



E3G

Remarks made by Tom Burke as panel speaker at Climate solutions event

APPCCG and Carbon Connect, 'Climate Policies: Global trends and challenges'
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There are a number of ways in which climate change is unusual among the problems we face. We know exactly what we need to do to solve it. And we know exactly when we need to do it by. We need to keep the rise in global temperature below 2°C. To do this we need to achieve a carbon neutral global energy system by about the middle of the century.

This is not a technology problem. We have all the technology we need to solve the problem now and we will have a lot more low carbon technologies as the century advances. Nor is it an economic problem. We will not wreck the global economy by making our energy system net zero carbon emissions. The additional costs of getting there will be primarily met by what we do not spend on fossil fuels.

We do, however, have a problem with economists who have, by and large, misdirected our attention to the wrong questions and offered us ineffectual policy tools to tackle the problem. We have to get the economics of climate change right, but to do that we need to get the economists right. One of the biggest obstacles to getting on with solving this problem is the Treasury and it is full of economists.

Transforming our energy system will not wreck our economy but it will massively change the pattern of winners and losers in society. What we really have is a political problem. Politics is the art of maintaining the social contract between winners and losers as circumstances change. But, as John Gummer said, if we want people to understand and trust us we had better sound relevant to human beings.

This means finding a better vocabulary than the one we are currently using to speak to people. Words like 'prosperity', 'security', 'equity', 'opportunity', 'stability' are much more meaningful to most people than parts per million. We need to be talking about what a 4°C world will do to the family. No-one should imagine that a world that hot will be paying much attention to human rights.

Last year about \$650 billion dollars were invested by about 90 companies in the exploration and production of fossil fuels. Investment on this scale is likely to roll forward over the next decade. There is about \$6trillion dollars of investment that is in a head on collision with the

imperative of keeping the rise in temperature below 2°C. This will make a 4°C world almost certain and possibly in this century.

This money is being spent by the executive committees and boards of those 90 companies. After Copenhagen that rather small, but critically important, group of people came to a deep consensus. They concluded that politicians were not yet serious about dealing with climate change and that therefore they should continue to invest in doing what they knew how to do.

They were right about the politicians. So the political challenge is to create a strong enough signal that the politicians are back in the climate game and that they are actually going to do something to solve the problem.

So what could that signal be? Of one thing I am certain, if it is to be meaningful to this level of audience in the business community it must contain targets and timetables. Targets and timetables are how they drive their businesses. They know from deeply ingrained experience that without them nothing happens. Without targets and timetables those executive committees and boards will continue to think that the politicians are not serious and will go on investing billions of dollars in a high carbon economy.

So the question of whether we should choose between a top-down or bottom-up is simply irrelevant. The move, largely being driven by the United States, to replace a top-down with a bottom-up approach is a dangerous distraction. It offers a false and meaningless choice. We should, of course, do all of the complementary actions that are part of the bottom-up approach but these are not substitutes for an international agreement with targets and timetables.

If we do not get this soon then the choice will be taken out of our hands as high carbon investments drive an increasingly unstable climate for us.

It is really important to understand that this is not a problem with the UNFCCC process; to believe that somehow if we change the process all the political difficulties that are blocking progress will somehow magically disappear. This is a mirage borne of understandable frustration but a deep misunderstanding of how international negotiations work.

Delegates to international negotiations go with instructions from their governments as to what they can agree to. The set of those instructions defines the space available for agreement. If that is not good enough to move the process forward – and it certainly is not good enough at the moment – then you need to change the instructions coming from the capitals. There is not much point in banging your head against the wall in the negotiations.

You need to change the conversation in the capitals so that the instructions to the delegates will be different. Debating about how you should change the process is a diversion. Politicians are adept at making any process work for them once they have decided what they want to do.

We need to concentrate now on building a deeper and wider consensus in the key capitals around the world. And not just among politicians, as we have discovered here, that can be a bit temporary and destroyed by expedience. We need to build a consensus that is much more broadly based in society and which is based around how to build a more prosperous, secure and equitable future in the face of the challenge of climate change.

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