

Energy security is greatest worry, not climate change

By Dan Lewis
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Britons fear global terrorism far more than climate change, a sensible assessment which should be reflected in energy policy. Today's major terrorist threat – Islamic fascism – is ultimately funded by what many wrongly perceive to be the greatest environmental threat – oil. Only by putting energy security ahead of environmental concerns can we achieve worldwide democracy and the cleaner, cheaper and more bountiful energy that the world demands.

It is an inconvenient truth for Britain's commentariat that voters don't agree with Sir David King or Al Gore that Climate Change is the greatest threat to our existence. **According to a poll conducted by Populus for the Stockholm Network, it ranked fourth after international terrorism, third world disease and third world debt and poverty. With this July's heatwave now a distant memory, we find ourselves in the midst of a chilly, dark August and a failed terrorist plot unimaginably sinister in its scope.**

Only two weeks ago, a Spectator/YouGov poll suggested that Britons' views on terrorism are hardening. There is indeed wisdom in crowds that recognise scientists' complete inability to predict Britain's wettest May in 27 years, the coldest February and March for nine years and August daily sunlight hours running at less than 50% of the average. The same people however have clearly discerned a tangibly deteriorating security situation and are resentful of rising energy prices. Energy security – keeping the lights on and the country moving – is therefore a crucial objective. Britain's indigenous oil and gas supplies in the North Sea are running out and nuclear and coal plants – around 60% of our electricity generation – face decommissioning in the next 15 years. The worrying economic backdrop is that the price of oil has reached a new comfort zone at above \$70 a barrel. At the same time, Western soldiers most often face an enemy ideologically trained by extremist Madrassahs funded by Middle Eastern petrodollars. Yet we refuse point blank to face up to the root cause of our security woes: the annual transfer of billions of dollars to pay for our energy resources to nations who then use these funds to undermine liberal democracy abroad and prop up their authoritarian states at home. As the price of oil has tripled in the last few years, this situation has worsened in countries like Iran, Russia, Saudia Arabia and Venezuela. If oil were, say \$15 a barrel, Iran almost certainly could not afford simultaneously to finance a nuclear weapons programme, the funding and arming of Hezbollah and Shiite militias and run the risk of crippling UN trade sanctions. It is also highly likely that such low oil prices would create massive levels of unemployment which would inexorably ferment unrest, possibly a revolution, making them far more responsive to both diplomatic and domestic pressure for reform, and eventually democracy and real prosperity.

Sadly for democracy, the oil price has gone the other way. Today's reality has been interpreted by the American best-selling author Thomas Friedman as "The First Law of Petropolitics". There is an inverse relationship between the price of oil and the pace of freedom. It is to this deteriorating background that the Economic Research Council published "The New Economics of Energy Security" by Sir Bernard Ingham, Professor Colin Robinson and Dr Eileen Marshall to explore how Britain could achieve Energy Security at a reasonable cost.

There is a good case for much more use of nuclear and renewables if the price is right. The irony of the Iraq War is that although the associated instability has raised oil prices, it in turn has led to an investment boom in alternative and nuclear energy which would not otherwise have happened to the same extent. Meanwhile, Brits are now looking across the channel and noting how there is no energy crisis and no record price increases in France where 75-80% of electricity is generated by nuclear power.

The ultimate benchmark for the success of alternative energy will have to be that it serves to reduce demand for oil and bring its price down, which would cut funding for many terrorist groups. In the shorter term however, Britain will not reap the benefit of greater energy security without substantial liberalisation of Europe's energy markets. As the UK finds itself at the wrong end of the gas pipeline, it will continue to suffer the highest gas prices in Europe. A major effort has to be made in Europe to accelerate cross-border trade in gas, creating greater liquidity and a stable price. Sadly, too, many of our politicians tiptoe around the relationship between oil, terrorism and the environment. Instead they are investing themselves in marginal if not irrelevant solutions like energy efficiency or distributed generation, which involves thousands of small power plants instead of a few large-scale ones. But the right way forward for the UK is a much greater emphasis on nuclear and alternative energy sources, a heavy dose of climate realism and liberalisation of the European energy markets. Only then will UK consumers have secure energy supplies.

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