



guardian.co.uk

Climate change cannot be bargained with

Our half-hearted measures are as dangerous as the 1930s appeasement of Hitler



Larry Elliott, economics editor
The Guardian, Monday October 29 2007

It was a year ago this week that Gordon Brown and Tony Blair shared a platform to launch the Stern report on the economics of climate change. The then-prime minister said it was the most important report released in his time in office. The then-chancellor said his ambition was for Britain to lead the world in creating a stable and sustainable economy based on low carbon.

Green lobby groups lapped it up. At last, they said, the government had got the message about the dangers of global warming and was prepared to take the necessary measures to first halt the rise in greenhouse gas emissions and then turn the tide.

For the environmental lobbyists, fans as they are of Tolkien, it was like the moment Theoden, the wizened king of Rohan, decides to take a stand against the evil wizard Saruman - a turning point in the life and death struggle between good and evil.

The response was somewhat different last week when documents confirmed that ministers were seeking to wriggle out of a commitment, not just strongly backed but insisted upon by Tony Blair, that Europe produce 20% of its energy from renewable sources by 2020.

When they heard the talk of "severe practical difficulties in hitting the target" or watched the energy minister Malcolm Wicks say that other European countries could do a bit of Britain's heavy lifting, green groups heard the voice of Theoden's treacherous servant Wormtongue, not that of people ready to stand up and fight.

Ministers say this is an unfair picture of what is happening. They argue that next month's climate change bill putting ministers under an obligation to cut carbon emissions, coupled with reforms of the planning laws to allow more wind farms to be built, show that they are tackling the issue head on, but that it will take time to reach the 20% renewables target from such a low base.

Groups such as Friends of the Earth say this is poppycock, and that Labour lacks any real ambition when it comes to climate change. Ever since Blair signed up to the 20% target, the UK has been trying to water it down. Investing tens of billions of pounds in a new generation of nuclear power stations has an opportunity cost, the green groups say: there is less to invest in wind, solar and tidal power.

Blind faith

The green lobby's criticism has a ring of truth. Ministers like to boast that Britain is one of the few countries to meet its Kyoto target for emissions, but fail to add that the only reason it is doing so is that the benchmark year for Kyoto was 1990. All the cuts in emissions were in the years before Labour took over in 1997, and they were caused by the Tories shutting down Britain's coal mines. Since Labour came to power, emissions are up.

All is not lost. It may be that ministers will defy their critics and come up with a truly radical package of measures that puts Britain on course to cut CO₂ emissions by a minimum of 60% by 2050. This will not be achieved, however, through the government's current twin strategy of nuclear power and blind faith in the European carbon trading scheme.

So what more could the government do? Here are two suggestions for ministers to run with, both of which have the advantage of helping to resolve other burning political issues.

One concerns the EU budget, which was a bugbear for Brown in his time as chancellor and which, at Britain's insistence, is undergoing a wide-ranging review covering all aspects of saving. As a paper from the Green Alliance points out, the EU accounts for only around 2.5% of public expenditure across Europe, and is concentrated in two areas - agriculture and structural and cohesion funds. Shifting resources from agriculture to infrastructure has a superficial attraction, but, as Stephen Hale, director of the Green Alliance, points out, it is not especially green. Why?

First, it is likely that the bit of the Common Agricultural Policy that will really suffer is money for rural development and environmental projects, not the giant agri-businesses. Second, the extra money for the structural and cohesion funds is being earmarked for trans-European networks and carbon-intensive energy infrastructure in eastern Europe, both of which are likely to accelerate global warming.

Instead, Hale argues, a dedicated low-carbon fund should be set up for Europe's energy and infrastructure, money set aside for carbon capture and storage, extra funds for research in green technologies, a sovereign investment fund to help move China and India towards low-carbon economies, and a budget to help the poorest countries adapt to climate change.

This ought to be a no-brainer for Brown. Not only would it put EU money to far better use, it would provide him with a way of showing that Europe can deliver.

An alternative proposal, suggested by the environmentalist Colin Hines, is for what he calls a "Green New Deal". In the wake of the run on Northern Rock, the government, Hines says, could restore confidence and cut carbon emissions by setting up a safe haven for savings, be they in banks or pension funds, that would then be used to kickstart a massive public and private works programme to cut energy use.

"At its centre," Hines says, "could be a huge programme to make the nation's buildings energy-efficient while encouraging the use of renewables such as solar PV [photovoltaic] and wind to meet a new national goal of 'every building a power station'. Local authority bonds could be the vehicle, and like the trillion-dollar US municipal bond market, profits on investment in such infrastructure should be tax free. Cautious savers could also be given a £100,000 money-back guarantee as was granted to Northern Rock."

The prospect of either of these proposals being taken up by the government appears slim. It was Blair who, amid Treasury misgivings, put global warming on the agenda for the Gleneagles summit in tandem with reducing poverty in Africa. Brown's interest in environmental issues has, at best, been lukewarm.

Stark choice

Indeed, one way to characterise the government's approach to climate change is to compare it to that of the Chamberlain government in the late 1930s. Once it became clear that Britain really could not do business with Hitler, rearmament began, but the process was half-hearted.

Right up until the moment war was declared, Chamberlain hoped something would turn up, that somebody else, Stalin perhaps, would do Britain's dirty work for it. And, to be fair, he had public opinion with him. There was scant appetite in the Britain of late 1938 or early 1939 for war with Germany, just as there is now no great clamour from the public for the lifestyle changes that would be necessary to make the sort of drastic cuts in greenhouse gas emissions that Stern and others say are needed.

There has been nothing over the past 12 months since the Stern report was published to suggest that the need for action is less pressing. Far from it. The floods in the UK in the summer and the forest fires in Greece and now California have added to the weight of evidence about the dangers of climate change.

The government has a choice, a very stark choice. It should be aware, though, that when it comes to climate change appeasement makes no more long-term sense than it did at Munich in 1938.

larry.elliott@guardian.co.uk

guardian.co.uk © Guardian News and Media Limited 2008