

THE BUSINESS OF GOVERNING CLIMATE CHANGE

Professor Peter Newell, UEA and
ECI James Martin 21st Century School Fellow

The 2008 Linacre Lectures:
"Climate governance beyond
the nation state: how business,
the arts, and cities are
responding to climate change"

Wk 1: "A new politics? Governing
climate change beyond the state"
Dr Harriet Bulkeley, Durham
University

Wk 2: "Multinational corporations and
the changing landscape of climate
accountability."
Mr Geoff Lye, Vice-Chairman,
SustainAbility

Wk 3: "The business of governing
climate change"
Prof Peter Newell, ECI and James
Martin 21st Century School

Wk 4: "Financing the transition to a
low carbon economy"
Mr Nick Robins, HSBC

Wk 5: "Catalyzing the business
response"
Mr Mark Kenber, The Climate Group

Wk 6: "Good planets are hard to
find: a cultural response to climate
change"
Mr David Buckland, Cape Farewell

Wk 7: "Managing our civilisation's
greatest challenge: the roles
of governments, private sector,
academics and individuals."
Prof Sir David King, Director,
Smith School of Enterprise and the
Environment

Recent Publications by
Professor Peter Newell

Rights, Resources and the Politics of
Accountability London: Zed Books,
Co-edited with Joanna Wheeler,
2006.

The Business of Global
Environmental Governance
Cambridge MA: MIT press Co-edited
with David Levy, 2005.

Edited special issue of Third
World Quarterly on 'Beyond CSR?
Business, Poverty and Social Justice'
Vol.28 No.4 2007.

The third Linacre lecture was given by Peter Newell, Professor of Development Studies at the University of East Anglia and James Martin 21st Century Research Fellow at the Environmental Change Institute. Peter's talk followed on the themes of earlier talks in the series by Harriet Bulkeley and Geoff Lye by emphasising the role of non-state actors in tackling climate change and in particular the shifting nature of business response to climate change. He examined the political role of business in the climate change governance regime by looking at: (1) the changing way that climate change is governed at different levels of political authority; (2) the role that business is playing in these emerging patterns of governance; and (3) the effect of business governance on our ability to deliver effective action on climate change.

Peter began by describing the way in which climate change has evolved from an international problem with an international response to a de-centralised one where multiple agents are active in the governance of climate change. This has led to a new wave of governance with private actors performing government like functions to tackle the issue, including: NGO-business partnerships, voluntary carbon standards, and voluntary commitments by business.

He suggested that these shifts in climate governance bring new challenges and questions: who is keeping count of the disaggregated commitments and actions; who verifies the progress being made; what standards exist; who takes part and who doesn't; and ultimately, is government avoiding their own responsibility to tackle climate change?

Moving into the second part of his talk Peter addressed the specific role of business in climate governance. The dynamic between corporate strategy and regulation is continually

evolving as companies adapt to new directives and at the same time drive new regulation. He described business as the main actor which will implement and finance the technologies, regulation, and investment required for a low carbon future. To achieve this Peter believes that business push to make their voice heard and they do this through a number of channels aimed at garnering power and influence.

These were classified by Peter in three ways:

- through **material power**: a role in employment and taxation; control over production processes and technology;
- **institutionally**: donations to political parties; access to government decision-making bodies;
- **discursively**: advertising and social networks; ownership and influence within the media.

Using this power business has been increasingly engaged with the issue of climate change, but Peter stressed that we cannot afford to leave it to business alone to deliver effective action. He believes that the markets cannot fully deal with the distributional issues and enforcement needed to tackle climate change and we cannot rely on them always having incentives to respond when many stand to lose from action on climate change.

To conclude, Peter proposed that business will continue to be a key actor in tackling climate change as no regime can succeed politically without the support of major corporate players. At the moment institutions are geared towards business friendly solutions but it remains to be seen whether current market 'winners' can also be at the forefront of tackling the root causes of the problem. He ended his talk by suggesting that private and market-based forms of governance need to be opened up to more democratic scrutiny to give a voice inside the political arena to all those most affected by climate change.