

2062 and everythings fine

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I was going to blog about something else - but that will have to wait. Larry Elliot in the Guardian has written an interesting [article](#). In it he happened to mention a report by the OECD which purports to predict economic growth forward to 2062. I needed a laugh so I downloaded it. Of course its an economic report written in economic language, such as this;

"The growth scenarios for the global economy over the next 50 years are shaped by developments in education, technological progress and labour force participation based on a framework in which GDP per capita in each country is expected to converge to the long-run path that is consistent with its own endowments, policies and institutions".

A prize to anyone who can tell me what the second half of the sentence means. Or the very next one;

"Once this path is reached, all countries are expected to keep growing at the same pace determined by the worldwide rate of technical progress."

However, the main problem is that the report makes series of apparently unmerited assumptions.

"Once the legacy of the global financial crisis has been overcome, global GDP could grow at around 3% per year over the next 50 years."

There is surprisingly little basis for this factoid in the report. However, the main problem with the report is not so much what it puts in (the usual prevailing trickle-down neo-liberalism rubbish that got us into this mess), but what it leaves out. Astonishingly there is no mention of resource depletion or in particular peak oil. We can all argue about when this may take place and in "No oil in the lamp" we put forward some alternative views. Despite the latest [World energy outlook](#) (for criticisms of the this viewpoint see our very first blog entry "Is peak oil a myth") we think we are pretty much at the top of the oil peak. However, to imply that by 2062 this won't have happened seems quite frankly-well words fail me. But we apparently needn't worry because after 2030 there will only be a 1% increase in oil prices every year. We are obviously going to be swimming in the stuff and floating on gas as well (all of the unconventional variety). Everything will be fine we will be humming along on a sea of oil at 3% a year, frying the planet. Yes, that's also left out. Not a single mention. Climate change is also going act as a growth limiter. We can see that with this years weather. Even if we cannot attribute each individual act to climate change, this type of extreme weather is going to become more frequent with damage to livelihoods and crops. They call economics the dismal science and after looking at this report I can see why.

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