

# I was wrong about big business

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Corporations are ready to act on global warming but thwarted by ministers who resist regulation in the name of the market

**C**limate-change denial has gone through four stages. First the fossil-fuel lobbyists told us that global warming was a myth. Then they agreed that it was happening, but insisted that it was a good thing: we could grow wine in the Pennines and take Mediterranean holidays in Skegness. Then they admitted that the bad effects outweighed the good ones, but claimed that climate change would cost more to tackle than to tolerate. Now they have reached stage four. They concede that climate change would be cheaper to address than to neglect, but maintain that it's now too late. This is their most persuasive argument.

Today the climatologists at the Snow and Ice Data Centre in Colorado will publish the results of the latest satellite survey of Arctic sea ice. It looks as if this month's coverage will be the lowest ever recorded. The Arctic, they warn, could already have reached tipping point – the moment beyond which the warming becomes irreversible. As ice disappears, the surface of the sea becomes darker, absorbing more heat. Less ice forms, so the sea becomes darker still, and so it goes on.

Last month, *New Scientist* reported that something similar is happening in Siberia. For the first time on record, the permafrost of western Siberia is melting. As it does so, it releases the methane stored in the peat. Methane has 20 times the greenhouse warming effect of carbon dioxide. The more gas the peat releases, the warmer the world becomes, and the more the permafrost melts.

Two weeks ago, scientists at Cranfield University discovered that the soils in the UK

have been losing the carbon they contain; as temperatures rise, the decomposition of organic matter accelerates, which causes more warming, which causes more decomposition. Already the soil in this country has released enough carbon dioxide to counteract the emissions cuts we have made since 1990.

These are examples of positive feedback: self-reinforcing effects that, once started, are hard to stop. They are kicking in long before they were supposed to. The intergovernmental panel on climate change, which predicts how far the world's temperature is likely to rise, hasn't yet had time to include them in its calculations. The current forecast – of 1.4C to 5.8C this century – is almost certainly too low.

A week ago, I would have said that if it is too late, then one factor above all others is to blame: the chokehold that big business has on economic policy. By forbidding governments to intervene effectively in the market, the corporations oblige us to do nothing but stand by and watch as the planet cooks. But last Wednesday I discovered that it isn't quite that simple. At a conference organised by the Building Research Establishment, I witnessed an extraordinary thing: companies demanding tougher regulations – and the government refusing to grant them.

Environmental managers from BT and John Lewis (which owns Waitrose) complained that, without tighter standards that everyone has to conform to, their companies put themselves at a disadvantage if they try to go green. "All that counts," the man from John Lewis said, "is cost, cost and cost." If he's buying ecofriendly lighting and his competitors aren't, he loses. As a result, he said, "I welcome the EU's energy performance of buildings directive, as it will force retailers to take these issues seriously". Yes, I heard the cry of the unicorn: a corporate executive welcoming a European directive.

And from the government? Nothing. Elliot Morley, the minister for climate change, proposed to do as little as he could get away with. The officials from the Department of Trade and Industry, to a collective groan from the men in suits, insisted that the measures some of the companies wanted would be "an unwarranted intervention in the market".

It was unspeakably frustrating. The suits had come to unveil technologies of the kind that really could save the planet. The architects Atelier Ten had designed a cooling system based on the galleries of a termite mound. By installing a concrete labyrinth in the foundations, they could keep even a large building in a hot place – such as the arts centre that they had built in Melbourne – at a constant temperature without air conditioning. The only power they needed was to drive the fans pushing the cold air upwards, using 10% of the electricity required for normal cooling systems.

The man from a company called PB Power explained how the four megawatts of

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waste heat poured into the Thames by the gas-fired power station at Barking could be used to warm the surrounding homes. A firm called XCO2 has designed a virtually silent wind turbine, which hangs, like a clothes hoist, from a vertical axis. It can be installed in the middle of a city without upsetting anyone.

These three technologies alone could cut millions of tonnes of emissions without causing any decline in our quality of life. Like hundreds of others, they are ready to be deployed immediately and almost universally. But they won't be widely used until the government acts; it remains cheaper for companies to install the old technologies. And the government won't act, because to do so would be "an unwarranted intervention in the market".

This was not, I now discover, the first time that the corporations have demanded regulation. In January the chairman of Shell, Lord Oxburgh, insisted that "governments in developed countries need to introduce taxes, regulations or plans ... to increase the cost of emitting carbon dioxide". He listed the technologies required to replace fossil fuels, and remarked that "none of this is going to happen if the market is left to itself". In August the heads of United Utilities, British Gas, Scottish Power and the National Grid joined Friends of the Earth and Greenpeace in calling for "tougher regulations for the built environment".

So much for the perpetual demand of the thinktanks to "get government off the backs of business". Any firm that wants to develop the new technologies wants tough new rules. It is regulation that creates the market.

So why won't the government act? Because it is siding with the dirty companies against the clean ones. Deregulation has become the test of its manhood: the sign that it has put the bad old days of economic planning behind it. Sir David Arculus, the man appointed by Tony Blair to run the government's Better Regulation Task Force, is also deputy chairman of the Confederation of British Industry, the shrillest exponents of the need to put the market ahead of society. It is hard to think of a more blatant conflict of interest.

I don't believe it is yet too late to minimise climate change. Most of the evidence suggests we could still stop the ecosystem melting down, but only by cutting greenhouse gases by about 80% before 2030. I'm working on a book showing how this can be done, technically and politically. But it has now become clear to me that the obstacle is not the market but the government, waving a dog-eared treatise that proves some point in a debate the rest of the world has forgotten.