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Resource constraints compound economic inequality between countries

Earth Overshoot Day marks the date this year that our global Ecological Footprint exceeds our planet's annual budget, putting uneven pressure on national economies.

(OAKLAND, CA, USA) — AUGUST 19, 2014 — It has taken less than eight months for humanity to use up nature's budget for the year and go into overdraft, with low-income countries most threatened by resource constraints, according to data estimates from Global Footprint Network, an international sustainability think tank with offices in North-America, Europe and Asia.

"Global overshoot is becoming a defining challenge of the 21st century," said Mathis Wackernagel, president of Global Footprint Network and the co-creator of the Ecological Footprint resource accounting metric. "Each individual country's availability of and dependence on natural capital will affect its economy and define how it can weather this global storm."

The global economy is already struggling with growing inequalities. "Economist Thomas Piketty has shown that the current market economy drives inequalities," Dr. Wackernagel points out. "As increasing natural capital constraints affect our ability to grow our economies, addressing inequality becomes even more challenging. These natural capital constraints could therefore amplify inequalities and strain the fragile global economy further, compounding the problem that Piketty exposed."

Global Footprint Network tracks humanity's demand on the planet (Ecological Footprint) against nature's biocapacity, i.e., its ability to replenish the planet's resources and absorb waste, including CO₂. Earth Overshoot Day marks the date when humanity's Footprint in a given year exceeds what Earth can regenerate in that year. Since 2000, overshoot has grown, according to Global Footprint Network's calculations. Consequently, Earth Overshoot Day has moved from early October in 2000 to August 19th this year.

In 1961, humanity used just about three-quarters of Earth's available ecological resources for food stuff, fiber, timber, fish stock and greenhouse gas-sequestration capacity. Most countries had biocapacity reserves. By the early 1970s, global economic and demographic growth had increased humanity's Footprint beyond what the planet could renewably produce. We went into ecological overshoot.

Today, 86 percent of the world population lives in countries that demand more from nature than their own ecosystems can renew. According to Global Footprint Network's calculations, it would take 1.5 Earths to produce the renewable ecological resources necessary to support humanity's current Footprint. Moderate population, energy and food projections suggest that humanity would require the biocapacity of three planets well before midcentury. This may be physically unfeasible.

Today's most vulnerable countries are struggling with both low income (as defined by the World Bank) and biocapacity deficits. They are home to 72 percent of the global population, including two billion people who are not able to meet their most basic needs.

Fifteen percent of the global population lives in countries that run biocapacity deficits, but whose high income has mitigated the most direct resource pressures. These countries include most of the western world.

The remaining 14 percent of the global population lives in countries with more biocapacity than Footprint, including Australia and Brazil. Their main challenge is to treat those natural assets as ever-more significant sources of wealth to be preserved and nurtured over the long term, as opposed to riches to be squandered for short-term profits.

Our mounting ecological debt forces humanity to "pay interest" in the form of deforestation, fresh-water scarcity, soil erosion, biodiversity loss and the build-up of CO_2 in our atmosphere, with irrefutable human and economic costs that transcend borders. This ecological overshoot is a shared reality. But the risks are unevenly distributed. Depending on its resource situation, its infrastructure, and its economic possibilities, each country has a unique risk profile. How countries can handle these risks very much depends on how they have positioned themselves.

"Even high-income countries need to realize that a long-term solution requires addressing biocapacity deficit before it turns into a significant economic stress," said Dr. Wackernagel.

Governments who ignore resource limits in their decision-making might put their long-term economic performance at risk. In times of persistent overshoot, those countries running biocapacity deficits will find that reducing their resource dependence is aligned with their self-interest. Conversely, countries that are endowed with biocapacity reserves have an incentive to preserve these ecological assets that constitute a growing competitive advantage in a world of tightening ecological constraints.

Global Footprint Network and its network of partners are supporting governments as well as organizations and financial institutions around the globe in making decisions aligned with ecological reality. Resource accounting, smart urban planning, non-coercive family planning programs, ecological tax reforms, energy transition to renewables, efficiency programs, technology innovation, building standards and green investment strategies are just a few of the many options available.

More and more countries are taking action in a variety of ways.

The Philippines is on track to adopt the Ecological Footprint at the national level — the first country in Southeast Asia to do so — via its National Land Use Act. The policy, the first of its kind in the Philippines, is designed to protect areas from haphazard development and plan for the country's use and management of physical resources. Legislators are seeking to integrate the Ecological Footprint into this national policy, placing resource limits at the center of decision-making.

The United Arab Emirates, a high-income country, intends to significantly reduce its per capita <u>Ecological Footprint</u>
— one of the world's highest — starting with carbon emissions. Its Energy Efficiency Lighting Standard will result in only energy efficient indoor-lighting products being made available throughout the territory before the end of this year.

Morocco is interested in collaborating with Global Footprint Network on a review of the nation's 15-year strategy for sustainable development in agriculture, Plan Maroc Vert, through the lens of the Ecological Footprint. Specifically, Morocco is interested comprehensively assessing how the plan contributes to the sustainability of the agriculture sector as well as a society-wide transition towards sustainability.

Regardless of a country's specific circumstances, incorporating ecological risk into economic planning and development strategy is not just about foresight — it has become an urgent necessity.

To learn more about Earth Overshoot Day and how it is calculated, go to: http://www.footprintnetwork.org/en/index.php/GFN/page/earth_overshoot_day/

To calculate your own personal Ecological Footprint, and learn what you can do to reduce it, go to: http://www.footprintnetwork.org/calculator

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Additional Links:

Mediterranean: Global Footprint Network Mediterranean Ecological Footprint Initiative http://www.footprintnetwork.org/images/article_uploads/Med_Policy_Brief_English_RF.pdf

Asia: Philippines 2013 Ecological Footprint Report: Restoring Balance in Laguna Lake Region http://www.footprintnetwork.org/images/article-uploads/Philippines 2013 Ecological Footprint.pdf

Middle East: Arab Forum for Environment and Development Report: "Survival Options: Ecological Footprint of Arab Countries"

http://www.footprintnetwork.org/images/article_uploads/Survival_Options_Eng.pdf

South America: Ecuador Reporte de la Huella Ecológica

http://www.footprintnetwork.org/images/article_uploads/2008_and_2009_NFA_Ecuador_Report.pdf

Governments: National Reviews, http://www.footprintnetwork.org/reviews

About Global Footprint Network:

Global Footprint Network is an international sustainability think tank working to make ecological limits central to decision-making by advancing the Ecological Footprint, a resource management tool that measures how much nature we have, how much we use and who uses what.

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Interviews in German, Spanish and Italian also available.