Plan A, business-as-usual, has the world on an environmental path that is leading toward economic decline and eventual collapse. If our goal is to sustain economic progress, we have no choice other than move onto a new path—Plan B. This is why I wrote the original Plan B in 2003.

There are many reasons why we have updated and expanded this 2003 edition into Plan B 2.0. Most fundamentally, there still is no widely shared sense that we need to build a new economy—and even less, a vision of what it might look like. The purpose of this book is to make a convincing case for building the new economy, to offer a more detailed vision of what it would look like, and to provide a roadmap of how to get from here to there.

There are several other reasons for this new edition. One, there is strong new evidence that the western economic model will not work for China. Two, the tightening oil supply raises challenging new issues that deserve attention. Three, since poverty cannot be eradicated if the economy’s natural support systems continue to deteriorate, we have also included here an earth restoration budget to complement the poverty eradication budget in the first edition. Four, technological advances in the last few years offer exciting new possibilities for reversing the environmental trends that are undermining our future. And, five, we wanted to do a new edition simply because of the unexpectedly enthusiastic response to the first edition.

To elaborate on the first of these points, China has now over-
taken the United States in the consumption of most basic resources. Among the leading commodities in the food sector (grain and meat), in the energy sector (oil and coal), and in the industrial economy (steel), China now leads the United States in consumption of all except oil.

What if China catches up to the United States in consumption per person? If China’s economy continues to expand at 8 percent per year, its income per person will reach the current U.S. level in 2031. If we assume that Chinese consumption levels per person in 2031 are the same as those in the United States today, then the country’s projected population of 1.45 billion would consume an amount of grain equal to two thirds of the current world grain harvest, its paper consumption would be double current world production, and it would use 99 million barrels of oil per day—well above current world production of 84 million barrels.

The western economic model is not going to work for China. Nor will it work for India, which by 2031 is projected to have a population even larger than China’s, or for the other 3 billion people in developing countries who are also dreaming the “American dream.” And in an increasingly integrated world economy, where all countries are competing for the same oil, grain, and mineral resources, the existing economic model will not work for industrial countries either. The days of the fossil-fuel-based, automobile-centered, throwaway economy are numbered.

Closely related to China’s expanding resource consumption is the world’s fast-changing oil outlook and the new issues it generates. For example, we have long been concerned about the effect of rising oil prices on food production costs, but of even more concern is the effect on the demand for food commodities. Since virtually everything we eat can be converted into automotive fuel either in ethanol distilleries or biodiesel refineries, high oil prices are opening a vast new market for farm products. Those buying commodities for fuel producers are competing directly with food processors for supplies of wheat, corn, soybeans, sugarcane, and other foodstuffs. In effect, supermarkets and service stations are now competing for the same commodities.

The price of oil is setting the price for food simply because if the fuel value of a commodity exceeds its value as food, it will be converted into fuel. As more and more ethanol distilleries
and biodiesel refineries are built, the world’s affluent automobile owners will be competing with the world’s poor for the same commodities.

In the original Plan B, we had a budget for eradicating poverty, but if the economy’s environmental support systems are collapsing, poverty eradication will not be possible. If croplands are eroding and harvests are shrinking, if water tables are falling and wells are going dry, if rangelands are turning to desert and livestock are dying, if fisheries are collapsing, if forests are shrinking, and if rising temperatures are scorching crops, a poverty eradication program—no matter how carefully crafted and well implemented—will not succeed.

For this reason, we have added an earth restoration budget to restore the earth’s productive health that parallels the budget for poverty eradication. It includes the costs of protecting and restoring soils, forests, rangelands, and oceanic fisheries, plus conserving the earth’s biological diversity. It also means halting advancing deserts that threaten to displace millions of people.

And finally, the good news—and another reason for updating Plan B—is that new technologies offer hope in dealing with the mounting challenges we face on the environmental front. For example, advances in gas-electric hybrid cars and in wind turbine design have set the stage for the evolution of a new automotive fuel economy. Using gas-electric hybrids with an extra storage battery plus a plug-in capacity enables us to do our short-distance driving largely with electricity. If we combine this with investment in wind farms to feed cheap electricity into the grid, we can largely power automobiles with wind energy. Using cheap wind-generated electricity to recharge batteries during off-peak hours costs the equivalent of 50¢-a-gallon gasoline! This is but one example of the possibilities for building a new economy, one that can sustain economic progress while saving money, reducing oil dependence, and cutting carbon emissions.

We were also inspired to do Plan B 2.0 because of the extraordinary response to the first edition. In looking at our sales database several months after publication, we noticed that many individuals who had ordered a copy initially had returned to order 5, 10, 20, even 50 or more copies for distribution to colleagues, opinion leaders, political leaders, and others.

In response to this, we formed a Plan B Team of people who
ordered five or more copies. That team is now some 650 strong. Ted Turner, who purchased 3,569 copies to distribute to heads of state, cabinet members, Fortune 500 CEOs, the U.S. Congress, and others, was designated team captain. With the Plan B Team now in place as this revised, expanded revision comes out, we hope we can expand its membership so that before long there will be thousands of people actively promoting this plan to save our civilization.

There is a mounting tide of public concern about where the world is heading and a growing sense that we need to change course. The rising price of oil and growing competition for this resource are feeding this concern. So, too, are the various manifestations of climate change, such as ice melting and rising sea level. When Hurricane Katrina left in its wake a $200-billion bill—nearly seven times the cost of any previous storm—it sent a message to the entire world.

It is this rise in public concern that may soon start to drive the policymaking process in the right direction, a direction that will move the world onto an environmental path that will sustain economic progress.

This book can be downloaded without charge from our Web site. Permission for reprinting or excerpting portions of the manuscript can be obtained from Reah Janise Kauffman at Earth Policy Institute.

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