

Climate change

Hot under the collar

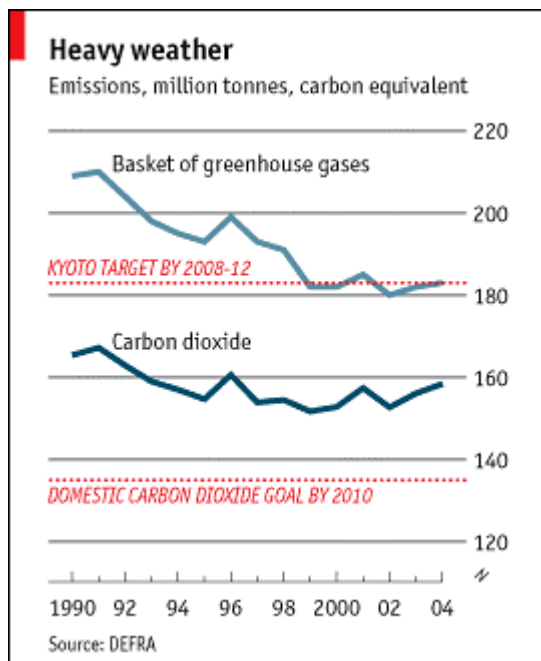
Nov 17th 2005

From The Economist print edition

Britain has had an easy ride on cutting carbon emissions. Not any more

ONE of the Labour Party's many transformations during Tony Blair's leadership was its conversion to environmentalism. A party with its roots in dirty, heavy industry such as coal-mines and blast-furnaces presented itself as an eco-friendly guardian of the planet's future. The most visible form of this was a commitment, in Labour's 1997 manifesto, to cut 20% off British greenhouse-gas emissions by 2010 compared with their 1990 levels. That went above and beyond the 12.5% required by the Kyoto treaty.

This pledge has been repeated as recently as the last election, but the promises have not stood up to reality. Since 1999, British greenhouse-gas emissions have been broadly unchanged. Disillusionment among environmentalists has gradually given way to an anger which found an attention-grabbing means of expression this week, when Greenpeace dumped a lorry-load of coal outside Downing Street. Stephen Tindale, its boss and a former government adviser, accused Mr Blair of empty rhetoric. The WWF went further, claiming that Mr Blair's policies sounded identical to those of George Bush—the eco-worrier's nastiest insult.



So far, Britain has had an easy ride cutting emissions. The rhythm of technological change and relatively painless policy choices have helped put the country on course to meet its Kyoto obligations. In an attempt to rescue the 20% target, ministers have ordered a policy review, which the *Guardian* obtained this week. The review, to be formally published next year, acknowledged that cutting emissions further will be hard.

Power generation is a good example of why. The government's "flagship policy" on climate change has been to offer subsidies to renewable energy. But much of the cut in emissions predates these handouts and owed more to economy than ecology. Newly liberalised electricity firms replaced old, dirty coal-fired power plants with new, clean gas-fired ones in the "dash for gas" in the 1990s because they were cheaper, not because they were cleaner—that was just a happy coincidence. Indeed, part of the reason for modest emissions rises in the past two years is that high gas prices have prompted some companies to switch back to coal.

More gas power plants (and possibly nuclear ones, too) will eventually be built, but not fast enough to rescue the government from its difficulties. Renewables will help, too, but wind farms are often unpopular with local residents, and with the public finances looking sickly, call for an extravagant subsidy (forecast to reach £1 billion—\$1.72 billion—a year by 2010).

Industry already bears the brunt of Britain's climate commitments through the Climate Change Levy, a tax on energy use, and the European Emissions Trading Scheme (ETS), which allocates tradable emissions limits for firms. Introducing new restrictions will be politically difficult. Ministers tacitly acknowledged as much last year, when they bowed to industry pressure to seek a rise in Britain's European emissions allowances.

So, too, in transport, where emissions have risen by 10% since 1990 and which now accounts for a quarter of Britain's greenhouse-gas output. Most of the emissions come from road transport, but motorists face only weak incentives to buy carbon-friendly cars (the difference in road tax between the most and least efficient is only £115 a year). Labour has been scared of the road lobby ever since the fuel protests of 2000, which brought the country to a halt and ended the policy of annual fuel-tax rises—the one measure that might curb emissions. Ministers says they want to bring airlines into the ETS, but that would require Europe-wide co-operation.

Many greens pin their hopes on energy efficiency. Many people have already installed insulation and double-glazing, but more is to be done. Higher efficiency standards for new buildings will help, but will take many decades to affect the overall efficiency of Britain's dwellings and workplaces. Other savings from conservation tend to call for new habits, which William Blyth, an environmental analyst at Chatham House, reckons will make them difficult to realise. "People dislike the idea of changing their behaviour for an abstract idea," he says. "They like having the problem taken out of their hands." Others worry about the "rebound effect"—that, while conservation saves money, the gains are spent on such polluting activities as, say, holidaying abroad, which offset much of the environmental benefit. Mr Blair's domestic reputation is not the only thing at stake. He has been using Britain's presidency of the G8 rich nations' club to harangue other global leaders on the need for a successor treaty to Kyoto. Preliminary discussions are due to begin later this month at a summit in Montreal. If Mr Blair cannot present a plausible plan to meet his domestic goals, he will be robbed of international credibility.

That would be a blow for the prime minister, who is keen to play a part in the delicate negotiations for a new treaty. Besides, a lack of progress in the talks (which could outlast Mr Blair's premiership) would make it harder for him to impose the policies he needs to defend his domestic targets. Businesses will object to strict regulations without the prospect of their international competitors in America, China and India knuckling under. **And while the public claims to be worried about climate change, its concern runs only so deep. A recent poll from the Stockholm Network, a group of European think-tanks, found that while 94% of Britons thought climate change was important, 62% put economic growth before carbon reduction. In other words, a unilateral carbon-reduction policy is unworkable.**

A draft document is not the same thing as government policy, but the signs are not encouraging. The review has 58 separate recommendations, making it seem more a set of quick fixes than a coherent policy. These range from the sensible, but difficult (tightening ETS allocations) to gimmicks (stricter enforcement of speed limits on motorways). The draft admits that, even if all of them are adopted, Britain may still miss its target. Mr Blair has been an evangelist on climate change. Now comes the big test of his resolve.