

Challenges at the Intersection of Scarcity, Growth, and Risk



Sixty years ago, concern that limited natural resources could impede the progress of the United States and the rest of the “free world” led to the birth of RFF.

President Truman’s Commission on Materials

Policy had recommended creation of such a research organization, and the Ford Foundation for 25 years became our sole funder.

The focus of much of the work in the early years of RFF is perhaps best summed up by the title of the classic RFF book by Howard Barnett and Chandler Morse, 1963’s *Scarcity and Growth*. The authors concluded that, in the near and medium term, resource constraints wouldn’t hamper economic growth.

Although resource sufficiency had been the prime concern in RFF’s early years, the impact of resource consumption on our air, water, land, and health became a major focus for the country and for RFF in the years that followed. For many observers, these issues appear even more compelling today: globally we face major challenges if we are to sustain economic growth without seriously, even irretrievably, fouling our global nest.

Rapid population and economic growth in many parts of the world portend greater pressures on our resource base and greater risks of environmental degradation. Indeed, we are confronting new patterns of risk. Previously, negative impacts of economic development were geographically limited, but today our collective activities are changing the chemistry of the grand commons—our atmosphere and our

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This finding has been revisited frequently and has again emerged in serious public discussion. This year marks the 40th anniversary of *The Limits to Growth*, a controversial study that warned of an impending and dramatic economic crash due to the collapse of the natural resource base that sustains global economies. In contrast, a second RFF investigation in the late 1970s, “Scarcity and Growth Reconsidered,” essentially reaffirmed the conclusions of its namesake.

oceans. And part of our economic success has been tied to technologies that can produce huge benefits and potentially huge disasters—witness deepwater drilling in the Gulf and nuclear power generation at Fukushima. Further, the march of technology—whether it be in biotechnology, nanotechnology, or the recent techniques to extract previously inaccessible hydrocarbons—offers tremendous promise accompanied by new risks.

Over the years, RFF scholars have brought new perspectives and approaches from a variety of academic disciplines to natural resource and environmental issues. Often, our scholars have looked through the lens of economics. Indeed, RFF contributed mightily to the creation of the discipline's subdivision of resource and environmental economics. For the last 60 years, RFF scholars have sharpened the intellectual tools of analysis and creatively designed policy options to meet our environmental challenges, helping us find an environmentally sound path to economic growth.

Our theme for our 60th anniversary is *Resources 2020*, a yearlong exploration of how economic inquiry can address emerging and future challenges at the intersection of scarcity, growth, and risk. Special events are planned throughout the year, including a distinguished lecture series featuring Nobel Laureates in Economics Joseph Stiglitz, Kenneth Arrow, and Thomas Schelling. Similarly,

RFF's 2012–2013 First Wednesday Seminar Series will look ahead to the future of environmental and natural resource policy. This series will provide an opportunity to engage firsthand with experts on issues that lie at the intersection of economic growth, resource scarcity, and environmental risk.

If you can't make it to an event, you can join us online. As part of this yearlong dialogue, RFF is featuring online discussions on its blog, *Common Resources*. RFF experts and special guest contributors will host a variety of conversations that examine these issues in depth. Share your thoughts at www.common-resources.org.

Within RFF, we must strive to manage effectively our own resources—financial as well as intellectual. We appreciate your support and welcome your suggestions on how RFF can use its research and public platform to contribute to more effective management of the challenges posed by growth, scarcity, and environmental risk. ●



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