

GLOBAL INEQUALITY STAYS ON THE AGENDA WITH NEW IMF REPORT

IMF: When rich get richer, country's economy suffers as a whole

The IMF released a [report](#) this week entitled *Causes and Consequences of Income Inequality: A Global Perspective* which contributes to the global debate on economic inequality. The new research – based on data from 159 advanced and developing economies for the period 1980 to 2012 – establishes a direct link between how

income is distributed and national growth. In short, the study demonstrates that when the income share of the richest 20 per cent of the populations of these countries increased by one percent, “gross domestic product growth ended up 0.08 percentage points lower in the following five years, suggesting that the benefits do not trickle down”.

[READ MORE](#) (*subscription required*)

THE POPE RELEASES HIGHLY ANTICIPATED ENCYCLICAL ON CLIMATE CHANGE

Pope Francis issues major papal encyclical document on the Church's view on the environment and climate change

In [Insights Edition 90](#) we wrote that Pope Francis had convened leaders in the scientific, government, and religious communities on Tuesday to discuss the Catholic Church's response to climate change. Pope Francis is considered to be one of the more [active Popes on the topic of climate change](#).

This week he released a [major papal encyclical](#) on climate change called “Laudato Si (Praise Be), On the Care of Our Common Home”. Some key [excerpts](#) (translated):

“A number of scientific studies indicate that most global warming in recent decades is due to the great concentration of greenhouse gases (carbon dioxide, methane, nitrogen oxides and others) released mainly as a result of human activity.”

“The pace of consumption, waste and environmental change has so stretched the planet's capacity that our contemporary lifestyle, unsustainable as it is, can only precipitate catastrophes.”

“There is an urgent need to develop policies so that, in the next few years, the emission of carbon dioxide and other highly polluting gases can be drastically reduced, for example, substituting for fossil fuels and developing sources of renewable energy.”

THIS WEEK IN NUMBERS

2018

is the year by which artificial trans fats must be eliminated from foods, as announced by the FDA.

270

billion US Dollars was invested in renewable power and fuels in 2014 according to [REN21](#).

135

billion Australian Dollars has been loaned to the fossil fuel industry in Australia since January 2008.

105

million US Dollars is the amount that the Lego Group is to spend on researching, developing and implementing a Sustainable Lego.

24

billion barrels of oil is the estimated reserves in the Arctic seas, according to the US Geological Survey.

9

million people are diagnosed with TB annually and 1.5 million die from it every year, the same as HIV.

4

billion plus of US Dollars has been committed by the private sector to the White House's Clean Energy Initiative (*subscription required*).

WATER IS RUNNING OUT: A LOOK AT WATER UNDERGROUND AND OVERGROUND

One quarter of the world's aquifers are overstressed; 1.3 billion Indians may face surface water shortages

NASA satellite [data](#) shows that 8 of the earth's 37 largest aquifers are now "overstressed" – meaning they don't have enough water flowing in to meet the demand. The Arabian Aquifer System, a water source for 60 million people in Saudi Arabia, Iraq, Qatar, and Syria is the world's most overstressed, the [report](#) said. Another five aquifers are considered "highly stressed".

India faces a [major water crisis](#). Harsh Vardhan—India's Minister of Science and Technology—predicted weaker rainfall, igniting concern that reduced farm output may hurt the economy. This is the latest example of growing water risks for investors and companies in India.

The University of California at Irvine notes the Indus basin aquifer of northwestern India and Pakistan is the second-most overstressed in the world and approximately half of the country's 1.26 billion people face potential surface-water supply disruptions.

CENTRAL BANKS WARN OF FOSSIL FUELS AGAIN

This week the Reserve Bank of Australia (RBA) [warned that coal prices](#) are expected to remain at low levels because of "oversupply and the shift towards cleaner energy sources".

This isn't the only time we've seen steps towards "decarbonization" from major financial institutions. In [Insights Edition 92](#) we noted that new World Bank [report](#) recommends specific steps policymakers can take to "decarbonize" development.

In [Insights Edition 82](#) we reported that Paul Fisher, Deputy Head of the Prudential Regulation Authority and Executive Director for the Bank of England said that insurers may take a huge hit if they don't take into consideration the [risks of climate change](#).

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WE'RE KEEPING AN EYE ON...

State-level environmental activism

A new study out of the University of Michigan shows that environmental activism works. "We've used new methods developed over the years and new innovations Ken [Frank] has developed to add in the politics – and find that politics and environmentalism can mediate some environmental impact," social scientists Thomas Dietz said.

"Environmentalism seems to influence policies and how well policies that are in place are actually implemented, and it also influences individual behavior and the choices people make."

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JUST FOR FUN

An "engagement" [story](#), of a different sort! Appropriate this week as we congratulate our editor who recently got engaged (though not via crossword puzzle!)

BELIEVE IT OR NOT

The month in which you were born affects your health.

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