



For Immediate Release

Oxford economists raise alarm at vanishing wealth of nature

Port of Spain, December 14, 2017 – The Caribbean needs to pay attention to findings by top economists which show that the decline of nature poses severe threats to continued national and global prosperity.

[New research](#) from a team of Oxford economists launched at the [World Forum on Natural Capital](#) in Edinburgh shows that Ministries of Finance and Treasuries are often blind to how dependent economies are on nature, which is declining at a dangerous rate. As a result, businesses and politicians are failing to register the systemic risk building up as the natural world fails.

Professor Cameron Hepburn, who led the research at the University of Oxford’s Institute for New Economic Thinking at the [Oxford Martin School](#), says that flawed economic and political institutions are to blame. “Much of the value that economies create is built upon a natural foundation – the air, water, food, energy and raw materials that the planet provides. Without nature, no other value is possible.”

It’s called *natural capital*, and it’s the basis for all human prosperity. But because most economies fail to account for this dependency, “business as usual” is driving a dangerous trend of environmental decline.

Extreme weather, mass extinctions, falling agricultural yields, and toxic air and water are already damaging the global economy, with pollution alone costing 4.6 trillion USD every year. And we’re in danger of losing other indispensable natural capitals, like topsoil for food production or a stable climate, without which organised economies cannot function.

Following the devastation of hurricanes Irma and Maria, the importance of natural ecosystems to climate resilience has gained prominence in the reconstruction agenda for affected Caribbean islands and in the economic decision-making of other islands across the Caribbean. The recent announcement by **Prime Minister Andrew Holness** to ban mining in the Cockpit Country Protected Area in Jamaica is one example of this. According to Prime Minister Holness, the Jamaican government could not put a price tag on the loss of the country’s water resources and biodiversity. He noted that “The area is too valuable in terms of its ecological and hydrological importance and uniqueness to allow mining, which may result in permanent and irreversible harm, and deprive future generations of the benefit of the national asset.”

This type of recognition of the value of natural capital in economic decision-making is vital for the Caribbean and globally.

“We are poisoning the well from which we drink,” says **Oliver Greenfield**, convenor of the Green Economy Coalition, who commissioned the research. “The dire state of nature and the implications for our future, barely

registers in economic decision-making. To put this another way, we are building up a big systemic risk to our economies and societies, and just like the financial crisis, most economists currently don't see it."

The research finds three central failings are to blame. Firstly, we currently lack the tools to adequately measure and understand the value of nature, meaning it is largely invisible to policymakers. Secondly, many economic models assume that environmental value can be easily and indefinitely replaced by man-made value; for example, the loss in natural capital from logging a forest is off-set by the creation of valuable jobs and timber – ignoring the question of what happens when the last tree is cut down. Finally, we don't have the laws and institutions required to protect our critical stocks of natural capital from unsustainable exploitation.

Thankfully, the research finds encouraging signs that our economy can be rapidly rewired to protect the planet. Governments and businesses must start measuring their stocks of natural capital in comprehensive natural wealth accounts, and ensure that those assets are protected and improved. Better data is needed on the *value* of the natural wealth that underpins economic activity, so that value can be accounted for by treasuries and financial centres. And critical natural assets – without which society cannot survive – must be given special status so that they cannot be squandered.

This research is an urgent wake-up call to governments and businesses around the world: our economies are flying blind, and new models and methodologies are urgently required. "The opportunity to properly value nature is not just a task for economists but for all of us," Oliver Greenfield added. "The societies and economies that understand their dependency on nature are healthier and more connected, with a brighter future."

The Caribbean Natural Resources Institute (CANARI) is working as a member of the Green Economy Coalition to take this work forward in the Caribbean region. As part of CANARI's [#GE4U: Transformation towards an inclusive green economy in the Caribbean](#) project supported by the European Union, CANARI is engaging Caribbean stakeholders in exploring pathways for transformation of economic development models towards a green, fair and resilient economy. Recognising the value of natural capital for economic development is a central principle in this.

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About #GE4U: The #GE4U: Transformation towards an inclusive green economy in the Caribbean project is part of a global European Commission-funded project Creating enabling policy conditions for the transformation towards an inclusive green economy being implemented by the Green Economy Coalition. For more info on the #GE4U project see <http://www.canari.org/ge4u>.

About the GEC: The Green Economy Coalition is the world's largest movement for fair, green economies. The GEC brings together over 50 organisations including trade unions, environmental NGOs, development NGOs, business and international institutions, and has hubs in seven locations around the world. The GEC convenes multi-stakeholder dialogues, gathers evidence and works with policy makers on five key actions for the transition to a green economy, Valuing Nature; Tackling Inequality; Greening Economic Sectors; Reforming financial markets and Measuring What Matters. For more info on the GEC see www.greeneconomycoalition.org, or to arrange an interview please contact Emily Benson at +44 (0)777 191 5591 or emily.benson@greeneconomycoalition.org.

About CANARI: The Caribbean Natural Resources Institute is a regional technical non-profit organisation which has been working in the islands of the Caribbean for more than 20 years. Our mission is to promote equitable

participation and effective collaboration in managing natural resources critical to development. Our programmes focus on research, sharing and dissemination of lessons learned, capacity building and fostering regional partnerships. CANARI is a long-standing member of the GEC. For more info on CANARI see www.canari.org.

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