responsibility, because they will be the generation that devastated the future for so many. The young people around the world, I have the privilege to work in the university, they see this very clearly and there are demanding, so recognise that those changes that you have to make, those those parts of the economy which will suffer from dislocation such as coal, coal mining, or the people who make pistons, internal combustion engine.

Those parts of the economy will need support in change. So you have to recognise how important these years are, recognise the opportunities, respond to the pressure of the young people, but be honest that there will be a period 5,10 years or so where there'll be some dislocation investment to make, including in your own houses. But work together to make that happen. And that is the kind of honesty we look for.

And those who backslide are essentially saying, all these difficulties are in the way, we don't want to push you into them. Instead of saying, those are difficulties which we know how to overcome. And as we overcome them, we're going to do things better. But too many of them seek cheap, short term political gain. And I think we the body politic, have to say, no, that's not where you're going to gain politically, let's work together and insist that the politicians leave. And of course, the best politicians will go out there and lead and take people with them.

Nik Gowing
Finally, in the last minute, there are the business people who say, I don't have the money, the balance sheet is looking bad. We're not getting the cash in at the moment. There are politicians who say they

can't get reelected. If they push this very hard at the speed with the intensity needed. What do you say to them?

Nick Stern
This is the growth story. This is a story of investments and much more rapid growth than we've seen in the last 10 or 15 years.

The last 10 or 15 years has been sluggish, but had been sluggish. That economic growth as a whole because investments been too low.

In the words of the vice chairman of Blackrock, this is the biggest investment opportunity since the Industrial Revolution. This is a story of growth. And if the government sets the policies right, that investment will, will come through.

And there's lots we can do on the finance side, through development, banking, through the covering of risk in different kinds of ways that will allow that finance to come through. All these problems that are soluble, we can see how to handle a finance, we can see how to stimulate the investment, and we can see what that investment is going to bring.

So go out there and do it.

Nik Gowing
I hope you've energised those who are skeptical, and worried about greenwashing, green hushing, even.

So Nick, thank you very much indeed, let's come back to you in a few months if we can to see if even COP 28, or what is happening over the next few months in 2024 is really going to make a difference at the speed that you say is necessary.

Nick Stern, thank you so much for joining me again. A transcript is posted in parallel on our website. Do please join us again when we have another conversation about Thinking the Unthinkable.

From me, Nik Gowing. Until the next time, keep thinking unthinkables, more than ever. As Nick has said, it's both possible and necessary. Bye bye.

Nick Stern
Bye bye.